

CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

SEPTEMBER 17, 2018

Council Chamber

Regular Session

7:00 PM

FIRST FLOOR OF CITY HALL
7008 S. RICE AVENUE
BELLAIRE, TX 77401



Mayor

Andrew S. Friedberg

Mayor Pro Tem

Gus E. Pappas

Council Member

Neil Verma

Council Member

Trisha S. Pollard

Council Member

Pat B. McLaughlan

Council Member

Michael Fife

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 P.M.

- A. Call to Order - Andrew S. Friedberg, Mayor.**
- B. Announcement of a Quorum - Andrew S. Friedberg, Mayor.**
- C. Inspirational Reading and/or Invocation - Michael Fife, Council Member.**
- D. Pledges to The Flags - Michael Fife, 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.

I. FIRE DEPARTMENT BADGE PINNING CEREMONY

Badge Pinning Ceremony for Deacon Tittel, Fire Chief, and Davis Farquhar, Fire Shift Commander, including Bellaire Fire Department Honor Guard processional, reading of proclamations, and presentation and pinning of their official badges by members of their families.

II. 2018 TAX ROLL AND PROPERTY TAX RATES**A. Certified 2018 Tax Roll and Property Tax Rates.**

Presentation, consideration, and acceptance of the submittal of the "Certified 2018 Tax Roll and the 2018 Property Tax Rates in the City of Bellaire, Texas" - Presented and submitted by Terrence Beaman, Chief Financial Officer.

B. Proposed Tax Rate.

Consideration of and possible action to propose a tax rate for the City of Bellaire, Texas, for Tax Year 2018 of \$0.4313 per \$100 valuation, and to establish public hearing dates if applicable as required by State law - Submitted by Terrence Beaman, Chief Financial Officer.

III. REGULAR MEETING**A. Mayor's Address on Sidewalks.**

The mayor will address City Council and the public on the subject of sidewalks, including an historical overview, current process and his recommendations moving forward - Submitted by Andrew S. Friedberg, Mayor.

B. Approval or Correction of Minutes.

Consideration of and possible action on the adoption of the minutes of the City Council of the City of

Bellaire, Texas, for the Regular Session held on Monday, August 6, 2018; and the Special Session held on Monday, August 13, 2018 - Submitted by Tracy L. Dutton, City Clerk.

1. Mayor and Council - Regular Session - Aug 6, 2018 7:00 PM
2. Mayor and Council - Special Session - Aug 13, 2018 6:00 PM

C. Personal/Audience Comments.

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.]

D. Reports and Presentations:

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. Monthly Financial Report for the Period Ending July 31, 2018 - Submitted by Terrence Beaman, Chief Financial Officer.

E. New Business:

Adoption of Ordinances:

1. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the issuance of City of Bellaire, Texas (Harris County, Texas), General Obligation Refunding Bonds, Series 2018A, in an amount not to exceed \$13,175,000; specifying the terms and features of said refunding bonds; establishing certain parameters for the sale of said bonds; and enacting provisions incident and related to the issuance, delivery, and payment of a security for said bonds - Submitted by Terrence Beaman, Chief Financial Officer.

2. Consideration of and possible action on the adoption, by record vote, of the budget of the City of Bellaire, Texas, for the fiscal year beginning October 1, 2018, and ending September 30, 2019 ("FY 2019"), and appropriating the several sums set up therein to the objects and purposes therein named - Submitted by Terrence Beaman, Chief Financial Officer.
3. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager of the City of Bellaire, Texas, to execute, for and on behalf of the City of Bellaire, Texas a License, Use, and Development Agreement by and among the City of Bellaire, Texas, Sagstex Investments, LP, and Wolfie's Swim School, LLC, for the use of city property within the right-of-way generally located between 5200 and 5230 Cedar Street for commercial parking - Submitted by ChaVonne Sampson, Director of Development Services.
4. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with RAC Industries, LLC, for the provision of all services, materials, incidentals, and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$1,498,538.60 – Submitted by Michael Leech, Director of Public Works.
5. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with ARKK Engineers, LLC, for the provision of construction management services for the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$123,350.00 - Submitted by Michael Leech, Director of Public Works.

F. Item for Individual Consideration:

Consideration of and possible action on the selection of Trustees for Places 11-14 to serve on the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) Board of Trustees for a six-year term commencing on October 1, 2018, and ending September 30, 2024 - Submitted by Tracy L. Dutton, City Clerk, on behalf of the TMLIRP.

G. Community Interest Items from the Mayor and 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, Section 551.0415.

H. Adjourn.

Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM
Department: City Manager's Office
Category: Presentation
Department Head: Cheryl Bright
DOC ID: 2637

SCHEDULED**PROCLAMATION (ID # 2637)**

Item Title:

Badge Pinning Ceremony for Deacon Tittel, Fire Chief, and Davis Farquhar, Fire Shift Commander, including Bellaire Fire Department Honor Guard processional, reading of proclamations, and presentation and pinning of their official badges by members of their families.

Background/Summary:

Firefighting has a rich history which is reflected in the firefighter badge. Badge pinning is a proud tradition within fire departments, signifying the introduction of department members to their new duties. This will also be an opportunity to introduce the new members to the city officials and community.

Family members of each firefighter will be asked to perform the badge pinning after the proclamations have been presented.

Previous Council Action Summary:

A badge pinning ceremony was held in September 2016 for Donald Elmer, Firefighter/Paramedic.

Fiscal Impact:

N/A

Recommendation:

Cheryl Bright, Community Relations Administrator, recommends the City Council of the City of Bellaire recognize this milestone and presentation.

ATTACHMENTS:

- Badge Pinning Ceremony - Fire Chief Deacon Tittel (PDF)
- Badge Pinning Ceremony - Fire Shift Commander Davis Farquhar (PDF)

City of Bellaire, Texas



Proclamation

Whereas, Deacon Tittel has been promoted to, and has assumed the role and responsibilities of the position of Fire Chief for the City of Bellaire, Texas; and

Whereas, Chief Tittel began his career with the Bellaire Fire Department in June 2000 and has steadily risen through the ranks from Firefighter/Paramedic to Lieutenant, Commander, and now Fire Chief; and

Whereas, the Bellaire Fire Department has formalized Chief Tittel's promotion with a special Badge Pinning Ceremony; and

Whereas, the citizens of Bellaire join with our Fire Department in celebrating Chief Tittel's accomplishments and are grateful for his service in the protection of lives and property in our community;

Now, Therefore, I, **Andrew S. Friedberg, Mayor of the City of Bellaire, Texas**, do hereby recognize and congratulate

Fire Chief Deacon Tittel

on the occasion of his Badge Pinning Ceremony and express our community's appreciation for his conscientious, dedicated and selfless service to our citizens.

In Witness Whereof, I have hereunto set my hand and caused the seal of the City of Bellaire, Texas, to be affixed this 17th day of September, 2018.



Andrew S. Friedberg
Mayor
City of Bellaire, Texas

City of Bellaire, Texas



Proclamation

Whereas, Davis Farquhar has been promoted to, and has assumed the role and responsibilities of the position of Fire Shift Commander for the City of Bellaire, Texas; and

Whereas, Commander Farquhar began his career with the Bellaire Fire Department in August 2005 and has steadily risen through the ranks from Firefighter/Paramedic to Lieutenant, and now Commander; and

Whereas, the Bellaire Fire Department has formalized Commander Farquhar's promotion with a special Badge Pinning Ceremony; and

Whereas, the citizens of Bellaire join with our Fire Department in celebrating Commander Farquhar's accomplishments and are grateful for his service in the protection of lives and property in our community;

Now, Therefore, I, **Andrew S. Friedberg, Mayor of the City of Bellaire, Texas**, do hereby recognize and congratulate

Commander Davis Farquhar

on the occasion of his Badge Pinning Ceremony and express our community's appreciation for his conscientious, dedicated and selfless service to our citizens.

In Witness Whereof, I have hereunto set my hand and caused the seal of the City of Bellaire, Texas, to be affixed this 17th day of September, 2018.

Andrew S. Friedberg
Mayor
City of Bellaire, Texas



Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM
Department: Finance Administration
Category: Truth-In-Taxation
Department Head: Terrence Beaman
DOC ID: 2593

SCHEDULED**ACTION ITEM (ID # 2593)**

Item Title:

Presentation, consideration, and acceptance of the submittal of the "Certified 2018 Tax Roll and the 2018 Property Tax Rates in the City of Bellaire, Texas" - Presented and submitted by Terrence Beaman, Chief Financial Officer.

Background/Summary:

In accordance with Section 26.04 of the Texas Property Tax Code, the following items are presented for Council consideration.

Appraised Value	\$5,097,623,654
Total Exemptions	962,376,270
Total Taxable Value	4,135,247,384
Total Taxable Value of New Property	64,616,638
Total Taxable Value of Annexed Property	546,889

(Annexation value may include property added to your jurisdiction as the result of boundary adjustments in the GIS system and/or jurisdiction code corrections.)

Total Uncertified	\$660,035,920
Total Taxable/Uncertified Value	\$4,795,283,304

(Uncertified values consist of properties currently under protest; properties that haven't been valued as of date of certification; and properties that have been noticed yet to reach the 30-day period to protest prior to the certification date.)

Calculated Effective Tax Rate	\$0.4319/\$100
Calculated Rollback Tax Rate	\$0.4535/\$100

Historically the Harris county Appraisal District (HCAD) approaches the valuation method from a conservative standpoint, therefore the certified amount of \$4,795,283,304 is line with prior practices. Staff will continue to monitor updates to HCAD data as the HCAD Appraisal Review Board (ARB) meets on a regular basis to resolve disputes and certify more properties to better assist entities with projecting property tax revenue.

Based on the certified amount the property tax rate needed to generate the amount of revenue included in the FY 2019 proposed budget is \$0.4313 (\$0.2781 O&M and \$0.1532 Debt). When comparing the current rate of \$0.4159 (\$0.2678 M&O and \$0.1481 Debt) to the rate \$0.4313 which is needed to generate property tax revenues for M&O and Debt the following table shows the shortfall:

	<u>Proposed tax rate</u>	<u>Taxable Value</u>	<u>Proposed tax rate</u>	<u>Taxable Value</u>	<u>Difference</u>
		4,795,283,304		4,795,283,304	
M&O	0.2781	13,335,682.87	0.2627	12,597,209.24	738,473.63
Debt	0.1532	7,346,374.02	0.1532	7,346,374.02	-
Total	0.4313	20,682,056.89	0.4159	19,943,583.26	738,473.63

Based on the above referenced table, if Council were to adopt a property tax rate that is the same as the current rate, the M&O property tax revenue would be short by \$738,474 as the debt rate statutorily must increase to \$0.1532 to provide enough property tax revenues to meet the City's annual debt obligation. As a result of the debt requirement of \$0.1532, the M&O rate would need to be set at \$0.2627 to keep the current tax rate of \$0.4159 in place.

The City has received the certified roll as stated above and the assessed valuation is less than the preliminary roll. As a result, the proposed tax rate for your approval tonight has increased to the nominal rate of \$0.4313 (\$0.1532 debt service and \$0.2781 M&O). This is the tax rate needed to support the FY 2019 recommended budget. A rate adopted less than the proposed nominal rate of \$0.4313 will generate less revenues (sources) for the FY 2019 budget and will require a reduction in expenditures (uses) which may have service delivery impacts.

Beginning in Spring 2018 during the Council retreat, staff presented a 5-year fiscal forecast that assumes "no" new M&O property tax revenues related to "existing properties" and the proposed rate of \$0.4313 follows that assumption as the proposed FY 2019 budget for M&O property tax revenues includes no increase from existing properties.

To maintain the service levels incorporated in the budget presented to Council July 16, the recommendation would be for Council to approve and adopt the proposed tax rate before you tonight based on the certified roll information provided by HCAD.

Based on Truth and Taxation tax law, if the City adopts a rate that is equal or lower than the effective rate (\$0.4319) or the rollback rate (\$0.4535), whichever is lower, the City is not required to conduct a public hearing.

Therefore, the next steps if Council reviews and accepts the proposed nominal rate of \$0.4313 would be to publish said information in the local paper which is planned for Tuesday, September 18, 2018.

A decision is needed today to ensure we meet the deadlines required by Truth and Taxation laws.

Previous Council Action Summary:

N/A

Fiscal Impact

N/A

Recommendation:

The Chief Financial Officer recommends acceptance of the submitted 2018 Tax Roll and the calculated Effective Tax Rate and Rollback Tax Rate.

ATTACHMENTS:

- Agenda 9-17-18 back up (PDF)
- Planning Calendar FINAL (PDF)
- Notice (PDF)

City of Bellaire
Comparative Information from Certified Tax Rolls*
Tax Year 2018 vs. 2017

Description	Tax Year 2018	Tax Year 2017	% Change Current vs. Prior
Total Appraised Value	5,097,623,654	6,010,006,625	
Total Exemptions	(962,376,270)	(1,439,885,515)	
Total Taxable Value on Certified Roll (1)	4,135,247,384	4,570,121,110	
Total Taxable Value Under Protest or Not Certified (2)	660,035,920	324,688,114	
Total Taxable Value (including estimates)	<u>\$ 4,795,283,304</u>	<u>\$ 4,894,809,224</u>	-2.03%
(1) Includes the following values:			
Total Taxable Value of New Property	64,616,638	63,064,600	2.46%
Total Taxable Value of Annexed Property	546,889	631,400	-13.38%
(2) Includes the following <u>estimated</u> values:			
Taxable Value of Properties Under Protest	393,066,284	254,576,183	54.40%
Taxable Value of Properties Not Certified	266,969,636	70,111,931	280.78%
Number of Residential Units - Single Family (3)	6,203	6,210	-0.11%
Average Appraised Value per Residential Unit (3)	937,657	874,019	7.28%
Average Taxable Value per Residential Unit (3)	709,805	686,448	3.40%
(3) Includes certified <u>and</u> uncertified numbers			
Effective Tax Rate (per \$100)	0.4319	0.3864	11.78%
Rollback Rate (per \$100)	0.4535	0.4228	7.26%
Maximum Tax Rate before Notices & Public Hearings	0.4319	0.3864	11.78%

*Certified Rolls provided by Harris County Appraisal District (HCAD)

Attachment: Agenda 9-17-18 back up (2593 : 2018 Tax Roll & Truth in Taxation Calculations)

2018 Planning Calendar

City of Bellaire

Date: 09/11/2018 09:09 AM

Date	Activity
April-May	Mailing of notices of appraised value by chief appraiser.
April 30	The chief appraiser prepares and certifies to the tax assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value.
May 15	Deadline for submitting appraisal records to ARB.
July 20 (Aug. 30)	Deadline for ARB to approve appraisal records.
July 25	Deadline for chief appraiser to certify rolls to taxing units.
August 13, 2018	Certification of anticipated collection rate by collector.
August 24, 2018	Calculation of effective and rollback tax rates.
September 17, 2018	Submission of effective and rollback tax rates to governing body.
September 14, 2018	72-hour notice for meeting (<i>Open Meetings Notice</i>).
September 17, 2018	Meeting of governing body to discuss tax rate; if proposed rate tax rate will exceed the rollback rate or the effective tax rate (whichever is lower), take record vote and schedule public hearing.
September 18, 2018	Publish the Notice of Property Tax Rates by September 1 or the 30th day after the first date that the taxing unit has received each applicable certified appraisal roll. Notice must also be posted on the municipality's website.
	72-hour notice for public hearing (<i>Open Meetings Notice</i>)
	Public hearing.
	72-hour notice for second public hearing (<i>Open Meetings Notice</i>)
	Second public hearing (may not be earlier than 3 days after first public hearing); schedule and announce meeting to adopt tax rate 3-14 days from this date.
September 28, 2018	72-hour notice for meeting at which governing body will adopt tax rate (<i>Open Meetings Notice</i>)
October 1, 2018	Meeting to adopt tax rate. Meeting is 3 to 14 days after second public hearing. Taxing unit must adopt tax rate by Sept. 30* or 60 days after receiving certified appraisal roll, whichever is later.

*Tax Code Section 81.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day

Attachment: Planning Calendar FINAL (2593 : 2018 Tax Roll & Truth in Taxation Calculations)

NOTICE OF 2018 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF BELLAIRE

2.A.3

A tax rate of \$0.4313 per \$100 valuation has been proposed by the governing body of City of Bellaire.

PROPOSED TAX RATE	\$0.4313 per \$100
PRECEDING YEAR'S TAX RATE	\$0.4159 per \$100
EFFECTIVE TAX RATE	\$0.4319 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Bellaire from the same properties in both the 2017 tax year and the 2018 tax year.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS
FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Ann Harris Bennett
Harris County Tax Assessor-Collector
1001 Preston, Houston TX 77002
7132748000
tax.office@tax.hctx.net
www.hctx.net

Attachment: Notice (2593 : 2018 Tax Roll & Truth in Taxation Calculations)

Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM
Department: Finance Administration
Category: Truth-In-Taxation
Department Head: Terrence Beaman
DOC ID: 2691

SCHEDULED**ACTION ITEM (ID # 2691)**

Item Title:

Consideration of and possible action to propose a tax rate for the City of Bellaire, Texas, for Tax Year 2018 of \$0.4313 per \$100 valuation, and to establish public hearing dates if applicable as required by State law - Submitted by Terrence Beaman, Chief Financial Officer.

Background/Summary:

In accordance with Section 26.04 of the Texas Property Tax Code, the following items are presented for Council consideration.

Appraised Value	\$5,097,623,654
Total Exemptions	962,376,270
Total Taxable Value	4,135,247,384
Total Taxable Value of New Property	64,616,638
Total Taxable Value of Annexed Property	546,889

(Annexation value may include property added to your jurisdiction as the result of boundary adjustments in the GIS system and/or jurisdiction code corrections.)

Total Uncertified	\$660,035,920
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Total Taxable/Uncertified Value	\$4,795,283,304
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(Uncertified values consist of properties currently under protest; properties that haven't been valued as of date of certification; and properties that have been noticed yet to reach the 30-day period to protest prior to the certification date.)

Calculated Effective Tax Rate	\$0.4319/\$100
Calculated Rollback Tax Rate	\$0.4535/\$100

Based on the aforementioned certified roll information, CFO Beaman is recommending Council approve the proposed property tax rate of \$0.4313. This rate, if approved will generate enough property tax revenue in FY 2019 to fund all O&M operations as well as pay all City obligated debt.

A decision is needed today to ensure we meet the deadlines required by Truth and Taxation laws.

Previous Council Action Summary:

N/A

Fiscal Impact

\$20,578,646 in property tax revenues already included in the FY 2019 budget.

Recommendation:

CFO recommends approval of the proposed property tax rate of \$0.4313.

ATTACHMENTS:

- Notice (PDF)

NOTICE OF 2018 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF BELLAIRE

A tax rate of \$0.4313 per \$100 valuation has been proposed by the governing body of City of Bellaire.

PROPOSED TAX RATE	\$0.4313 per \$100
PRECEDING YEAR'S TAX RATE	\$0.4159 per \$100
EFFECTIVE TAX RATE	\$0.4319 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Bellaire from the same properties in both the 2017 tax year and the 2018 tax year.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS
FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Ann Harris Bennett
Harris County Tax Assessor-Collector
1001 Preston, Houston TX 77002
7132748000
tax.office@tax.hctx.net
www.hctx.net

Attachment: Notice (2691 : Record Vote on Proposed Tax Rate)



CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

AUGUST 6, 2018

Council Chamber

Regular Session

7:00 PM

FIRST FLOOR OF CITY HALL
7008 S. RICE AVENUE
BELLAIRE, TX 77401

REGULAR SESSION - 7:00 P.M.

A. Call to Order - Andrew S. Friedberg, Mayor.

Andrew S. Friedberg, Mayor, called the Regular Session of the City Council of the City of Bellaire, Texas, to order at 7:00 p.m. on Monday, August 6, 2018. The Regular Session was held in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401-4411.

B. Announcement of a Quorum - Andrew S. Friedberg, Mayor.

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

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

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

C. Inspirational Reading and/or Invocation - Gus E. Pappas, Mayor Pro Tem.

Gus E. Pappas, Mayor Pro Tem, provided the inspirational reading for the evening.

D. Pledges to The Flags - Gus E. Pappas, Mayor Pro Tem.

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

Minutes Acceptance: Minutes of Aug 6, 2018 7:00 PM (Approval or Correction of Minutes.)

E. Special Presentation by Harris County Judge Ed Emmett:

Presentation by Harris County Judge Ed Emmett regarding the 2018 Harris County Flood Control District Bond Program and Special Election to be held on Saturday, August 25, 2018, regarding the proposed issuance of \$2.5 billion in bonds for flood risk reduction projects throughout Harris County.

Mayor Friedberg read the caption and recognized and thanked Council Member Trisha S. Pollard for initially extending the invitation and Harris County Judge Ed Emmett for accepting the invitation.

Harris County Judge Ed Emmett provided an overview of the 2018 Harris County Flood Control District Bond Program and Special Election for the proposed issuance of \$2.5 billion in bonds for flood risk reduction projects throughout Harris County. He noted that of the \$2.5 billion, \$700 to \$900 million would be used to draw down federal dollars at a 3 to 1 match. The overall funding (\$4.5 to \$5.0 billion) was not enough to floodproof our community. The goal was to remove as many people out of harm's way as possible.

Judge Emmett advised that there were over 200 projects that would be funded from the bond proceeds. The earliest project to receive funding would be the Brays Project as it had been designed and ready to go for years.

Judge Emmett also advised that the proposed bond issuance would help kickstart and prioritize making the community safer and more resilient. According to Harris County's Finance Department, the average property tax increase in the first year would be \$5. By the fifteenth year, the average increase would be approximately \$53.

In closing, Judge Emmett advised that the date selected for the election was August 25, 2018, which was the one-year anniversary of Harvey. It was noted that early voting started August 8, 2018.

Mayor Friedberg thanked Judge Emmett for speaking about this important election and referenced the Harris County Flood Control District website which had an interactive map to zoom in to the areas of interest to residents.

F. Recognition of Proclamation:

Issuance of a proclamation by Andrew S. Friedberg, Mayor, recognizing and honoring the Police Officer of the Year as selected by the Bellaire Optimist Club.

Mayor Friedberg noted that each year at the City's Fourth of July Festival, the Bellaire Optimist Club's Police Officer of the Year was honored. Due to cancellation of the festival as a result of inclement weather, Mayor Friedberg advised that he was pleased to read the proclamation honoring Bellaire Police Officer Monica Andrade for her commendable and heroic service to the City of Bellaire, Texas.

Officer Monica Andrade accepted the proclamation from Mayor Friedberg and award presented by the Bellaire Optimist Club.

Mayor Friedberg and **Bellaire Optimist Club President Jason Flores** reminded everyone that the Firefighter of the Year, outgoing Fire Chief Darryl Anderson, was recognized on the

occasion of his retirement party.

Mayor Friedberg thanked Officer Andrade and Fire Chief Anderson for their service to the community and the Bellaire Optimist Club for their continued support of the City's first responders.

G. Personal/Audience Comments.

Prior to opening the floor for personal/audience comments and in anticipation that many of the citizens present signed up to address City Council on the presentation of the proposed Community Pathways Plan (CPP), **Mayor Friedberg** provided a brief summary of the process to date regarding the proposed CPP. Mayor Friedberg advised that the process started one year ago with the award of a contract that then worked its way through the public process. City Council was simply receiving the deliverable under that contract and would not take any action on the CPP this evening. He also advised that this evening represented the City Council's first opportunity to discuss the CPP.

Mayor Friedberg thanked those citizens that provided their comments to City Council prior to this evening and advised that City Council had received all the input and feedback submitted to the consultant, numerous emails and written comments to City Council, 40 of which were reproduced and included in the meeting agenda packet. Dozens more were received since the packet was published, all of which he would announce later as written comment in the official record of the meeting.

In addition, the City Council had also benefited from hours of public comment at the Planning and Zoning Commission (PZC), as well as written comment to the PZC. That written comment was also reproduced in the meeting agenda packet, as well as the recommendation of the PZC itself to City Council.

Mayor Friedberg welcomed citizens to address City Council and offered some suggestions for consideration in the hope of making the process as efficient and effective as possible. Given all the input already received, Mayor Friedberg suggested expressing agreement or disagreement with any of the comments already received. He summarized the rules related to public comment and noted that some of the citizens that had signed up to speak this evening also submitted written comment in connection with the meeting. He asked if there was any objection among City Council to suspend the rules to allow oral comment in addition to written comment. Hearing no objection, Mayor Friedberg advised that the applicable rule of procedure was suspended and recognized the first speakers.

Gordon Shahin and Dale Rude:

Messrs. Shahin and Rude jointly addressed City Council regarding a sidewalk proposed for the 4800 block of Cedar Street under the City's Bonds for Better Bellaire 2016, Group D, Sidewalk Project. A modification was requested that would eliminate the portion of the sidewalk that would encroach on private property at 4801 Cedar Street. Both gentlemen requested a formal response to their request for modification from the Public Works Department.

Cindy Brown:

Ms. Brown addressed City Council in opposition to the CPP. Topics of concern included the size of the pathway and possible destruction of trees along Avenue B and Magnolia Street.

Gina DePamphilis:

Ms. DePamphilis addressed City Council in opposition to the proposed CPP. Topics of concern included the possibility of increased traffic, speed and aesthetics, as well as the proposed placement of a path on a dead-end street (Sunburst Street) that would not serve the community, in her opinion.

Charles Platt:

Mr. Platt addressed City Council in support of an exceptional bicycle environment and expressed his belief that the City could get there for a minimal cost. He commended the Public Works Department staff for their work on the CPP.

Sanjay Bhatia:

Mr. Bhatia addressed City Council in opposition to the proposed CPP. Topics of concern included the possible destruction of trees and the lack of due diligence with respect to maintenance of the current infrastructure, in his opinion.

Michael Dinius:

Mr. Dinius addressed City Council in opposition to the proposed CPP. Topics of concern included the cost, which he believed would not be a good investment for the City, and the aesthetics of retrofitting the City.

Janet Seale:

Ms. Seale addressed City Council in opposition to the proposed CPP. She urged City Council to take care of the citizens first by focusing on drainage and infrastructure issues.

Pat Adams:

Mr. Adams addressed City Council in opposition to the proposed CPP. In his opinion, the proposal for pathways and bikeways trampled on the property rights of the citizens. Other topics of concern included flooding conditions, which he believed would be exacerbated with more concrete. He urged City Council to remove the asphalt overlays and lower the streets.

Mark Johnson:

Mr. Johnson addressed City Council in opposition to the proposed CPP. He stated that citizens had followed the City's process by providing feedback to the Planning and Zoning Commission, which later voted unanimously against the CPP. He expressed concern that the citizens would have to continue to show up en masse at City Council meetings.

Wesley Wright:

Mr. Wright addressed City Council in opposition to the proposed CPP. He expressed concern with the proposed locations of pathways in neighborhoods and noted the cost of moving telephone poles and landscaping, which he felt was disruptive and costly. Although the City had the power to install

the pathways on right-of-way, Mr. Wright did not feel that this was the right thing to do.

Callum Lawson:

Mr. Lawson addressed City Council in opposition to the proposed CPP, more specifically with the proposed route of pathways. Mr. Lawson believed that communication regarding the CPP had been poor, and that a survey conducted on the matter was not representative of the citizens. He urged City Council to address other issues, such as drainage, which he believed to be a greater priority.

Jamie Perkins:

Ms. Perkins addressed City Council in opposition to the proposed CPP. Topics of concern included the installation of a pathway on a dead-end street (Sunburst) and lack of justification, in her opinion, to double the sidewalks on such a quiet street.

Charles Bearden:

Mr. Bearden addressed City Council and added his voice to those opposed to a pathways project. He expressed concern that a citizen survey on the issue received a response rate of less than 3%, which he believed did not reflect the opinions of the majority of residents.

Jane McNeel:

Ms. McNeel addressed City Council in opposition to the proposed CPP. Based on earlier references that the proposed CPP was in line with the City's Comprehensive Plan, Ms. McNeel indicated that she believed the goal of the City's Comprehensive Plan was a focus on the safety of residential streets, well-staffed police, and a suggested transit system design that fit its setting. She expressed concern over the possible loss of trees and green space.

Camille George:

Dr. George addressed City Council in opposition to the proposed CPP. Topics of concern included the possible loss of trees, effect on flooding, increased traffic and increased crime, which he believed would result from the installation of a pathway on Sunburst. In addition, Dr. George did not believe that a dead-end street (Sunburst) with little foot or vehicular traffic warranted a pathway.

Erin Johnson:

Ms. Johnson addressed City Council in opposition to the CPP, especially on Sunburst Street. A topic of concern was increased flooding, in her opinion, due to the construction of a pathway. She urged City Council not to move forward with the CPP on any street in Bellaire.

Chad Shorre:

Mr. Schorre addressed City Council in opposition to the CPP. Topics of concern included damage to trees, flooding, and aesthetics, in his opinion. He urged City Council to fix existing infrastructure.

Kjersti Aagaard:

Ms. Aagaard addressed City Council in support of the concept of a CPP. She cited the ability to connect the community as a positive outcome of the plan in her opinion. She suggested that the City could work around trees by using a gravel path and/or elevating the path.

Kathryn Ryan:

Ms. Ryan addressed City Council in opposition to the CPP. Topics of concern included her belief that additional concrete would cause increased flooding, as well as the possible loss of a large magnolia tree on her property. Ms. Ryan also referred to the asphalt layers on her street, which she believed were excessive. She urged City Council to consider removing the excess asphalt and to use funds for the CPP on drainage and additional police protection.

Patrick Phelps:

Mr. Phelps addressed City Council in opposition to the CPP. He urged City Council to concentrate on improving existing sidewalks and to reject the proposed CPP.

Diane Anderson:

Ms. Anderson addressed City Council regarding the CPP. She indicated that she was supportive of busy streets having designated pathways. However, installing a pathway on her street, Englewood, made no sense in her opinion.

Mitchell Pilot:

Mr. Pilot addressed City Council and expressed concern over the lack of communication between the City and its residents, in his opinion. Reference was made to several projects that Mr. Pilot believed were agreed upon without communicating to the residents whose properties would be affected.

Gary Brush:

Mr. Brush addressed City Council in opposition to sidewalk projects, such as Group D, Phase 1, under the 2016 Bonds for Better Bellaire Program. He expressed concern that the City would spend millions of dollars for sidewalks that residents did not want, in his opinion. He also expressed concern with increased flooding, which he believed would occur from the installation of additional concrete sidewalks.

Penelope Lierbo:

Ms. Lierbo addressed City Council in opposition to sidewalks, which she believed were already plentiful in Bellaire. She expressed concern that Sunburst, a closed street, might be opened if a sidewalk was installed on that street.

Richard Degner:

Mr. Degner addressed City Council in opposition to the CPP. In his opinion, 80% or more of the residents were opposed to the CPP. Mr. Degner advised that he was an avid walker and did not see a demand for walkways. He believed that the existing walkways were more than adequate for the residents.

In closing, Mr. Degner stated his belief that bicycles belonged on roads rather than on pathways or sidewalks.

Paul Stern:

Mr. Stern addressed City Council in opposition to the CPP. He believed that 28 trees would either need to be removed or might die as a result of the installation of pathways on one side of South Rice Avenue. Mr. Stern indicated that the existing sidewalk was well-used and did not need to be doubled or tripled in width to accommodate more traffic in his opinion. He urged City Council to vote against the CPP.

Jan Poage:

Ms. Poage addressed City Council regarding her opposition to proposed bike lanes on Second Street. She advised that driveways were short on that street and that many people already needed to park in the street.

David Poage:

Mr. Poage addressed City Council citing similar concerns as those expressed by Ms. Poage. He indicated that the City Council should be discussing flooding and not bike lanes in his opinion.

Jennifer Cross:

Ms. Cross addressed City Council in support of some type of pathways plan for residents who wished to walk to the library or parks. She expressed her belief that residents must create ways to lessen their dependence on driving. Although she understood the concerns regarding possible impact to trees, Ms. Cross noted that the City of West University had installed sidewalks on all of their streets.

Mayor Friedberg suggested a brief recess at approximately 9:28 p.m. Members of City Council returned to the dais to continue the Regular Session at 9:38 p.m.

Peter Jones:

Mr. Jones addressed City Council in opposition to the CPP. He urged City Council to concentrate on the maintenance of existing facilities.

Lloyd Hershberger:

Mr. Hershberger addressed City Council in opposition to the CPP. He stated his belief that the City had a significant need for drainage and flood mitigation and not for more concrete and asphalt.

Don Kobos:

Mr. Kobos addressed City Council in opposition to the CPP. Mr. Kobos stated his belief that the proposed bike lanes would create more problems at street intersections.

Denise Elston:

Ms. Elston addressed City Council in opposition to the CPP. She urged City Council to focus on drainage and streets rather than sidewalks as she believed there was no desire by residents for additional concrete.

Lisa Derenthal:

Ms. Derenthal addressed City Council in opposition to the CPP. She implored City Council to fund what the community needed, which was better infrastructure, in her opinion. In closing, Ms. Derenthal stated her opinion that the current sidewalks were fine.

Steve Derenthal:

Mr. Derenthal addressed City Council in opposition to the CPP. He indicated that he was opposed to a large sidewalk in front of his home, which was new. He also expressed his belief that residents did not really want the CPP.

Srikanth Ranganathan:

Mr. Ranganathan addressed City Council in opposition to the CPP. He urged City Council to use funds to secure neighborhoods by providing better infrastructure, such as drainage.

Ms. Jackson:

Ms. Jackson addressed City Council in opposition to sidewalks. Topics of concern included her belief that there could be negative effects to Bellaire from the construction at Loop 610 and IH 69 (such as increased traffic) and damage to existing trees. Ms. Jackson urged City Council to add cameras and more police officers rather than sidewalks.

Karen Schmidt:

Ms. Schmidt addressed City Council in opposition to the CPP. She challenged the idea that the project would create a sense of community in Bellaire, noting her belief that a sense of community already existed on many streets. Ms. Schmidt urged City Council to vote against the CPP.

Jason Gao:

Mr. Gao addressed City Council in opposition to sidewalks. He cited his belief that 99-100% of residents were against sidewalks and urged City Council to use the funding to contain flooding and reduce crime rates.

Donna Burnett:

Ms. Burnett addressed City Council and stated her understanding that the CPP was in a conceptual phase. She urged City Council to schedule the CPP for a vote at the next City Council meeting and to avidly vote against it.

Rachel Crochet:

Ms. Crochet addressed City Council in opposition to the CPP. Ms. Crochet urged City Council to stop paying consultants and listen to the citizens. She suggested that the only thing City Council needed

to be thinking about was flooding.

Laura Zito:

Ms. Zito addressed City Council in opposition to the CPP. She urged City Council to address the flooding issues in Bellaire and stated her belief that putting the issue off onto the Harris County Flood Control District was not the answer.

Glenn Fahl and Brenda Patton:

Mr. Fahl and Ms. Patton addressed City Council in opposition to the CPP and urged City Council to address flooding.

Mary Ann Beauchemin:

Ms. Beauchemin addressed City Council in opposition to sidewalks. She expressed her belief that trees would be impacted by the construction of 6-8' wide sidewalks and stated that a one-year guarantee on the life of the trees was not enough in her opinion.

Sherry Noblett:

Dr. Noblett addressed City Council in opposition to the CPP. She expressed concern that resident notification regarding the program was not adequate in her opinion. She urged City Council to vote "no" on the CPP.

Javier Vega:

Mr. Vega addressed City Council in opposition to the CPP. Of primary concern to Mr. Vega was the protection of trees, which he felt was extremely important.

Clayton Newton:

Mr. Newton addressed City Council in opposition to the CPP. He urged City Council to consider spending monies on better flood control instead. Without better flood control, Mr. Newton expressed his belief that the City's tax base could be negatively affected.

Sarah Wesely:

Ms. Wesely addressed City Council in support of having more walkability and commended the City Council for taking the next step. She stated that she felt the City could get similar benefits by providing a plan that was less expensive and more amenable to the desires of the City and its residents.

Gigi White:

Ms. White addressed City Council in opposition to the CPP on Bellaire Boulevard. Of concern were the 100-year old oak trees located up and down Bellaire Boulevard which could be damaged, in her opinion. Ms. White also expressed her opinion that there was not a great deal of foot traffic on Bellaire Boulevard.

Denise Leisten:

Ms. Leisten addressed City Council and noted that she was a member of the City's Parks and Recreation Advisory Board (Board). She advised that the Board had requested the opportunity to look at permeable pavement as opposed to concrete for the CPP, but were told the cost would be too high.

She encouraged City Council to visit the locations for the CPP and see what it was going to do to residents.

Lynn McBee:

Ms. McBee addressed City Council and encouraged them to listen to the residents. She referenced several recent projects involving consultants that had not gone well, in her opinion, and asked City Council to say "no" to hiring consultants in the future.

In closing, Ms. McBee encouraged City Council to trust their citizenry.

Mayor Friedberg thanked the residents for their active participation and asked if there were any other speakers present. Hearing none, Mayor Friedberg continued to written comments received by City Council and provided a summary of those comments as follows.

WRITTEN COMMENTS

Mayor Friedberg advised that 14 comments were received in support of the CPP and 26 in opposition to the CPP prior to publication of the agenda packet, and were reproduced in the packet, as follows:

In Support:

Rene Shapiro;
 Stacey Rose;
 Marissa Yu;
 Alison Septimus;
 Angela Newbould;
 Heidi Dholakia;
 Anita Mehta;
 Erick Eshelman;
 James, Lisa, Andrew, and Michael Valentine;
 Julie Goldberger;
 Hlaing Tint;
 Jennifer Moren Cross;
 Kjersti Aagaard; and
 Brian Ladell.

Opposed:

Joan Oshman;
 Penelope Lierbo;
 Robin Fleschler;

Stacie Henderson;
Steve and Lisa Derenthal;
Paul Stern;
Catherine Lewis;
Johnathan S. Nguyen;
Rick Townsend;
Harjit and Jagmani Sohal;
Wesley E. Wright;
C. H. VanLandingham;
Michael Pulido;
Steve Williams;
Curtis Neason and Family;
D. B. T.;
Robert Razor;
Marilyn Wilson;
Anonymous;
Sanjay Bahtia;
Joyce Gigout;
James Keene;
Johanna Moran;
Carol Strickland;
Carolyn Lidiak; and
Mark B. Johnson.

Following publication of the agenda packet, four comments were received support of the CPP and 52 comments were received in opposition to the CPP as follows:

In Support:

Sneha Bhavsar;
Susan Davis;
Patricia King-Ritter; and
Reid Wade.

Opposed:

Carol Freeman;
Patrick O'Connor;
Marshall Team;
Patty Liem;
Nick Zito;
Kevin Cannon;
Donna Burnett;
Casey Lieu;
Molly Abshire;
Lauren Hoang;
Joel Ephross;
Diane Anderson;
Camille George;
Laura Boston;

Helen Swiff-Goodman;
 Jonathan Risch;
 Cristine Laskin;
 Denise Leisten;
 Robin Fleschler;
 Richard Willis;
 Phil Caggiano;
 Shelly Grogin Shultz;
 Thao Lai;
 Bonnie Willis;
 Richard Degner;
 Robin Melamed;
 Aaron D. Perkins;
 Evan Melamed;
 Sherri Taxman;
 Julie Caggiano;
 Gina De Pamphilis;
 Denise Elston;
 Denise and Skip Moon;
 Jaime Siff;
 Laurie Robinson;
 Jennifer Costa;
 John Rapazzo;
 John McClain;
 Marla and James Davis;
 Shana Parver;
 Beth Lemon;
 Susan Fenson;
 Grace Zoorob;
 Mohit Arora;
 James Peery;
 Gregg Costa;
 Maria Vogel;
 Kathy Gaden;
 Fred and Janet Seale;
 Kathryn James;
 Melissa Lawson; and
 Lamar Frazier.

Petitions:

Mayor Friedberg noted that City Council had received written comments styled as a petition in opposition to the CPP from 28 residents of **Sunburst** and 13 residents of **Oakdale**.

Written comments in opposition to proposed sidewalk improvements were received in the form of petitions from the **4800-4900 blocks of Spruce Street** (26 signatories) and from the **5200 block of Laurel Street** (15 signatories).

Sidewalk Improvements:

Minutes Acceptance: Minutes of Aug 6, 2018 7:00 PM (Approval or Correction of Minutes.)

Thirteen written comments in opposition to proposed sidewalk improvements were received as follows:

Marcelo Benveniste;
David Morgan;
Susan Snow;
Peter Nielson;
Linda Townsend;
Xiahong Yang;
Denise and Skip Moon;
Denise Zamberg;
Nancy Ford;
David and Cindy Gernand;
Jennie Horton;
Denise Elston; and
Carol and Gary Brush.

Mayor Friedberg concluded, noting that complete copies of written comments received were distributed to members of City Council for their consideration and included in the official record of the meeting.

Motion to Suspend Rules:

To suspend the rules to move directly to agenda item H. 2., the Community Pathways Plan presentation.

{Moved by Andrew S. Friedberg, Mayor, and seconded by Pat B. McLaughlan, Council Member}

Discussion ensued regarding the motion. Following discussion, action was taken on the motion to suspend the rules.

RESULT:	APPROVED [6 TO 1]
MOVER:	Andrew S. Friedberg, Mayor
SECONDER:	Pat B. McLaughlan, Council Member
AYES:	Friedberg, Pappas, Verma, Pollard, Fife, Montague
NAYS:	McLaughlan
ABSENT:	None

H. Reports and Presentations:

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

[Note: Prior to the City Manager's Report agenda item, members of City Council voted to suspend the rules to consider agenda item H. 2. prior to agenda item H. 1. Following agenda item H. 2., the City Council voted to defer the remainder of the agenda, except for item I. 2. a., to a Special Session one week from this evening.]

2. Presentation of the proposed Community Pathways Plan - Submitted by Michael Leech, Director of Public Works.

Mayor Friedberg read the agenda item and recognized Paul A. Hofmann, City Manager, to provide the pathways presentation to the City Council.

Paul A. Hofmann, City Manager, advised that the Community Pathways Plan was a "plan" and had not been through the engineering design phase. No funding was currently approved or recommended for the plan. According to the City's five-year Capital Improvement Project Plan, there were no funds to implement the pathways plan.

The plan came about from City Council discussions regarding priorities under the "public safety" category of priorities. It was based on a 2017 survey, a recommendation from the Parks and Recreation Advisory Board, and was also included in the City's Comprehensive Plan.

An overview of communications regarding the plan and associated community meetings was provided by City Manager Hofmann. A map was also shown depicting possible routes for the pathways. The plan implementation option that was in the report would be to only implement the plan in conjunction with street and drainage improvements over the next several years.

City Manager Hofmann advised that the recommendation was for City Council to not act on the plan this evening. He suggested that City Council consider their plans for the 2019 bond program and advised that the priority of the 2019 bond program was flood control, street and drainage improvements. To the extent that a pathway improvement could be made at the time that street and drainage improvements were made, the City could do that. If City Council decided to not accept the plan, then staff would stop the plan.

Mayor Friedberg opened the floor for feedback on the presentation.

Each member of the City Council provided feedback on the presentation.

Following Council Member feedback, **Mayor Friedberg** summarized and requested Council's confirmation of a clear consensus that had emerged, that the plan, as presented, would be shelved and not brought back for further consideration. Noting no objections, Mayor Friedberg confirmed with City Manager Hofmann that Council's direction to staff was clear.

Having concluded the presentation and feedback, **Mayor Friedberg** offered a motion related to the remainder of the agenda items.

Motion to Postpone:

To postpone the balance of the agenda other than item I. 2. a. to a Special Session one week from this evening.

{Moved by Andrew S. Friedberg, Mayor, and seconded by David R. Montague, Council Member}

RESULT:	APPROVED [UNANIMOUS]
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MOVER:	Andrew S. Friedberg, Mayor
SECONDER:	David R. Montague, Council Member
AYES:	Friedberg, Pappas, Verma, Pollard, McLaughlan, Fife, Montague
NAYS:	None
ABSENT:	None

I. 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. Approval of Minutes:

Consideration of and possible action on the adoption of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, July 16, 2018 - Submitted by Tracy L. Dutton, City Clerk.

Mayor and Council - Regular Session - Jul 16, 2018 7:00 PM

b. Adoption of Ordinance:

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing a change in the date of the first Regular Session of the City Council of the City of Bellaire, Texas, in September of 2018 from Monday, September 10, 2018, to Monday, September 24, 2018 - Submitted by Tracy L. Dutton, City Clerk.

[Note: Following agenda item H. 2., the City Council voted to defer the remainder of the agenda except for item I. 2. a. to a Special Session one week from this evening.]

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

- a. Consideration of and possible action on a recommendation from the financial advisor to the City of Bellaire, Texas, regarding the award of a bid for bonds and on the adoption of an ordinance authorizing the issuance of "\$11,500,000 City of Bellaire, Texas, General Obligation Bonds, Series 2018"; specifying the terms and features of said bonds; pledging the levy of a continuing annual ad valorem tax upon all taxable property within the City for the payment of the principal and interest on such bonds; enacting provisions incident and related to the issuance, delivery, payment of, and security for such bonds; approving and authorizing the distribution of an Official Statement; awarding the sale of such bonds and authorizing and approving a Paying Agent/Registrar Agreement - Submitted by Terrence Beaman, Chief Financial Officer.

Mayor Friedberg read the agenda caption and recognized Terrence Beaman, Chief Financial Officer, and James Gilley, Financial Advisor.

Terrence Beaman, Chief Financial Officer (CFO), advised that the City received eight

bids in the financial market. Of the eight bids, the lowest bid was at an interest rate of 3.39%, which was reflective of the City's strong bond rating. CFO Beaman indicated that the City's AAA bond rating had been reaffirmed. He requested City Council approval of the bond ordinance to award the bid and move forward with the bond sale.

Mayor Friedberg entertained a motion to award the bid for bonds and adopt the ordinance as presented.

Motion:

To award the bid for bonds and adopt the ordinance as presented authorizing the issuance of \$11,475,000 City of Bellaire General Obligation Bonds, Series 2018.

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

James Gilley, Financial Advisor, advised that the bond sale would yield from the underwriter more than the face value of the bonds, representing a premium. A portion of the premium went to pay for costs of issuance and delivery date expenses and a portion went to reduce the principal amount of the bonds. The net fund deposit would still be \$11.5 million as advertised.

Mayor Friedberg opened the floor for discussion on the motion. Following discussion, action was taken on the motion.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Trisha S. Pollard, Council Member
SECONDER:	Gus E. Pappas, Mayor Pro Tem
AYES:	Friedberg, Pappas, Verma, Pollard, McLaughlan, Fife, Montague

- b. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with Swagit Productions LLC, for the purchase of multimedia equipment and professional services for the Municipal Facilities Project in an amount not to exceed \$68,880.00 - Submitted by Patrice Baltuskonis, Director of Information Technology.

[Note: Following agenda item H. 2., the City Council voted to defer the remainder of the agenda except for item I. 2. a. to a Special Session one week from this evening.]

- c. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with RAC Industries, LLC, for the provision of any and all services, materials, incidentals, and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group B Phase 1 Streets, Drainage and Sidewalks project in an amount not to exceed \$3,538,894.00 – Submitted by Michael Leech, Director of Public Works.

[Note: Following agenda item H. 2., the City Council voted to defer the remainder of the agenda except for item I. 2. a. to a Special Session one week from this evening.]

- d. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with ARKK Engineers, LLC, for the provision of construction management services for the Bonds for Better Bellaire 2016 Group B Phase 1 Streets, Drainage and Sidewalks project in an amount not to exceed \$388,910.00 – Submitted by Michael Leech, Director of Public Works.

[Note: Following agenda item H. 2., the City Council voted to defer the remainder of the agenda except for item I. 2. a. to a Special Session one week from this evening.]

- e. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with RAC Industries, LLC, for the provision of any and all services, materials, incidentals, and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$1,498,538.60 – Submitted by Michael Leech, Director of Public Works.

[Note: Following agenda item H. 2., the City Council voted to defer the remainder of the agenda except for item I. 2. a. to a Special Session one week from this evening.]

- f. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with ARKK Engineers, LLC, for the provision of construction management services for the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$123,350.00 - Submitted by Michael Leech, Director of Public Works.

[Note: Following agenda item H. 2., the City Council voted to defer the remainder of the agenda except for item I. 2. a. to a Special Session one week from this evening.]

3. Item for Individual Consideration:

- a. Consideration of and possible action on proposed pedestrian safety improvements along Newcastle Drive at Evelyn's Park – Submitted by Michael Leech, Director of Public Works.

[Note: Following agenda item H. 2., the City Council voted to defer the remainder of the agenda except for item I. 2. a. to a Special Session one week from this evening.]

- b. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending Chapter 2, Administration, Article VII, Boards and Commissions, Division 3, Boards and Commissions Governed by City Charter, Ordinance or Resolution, Section 2-122, Environmental and sustainability board, of the Code of Ordinances of the City of Bellaire, Texas, for the purpose of changing the name of the board to "Environmental Sustainability Board" pursuant to a request by letter from the Environmental and Sustainability Board - Submitted by Tracy L. Dutton, City Clerk, on behalf of the Environmental and Sustainability Board.

[Note: Following agenda item H. 2., the City Council voted to defer the remainder of the agenda except for item I. 2. a. to a Special Session one week from this evening.]

J. Community Interest Items from the Mayor and Council.

[Note: Following agenda item H. 2., the City Council voted to defer the remainder of the agenda except for item I. 2. a. to a Special Session one week from this evening.]

K. Adjourn.

Mayor Friedberg announced that the Regular Session of the City Council of the City of Bellaire, Texas, was adjourned at 12:31 a.m. on Tuesday, August 7, 2018.



CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

AUGUST 13, 2018

Council Chamber

Special Session

6:00 PM

FIRST FLOOR OF CITY HALL
7008 S. RICE AVENUE
BELLAIRE, TX 77401

SPECIAL SESSION - 6:00 P.M.

A. Call to Order - Andrew S. Friedberg, Mayor.

Andrew S. Friedberg, Mayor, called the Special Session of the City Council of the City of Bellaire, Texas, to order at 6:00 p.m. on Monday, August 13, 2018. The Special Session was held in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401-4411.

B. Announcement of a Quorum - Andrew S. Friedberg, Mayor.

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

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

Also present were Paul A. Hofmann, City Manager; Zachary Petrov, Assistant City Attorney; and Tracy L. Dutton, City Clerk.

*Council Member McLaughlan arrived at 6:01 p.m., and Council Member Pappas arrived at 6:12 p.m.

C. Pledges to the Flags.

Mayor Friedberg led the members of the City Council and the audience in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.

I. PUBLIC HEARING (PROPOSED FY 2019 BUDGET)

A. Reading of the Notice of Public Hearing - Tracy L. Dutton, City Clerk.

Tracy L. Dutton, City Clerk, read the "Notice of Public Hearing" regarding the proposed budget for the fiscal year beginning October 1, 2018, and ending September 30, 2019 (i.e., FY 2019).

Minutes Acceptance: Minutes of Aug 13, 2018 6:00 PM (Approval or Correction of Minutes.)

City Clerk Dutton advised that the "Notice of Public Hearing" was published on the City's website and bulletin board on July 18, 2018, and in the legal notices section of the Southwest News on Tuesday, July 24, 2018.

B. Summary of Public Hearing Procedure - Paul A. Hofmann, City Manager.

Paul A. Hofmann, City Manager, summarized the public hearing procedure.

C. Presentation of Proposal:

Public hearing regarding the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2018, and ending September 30, 2019 (FY 2019 Budget) - Submitted by Paul A. Hofmann, City Manager; Presented by Terrence Beaman, Chief Financial Officer.

Paul A. Hofmann, City Manager, provided an overview of the proposed budget for the City's 2019 fiscal year. He advised that since the time of the July 16, 2018, budget presentation, the proposed budget had shifted to the good. For example, the beginning balance for FY 2019 was projected to be \$37,000 better in the General Fund, and approximately \$13,000 better in the Enterprise Fund. Similarly, with expenditures, a budget item had been reduced by \$30,000 in the Information Technology Department, which worked to the good. Another reduction in the Information Technology Department related to more favorable cost estimates for the City's agenda management system, resulting in approximately \$8,000 in savings.

City Manager Hofmann indicated that the proposed budget assumes no new property tax revenues from existing property. The budget includes some minor changes to parks and recreation fees, which were reduced slightly in most cases. Increased fees are recommended in the new Civic Center with respect to security deposits and in fees for the use of electrical outlets for outdoor events.

Expenditures are projected to increase 4.8%, most of which are attributable to salary and benefit increases. Contributions to the Vehicle and Equipment Fund are projected to be small for the next fiscal year.

The projected proposed tax rate for operations and maintenance was the same as the prior year based on preliminary assessed value information the City received from the Harris County Appraisal District (HCAD). City Manager Hofmann noted that there were some pending cases being litigated and protests still being heard by HCAD. The final appraisal roll was expected to be received during the next week. An increase was expected for the proposed debt service rate, consistent with what had been presented to the voters at that time.

With respect to the Capital Improvement Program Fund, the City's focus was on some significant engineering study efforts for drainage studies, primarily in the north-south arterial systems within the City.

Salary increases for employees included a 1.5% cost of living adjustment and a 3.5% step increase for eligible employees. City Manager Hofmann noted that staff was working on holding an anticipated increase in health insurance costs to 15%.

Sources and uses of funds in the General and Debt Service Funds were reviewed by City Manager Hofmann. Tax rate comparisons with neighboring cities on a before and after exemption basis were also provided.

D. Public Comment.

Mayor Friedberg opened the floor for public comment on the proposed fiscal year 2019 budget, which was the subject of the public hearing. He noted that City Council would receive comments on other topics during the Special Meeting following the public hearing. Mayor Friedberg recognized members of the public that had completed a sign-up sheet for the public hearing.

Charles Platt:

Mr. Platt addressed City Council and stated that there were important implications for the planning process, which needed some reflection and a moment of truth in his opinion. The City spent \$75,000 on a consultant to develop a pathways plan for the City, and at least that much may have been spent in terms of staff time on the plan. Mr. Platt stated that the plan was now shelved, and the City had nothing to show for it in his opinion. Of primary concern to Mr. Platt was his belief of the need and desire for bicycle safety in the community.

Mr. Platt urged City Council to work on the planning process so that time and limited financial and human resources were not wasted on plans that ended up sitting on the shelf. He suggested that City Council be more active in the process of developing plans for the community and that options be given as opposed to a single solution.

Madelyn Dube:

Ms. Dube addressed City Council and concurred with comments offered by Mr. Platt. She expressed her belief that the City was spending money frivolously on things that would not benefit the entire City, in her opinion. Reference was made to flooding, and Ms. Dube stated that her property had flooded six times. She urged City Council to focus on improvements that would benefit the entire City.

Forest Presswood:

Mr. Presswood addressed City Council in opposition to a concentration on sidewalks. He believed that City Council should focus on drainage.

Mr. Presswood expressed concern with possible damage to his trees, which he believed would occur as a result of sidewalk construction. He closed by urging City Council to consider installing speed humps on Alder Street.

Mayor Friedberg asked if anyone else wished to address City Council on the proposed budget. Hearing none, he announced that the public comment portion of the public hearing was concluded and proceeded to the next item on the agenda.

E. Questions from the Mayor and City Council.

Mayor Friedberg opened the floor for questions from the Mayor and City Council regarding the

proposed budget. Following questions, Mayor Friedberg closed the public hearing.

F. Close of the Public Hearing.

Mayor Friedberg closed the public hearing on the proposed budget for fiscal year 2019 at 7:03 p.m. on Monday, August 13, 2018. He advised that public comment on the proposed budget, oral and written, would continue to be received prior to its final deliberation, which is anticipated to occur on Monday, September 17, 2018.

G. Adjourn.

Mayor Friedberg announced that the public hearing was adjourned at 7:03 p.m. on Monday, August 13, 2018.

II. SPECIAL MEETING

A. Call to Order - Andrew S. Friedberg, Mayor.

Mayor Friedberg called the Special Meeting of the City Council of the City of Bellaire, Texas, to order at 7:03 p.m. on Monday, August 13, 2018.

B. Announcement of a Quorum - Andrew S. Friedberg, Mayor.

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

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

Also present were Paul A. Hofmann, City Manager; Zachary Petrov, Assistant City Attorney; and Tracy L. Dutton, City Clerk.

C. Personal/Audience Comments.

Mayor Friedberg asked if there was any member of the public present wishing to address City Council in the Special Meeting during general personal/audience comments. Seeing none, Mayor Friedberg moved to the next item on the agenda.

D. Reports and Presentations:

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

Paul A. Hofmann, City Manager, presented the City Manager's Report dated August 13, 2018, to members of the City Council. He indicated that the report included topics not

covered on August 6, 2018 and noted that the regular communication and personnel updates would be deferred until August 20, 2018.

City Manager Hofmann provided an overview of his understanding of what occurred during the City Council Regular Session held on August 6, 2018. With respect to the Community Pathways Plan (Plan), City Manager Hofmann understood that the consensus of City Council was that the Plan not show up on a City Council agenda again. City Manager Hofmann advised that the topic would not come back to City Council again. In addition, City Staff would not bring any plan forward recommending, identifying, or funding the implementation of pathways.

City Manager Hofmann continued and indicated that the agenda contained a few contracts for City Council consideration related to the construction of sidewalks. Reference was made to neighborhood meetings that were held early in the design phase to communicate the projects and to resolve problems, such as concerns related to trees and aesthetics.

An overview of the sidewalk projects included with street and drainage improvements was provided by City Manager Hofmann. A status was provided for three phases of sidewalk projects under design or proposed to be designed and for street and drainage projects that included new sidewalks.

City Manager Hofmann advised that on August 20, 2018, staff hoped to present a report on sidewalk widths and sidewalk standards to City Council. It was noted that the Building and Standards Commission recommended a four-foot standard and that everything under design and construction now was in accordance with City Council's direction to build four-foot sidewalks.

City Manager Hofmann provided a brief recap of a shooting incident that occurred on Friday, August 10, 2018. Although a Bellaire police officer was shot at, no one was injured.

In closing, City Manager Hofmann provided an overview of future City Council meetings.

Mayor Friedberg opened the floor for questions of the City Manager. Following questions, Mayor Friedberg announced that the City Manager's Report was concluded and continued to the next item on the agenda.

E. Unfinished Business:

1. Consent Agenda.

a. Approval of Minutes:

Consideration of and possible action on the adoption of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, July 16, 2018 - Submitted by Tracy L. Dutton, City Clerk.

Mayor and Council - Regular Session - Jul 16, 2018 7:00 PM

b. Adoption of Ordinance:

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing a change in the date of the first Regular Session of the City Council of the City of Bellaire, Texas, in September of 2018 from Monday, September 10, 2018, to Monday, September 24, 2018 - Submitted by Tracy L. Dutton, City Clerk.

Mayor Friedberg read the captions of the two items on the Consent Agenda dated August 13, 2018. Mayor Friedberg asked if any member of the City Council wished to remove either of the items from the Consent Agenda. Hearing none, he entertained a motion to adopt the Consent Agenda.

Motion:

To adopt the Consent Agenda dated August 13, 2018.

{Moved by David R. Montague, Council Member, and seconded by Michael Fife, Council Member}

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	David R. Montague, Council Member
SECONDER:	Michael Fife, Council Member
AYES:	Friedberg, Pappas, Verma, Pollard, McLaughlan, Fife, Montague

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, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, an Agreement for Video Streaming Services with Swagit Productions LLC, for the purchase and installation of equipment for and management of video recording and streaming services for the Municipal Facilities Project in an amount not to exceed \$66,240.00 - Submitted by Patrice Baltuskonis, Director of Information Technology.

Mayor Friedberg read the agenda caption and recognized Patrice Baltuskonis, Director of Information Technology.

Patrice Baltuskonis, Director of Information Technology, presented a contract to City Council for their consideration regarding video recording and streaming services (hardware, software, and professional and managed services) in the new Council Chamber and new Civic Center. Reference was made to the use by the City of The Interlocal Purchasing System (or TIPS) for the selection of the recommended vendor, Swagit Productions, LLC.

Director Baltuskonis noted that the contract under consideration would allow the City to expand its viewing audience to include AT&T U-Verse, Comcast, and Social Media Streaming with Facebook and YouTube. Additionally, six years of existing video was scheduled to be converted over to the new system.

Mayor Friedberg entertained a motion to adopt the ordinance as presented, authorizing an Agreement for Video Streaming Services with Swagit Productions LLC for the

purchase and installation of equipment for and management of video recording and streaming services for the Municipal Facilities Project in an amount not to exceed \$66,240.00.

Motion:

To adopt the ordinance as presented, authorizing an Agreement for Video Streaming Services with Swagit Productions LLC for the purchase and installation of equipment for and management of video recording and streaming services for the Municipal Facilities Project in an amount not to exceed \$66,240.00.

{Moved by David R. Montague, Council Member, and seconded by Michael Fife, Council Member}

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	David R. Montague, Council Member
SECONDER:	Michael Fife, Council Member
AYES:	Friedberg, Pappas, Verma, Pollard, McLaughlan, Fife, Montague

- b. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with RAC Industries, LLC, for the provision of any and all services, materials, incidentals, and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group B Phase 1 Streets, Drainage and Sidewalks project in an amount not to exceed \$3,538,894.00 – Submitted by Michael Leech, Director of Public Works.

Mayor Friedberg read the agenda captions for items II. E. 2. b. and II. E. 2. c., and recognized Michael Leech, Director of Public Works, to introduce the items.

Michael Leech, Director of Public Works, advised that Group B, Phase 1, was a project left over from a previous bond program. The project was originally designed in 2013 by HDR Inc. (HDR). HDR refreshed the project by performing a field assessment of the streets (noting changes such as trees, new driveways, etc.).

Design considerations for Willow Street and Linden Street currently had sidewalks on both sides of the streets. Director Leech stated that one special design consideration consisted of a zero-curb cut approach to stabilization. Trees were given a very high priority for both streets.

With respect to Imperial Street, there was a nearly complete sidewalk system on the south side of the street (approximately 70-80%) and a much smaller system on the north side of the street (approximately 10%).

Mayfair Street had a nearly complete sidewalk system on the south side of the street, with only 10-20% of a sidewalk system on the north side of the street.

Director Leech advised that seven bids were received, with RAC Industries, LLC (RAC), being the low bidder. He recommended the award of the bid to RAC.

Mayor Friedberg opened the floor for questions of Director Leech. Following questions, Mayor Friedberg recommended separate action on each of the agenda items, starting with item II. E. 2. b. entertained a motion to adopt the ordinance as presented authorizing a Standard Form of Agreement with RAC Industries, LLC, for the provision of any and all services, materials, incidentals, and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group B, Phase 1, Streets, Drainage and Sidewalks project, in an amount not to exceed \$3,538,894.00.

Motion:

To adopt the ordinance as presented authorizing a Standard Form of Agreement with RAC Industries, LLC, for the provision of any and all services, materials, incidentals, and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group B, Phase 1, Streets, Drainage and Sidewalks project, in an amount not to exceed \$3,538,894.00.

{Moved by Trisha S. Pollard, Council Member, and seconded jointly by Gus E. Pappas, Mayor Pro Tem, and Michael Fife, Council Member}

Mayor Friedberg asked if there was any deliberation on the motion. Hearing none, action was taken by the City Council.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Trisha S. Pollard, Council Member
SECONDER:	Gus E. Pappas, Michael Fife
AYES:	Friedberg, Pappas, Verma, Pollard, McLaughlan, Fife, Montague

- c. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with ARKK Engineers, LLC, for the provision of construction management services for the Bonds for Better Bellaire 2016 Group B Phase 1 Streets, Drainage and Sidewalks project in an amount not to exceed \$388,910.00 – Submitted by Michael Leech, Director of Public Works.

With respect to agenda item II. E. 2. c., **Mayor Friedberg** entertained a motion to adopt the ordinance as presented authorizing a Standard Form of Agreement with ARKK Engineers, LLC, for the provision of construction management services for the Bonds for Better Bellaire 2016 Group B, Phase 1, Streets, Drainage and Sidewalks Project, in an amount not to exceed \$388,910.00.

Motion:

To adopt the ordinance as presented authorizing a Standard Form of Agreement with ARKK Engineers, LLC, for the provision of construction management services for the Bonds for Better Bellaire 2016 Group B, Phase 1, Streets, Drainage and Sidewalks Project, in an amount not to exceed \$388,910.00.

{Moved by David R. Montague, Council Member, and seconded by Gus E. Pappas, Mayor Pro Tem}

Mayor Friedberg opened the floor for deliberation on the motion. Hearing none, action was taken on the motion.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	David R. Montague, Council Member
SECONDER:	Gus E. Pappas, Mayor Pro Tem
AYES:	Friedberg, Pappas, Verma, Pollard, McLaughlan, Fife, Montague

- d. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with RAC Industries, LLC, for the provision of any and all services, materials, incidentals, and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$1,498,538.60 – Submitted by Michael Leech, Director of Public Works.

Following a request for a recess, **Mayor Friedberg** announced that the City Council would take a brief recess beginning at 8:18 p.m. Members of City Council returned to the dais and the recess was concluded at 8:25 p.m.

Mayor Friedberg read the captions for agenda items II. E. 2. d. and II. E. 2. e. and recognized Michael Leech, Director of Public Works, to introduce the items.

Director Leech presented a few slides depicting the blocks of streets scheduled for sidewalk improvements under Group D, Phase 1. He stated that the purpose of the group was to make interconnections around schools. The project was designed for four-foot sidewalks, with significant tree planning and protection. A neighborhood meeting was held to introduce the project and to visit with concerned parties to identify their issues and address them.

Methods or extra efforts that the engineers and staff considered for the protection of trees were briefly outlined by Director Leech. As with the previous project (Group B, Phase 1), RAC Industries, LLC, was the low bidder and the bidder recommended to receive the award by the engineers and Public Works Department.

Mayor Friedberg opened the floor for questions from the City Council. Following questions, and starting with item II. E. 2. d., Mayor Friedberg entertained a motion to adopt the ordinance as presented authorizing a Standard Form of Agreement with RAC Industries, LLC, for the provision of any and all services, materials, incidentals and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group D, Phase 1, Sidewalk Project in an amount not to exceed \$1,498,538.60.

Motion:

To adopt the ordinance as presented authorizing a Standard Form of Agreement with RAC Industries, LLC, for the provision of any and all services, materials, incidentals and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group D, Phase 1, Sidewalk Project in an amount not to exceed \$1,498,538.60.

{Moved by Trisha S. Pollard, Council Member, and seconded by Michael Fife, Council Member}

Mayor Friedberg opened the floor for deliberation on the motion. Following questions and deliberation, Mayor Friedberg offered a motion to postpone action on agenda items II. E. 2. d. and II. E. 2. e.

Motion:

To postpone consideration of items II. E. 2. d. and II. E. 2. e. indefinitely.

{Moved by Andrew S. Friedberg, Mayor, and seconded by Pat B. McLaughlan, Council Member}

Discussion and deliberation ensued among members of City Council regarding the motion to postpone. Following deliberation, action was taken on the motion.

RESULT:	APPROVED [4 TO 3]
MOVER:	Andrew S. Friedberg, Mayor
SECONDER:	Pat B. McLaughlan, Council Member
AYES:	Friedberg, Verma, McLaughlan, Montague
NAYS:	Pappas, Pollard, Fife

- e. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with ARKK Engineers, LLC, for the provision of construction management services for the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$123,350.00 - Submitted by Michael Leech, Director of Public Works.

See previous agenda item (II. E. 2. d.) for action related to this item.

3. Items for Individual Consideration:

- a. Consideration of and possible action on proposed pedestrian safety improvements along Newcastle Drive at Evelyn's Park – Submitted by Michael Leech, Director of Public Works.

Mayor Friedberg read the agenda caption and recognized Michael Leech, Director of Public Works, to provide an overview of staff's Pedestrian Safety Improvement Plan for Evelyn's Park.

Director Leech advised that a Pedestrian Safety Improvement Plan (Plan) was designed to enhance pedestrian safety along Newcastle Drive near Evelyn's Park. Pedestrians had been observed for some time electing not to go to the traffic signal at Newcastle Drive and Bellaire Boulevard to cross the street from the Newcastle Trail. These observances included bicyclists, walkers, and families or individuals pushing strollers.

Director Leech indicated that staff was looking to City Council for approval of the Plan

concept as the expenditure was estimated to cost far less than would require Council spending authority. Staff's recommendation included the installation of a concrete ramp, a crosswalk, and another concrete ramp with additional sidewalk. In addition, push button activated pedestrian flashers would be installed, along with appropriate signage.

Director Leech concluded and stated that staff believed that the recommendation was a reasonable measure and believed the neighbors would be happy with it.

Mayor Friedberg entertained a motion to approve the proposed pedestrian safety improvements along Newcastle Drive at Evelyn's Park as presented.

Motion:

To approve the proposed pedestrian safety improvements along Newcastle Drive at Evelyn's Park as presented.

{Moved by Michael Fife, Council Member, and seconded by Neil Verma, Council Member}

Mayor Friedberg opened the floor for questions and deliberation on the motion. Following questions and deliberation, action was taken on the motion.

RESULT:	ADOPTED [6 TO 1]
MOVER:	Michael Fife, Council Member
SECONDER:	Neil Verma, Council Member
AYES:	Friedberg, Pappas, Verma, Pollard, Fife, Montague
NAYS:	McLaughlan

- b. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending Chapter 2, Administration, Article VII, Boards and Commissions, Division 3, Boards and Commissions Governed by City Charter, Ordinance or Resolution, Section 2-122, Environmental and sustainability board, of the Code of Ordinances of the City of Bellaire, Texas, for the purpose of changing the name of the board to "Environmental Sustainability Board" pursuant to a request by letter from the Environmental and Sustainability Board - Submitted by Tracy L. Dutton, City Clerk, on behalf of the Environmental and Sustainability Board.

Mayor Friedberg read the agenda caption and entertained a motion to adopt the ordinance as presented amending Section 2-122 of the Code of Ordinances by deleting the word "and" from the name of the Environmental and Sustainability Board.

Motion:

To adopt the ordinance as presented amending Section 2-122 of the Code of Ordinances by deleting the word "and" from the name of the Environmental and Sustainability Board.

{Moved by Neil Verma, Council Member, and seconded by Trisha S. Pollard, Council Member}

Mayor Friedberg opened the floor for deliberation on the motion. Hearing none, he offered an amendment that would document how City Council got to this point.

Amendment (No. 1):

To add two recitals as follows:

Whereas, by letter dated June 13, 2018, the Environmental and Sustainability Board recommended to the City Council of the City of Bellaire, Texas, that its name be changed to “Environmental Sustainability Board” to more clearly describe its focus; and

Whereas, the City Council of the City of Bellaire, Texas, finds that the recommended name change would support the board’s stated mission and is consistent with its charge.

Mayor Friedberg asked if there was any objection to the amendment to add the two recitals. Hearing none, Mayor Friedberg **announced that the motion was amended by general consent to include the two new recitals.**

Mayor Friedberg restated the motion, as amended, and action was taken by the City Council.

RESULT:	ADOPTED AS AMENDED [UNANIMOUS]
MOVER:	Neil Verma, Council Member
SECONDER:	Trisha S. Pollard, Council Member
AYES:	Friedberg, Pappas, Verma, Pollard, McLaughlan, Fife, Montague

F. Community Interest Items from the Mayor and Council.

Community interest items from the Mayor and Council included expressions of thanks and appreciation to the City's first responders for the work they did and the training that they went through to keep the community safe; expressions of thanks and acknowledgement of the City of Houston SWAT team for their assistance to the community; expressions of thanks to Judge Ed Emmett for providing information to residents regarding the Harris County Flood Control District Bond Election scheduled to be held on August 25, 2018; expressions of congratulations to Cristin Emshoff on her promotion to Assistant Director of Development Services and to Richard Mancilla on his employment as the new Assistant Director of Public Works; and a reminder to attend the City's first budget workshop scheduled to be held at 6:00 p.m. on Tuesday, August 14, 2018, in the CenterPoint Energy Community Center.

G. Adjourn.

Mayor Friedberg announced that the Special Meeting of the City Council of the City of Bellaire, Texas, was adjourned at 9:46 p.m. on Monday, August 13, 2018.

Minutes Acceptance: Minutes of Aug 13, 2018 6:00 PM (Approval or Correction of Minutes.)

Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM
Department: City Manager's Office
Category: Presentation
Department Head: Paul A. Hofmann
DOC ID: 2663

SCHEDULED**ACTION ITEM (ID # 2663)**

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

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM
Department: Finance Administration
Category: Report
Department Head: Terrence Beaman
DOC ID: 2644

SCHEDULED**ACTION ITEM (ID # 2644)**

Item Title:

Monthly Financial Report for the Period Ending July 31, 2018 - Submitted by Terrence Beaman, Chief Financial Officer.

Background/Summary:

In accordance with the Charter of the City of Bellaire, Article VII, Section 4, Paragraph 3, please find attached the monthly financial report for the month of July for FY 2018.

Previous Council Action Summary:

N/A

Fiscal Impact:

N/A

Recommendation:

N/A

ATTACHMENTS:

- July 2018 Monthly Report (PDF)

City of Bellaire

Monthly Financial Report

For the period ended July 31, 2018



Attachment: July 2018 Monthly Report (2644 : Monthly Financial Report for the Period Ending July 31, 2018)

City of Bellaire

Finance

To: Paul A. Hofmann, City Manager

From: Terrence Beaman, Chief Financial Officer

Date: September 17, 2018

Subject: Financial Analysis for Ten Months Ended July 31, 2018

This financial analysis compares the actual year-to-date revenues and expenditures of the General Fund, Enterprise Fund, and Debt Service Fund to their respective allocated budgets.

The allocated budget accounts for cyclical trends in revenues and expenditures versus allocating a straight 1/12 of the annual budget per month. The allocated budget is based on the actual revenue/expenditures incurred by month as a percentage of the total revenue/expenditures incurred by year for the most recent five years.

GENERAL FUND

General Fund Revenues:

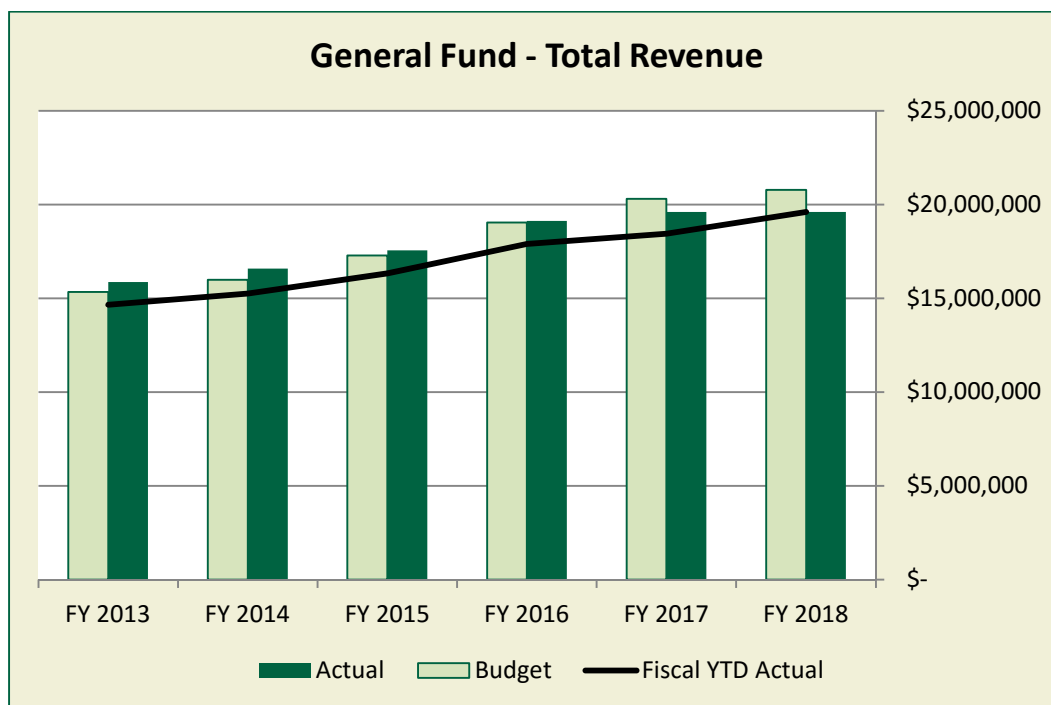
FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$20,783,835	\$19,511,143	\$19,605,906	\$94,763

For the ten months ended July 31, 2018, the General Fund collected 94% of its total budgeted revenues and is over its allocated budget by \$94,763, or 0%.

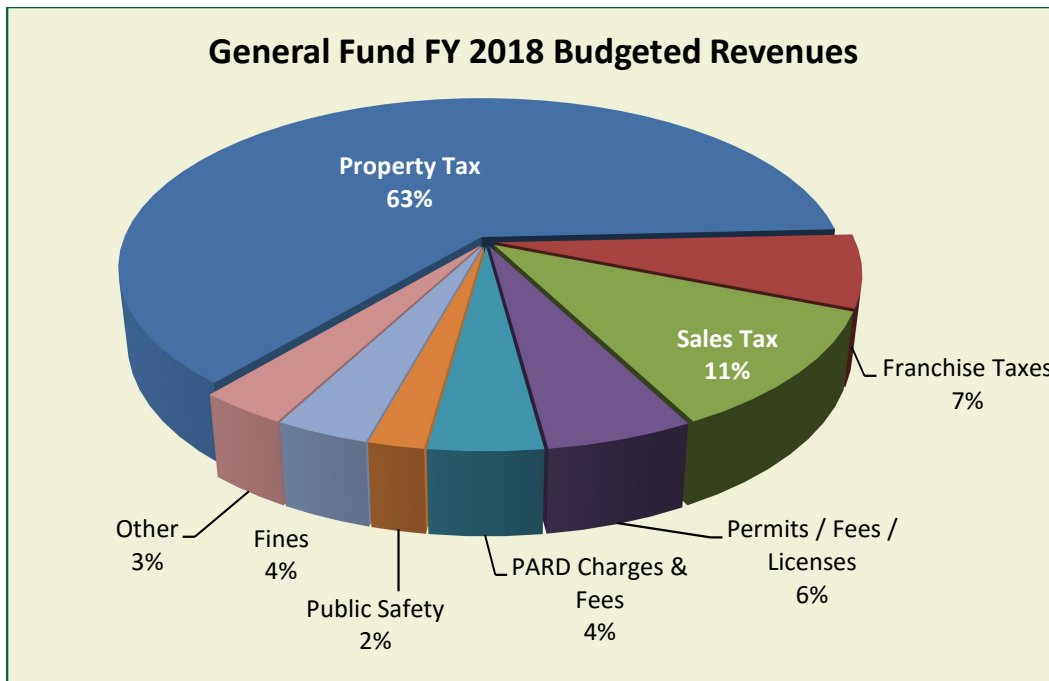
The following table shows the individual revenue categories and each category's contribution to the \$94,763 variance.

Revenue Category	FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
Property Tax	\$13,118,646	\$13,084,094	\$13,052,900	(\$31,194)
Franchise Tax	1,424,734	1,179,008	1,153,905	(25,103)
Sales Tax	2,348,555	1,927,175	1,989,754	62,579
Permits/Fees/Licenses	1,143,400	964,006	1,042,570	78,564
PARC Charges & Fees	887,400	779,167	759,554	(19,613)
Public Safety	436,400	371,419	300,912	(70,507)
Fines	730,000	625,508	539,550	(85,958)
Other	694,700	580,767	766,762	185,995
Total	\$20,783,835	\$19,511,143	\$19,605,906	\$94,763

A discussion of individual revenue categories follows the discussion of total revenues.

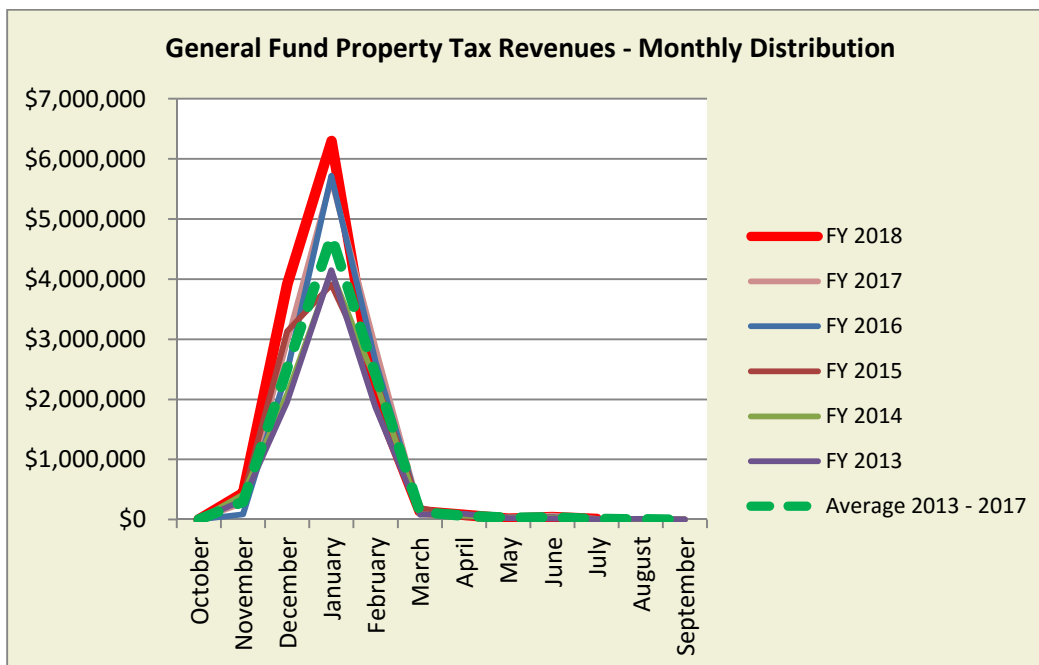


Property tax makes up the largest category of revenue in the General Fund at 63% of all FY 2018 budgeted revenues, followed by sales tax at 11% and franchise taxes at 7%.



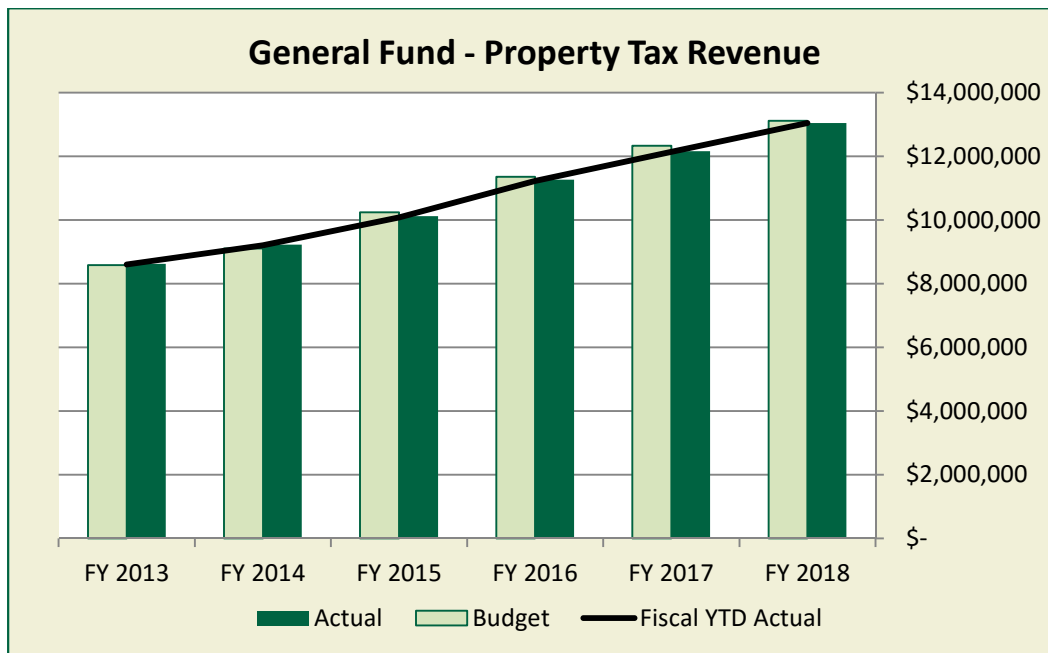
Property Tax

The timing of property tax collections is driven by the January 31 due date, after which penalties are incurred. As reflected in the following chart, Property taxes are weighted heavily toward the December to February time period due to the aforementioned due date.



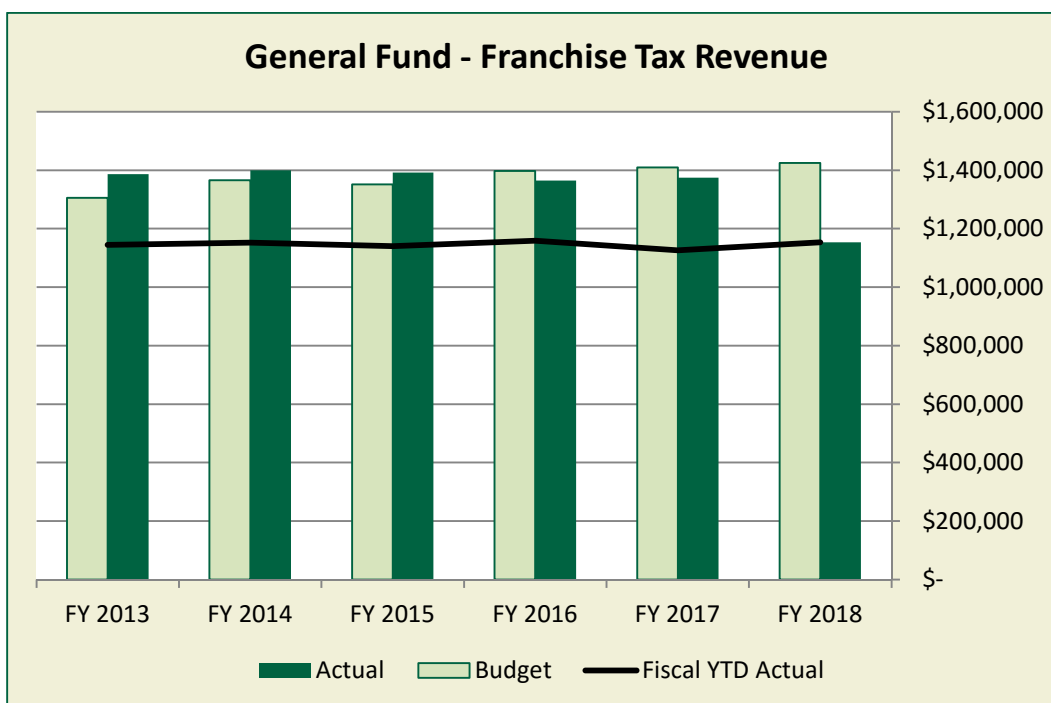
The City collected 99%, or \$13,052,900, of its budgeted property tax revenue during the ten months ended July 31, 2018, which is under the allocated budget by \$31,194, or 0%.

FY 2018 property taxes are budgeted for \$13.1 million, an increase of \$0.8 million over FY 2017's \$12.3 million. The budgeted increase in property taxes is driven by a general tax rate increase of \$0.0127 per \$100 of assessed value, or 5.0%, and a 1.9% increase in taxable values.



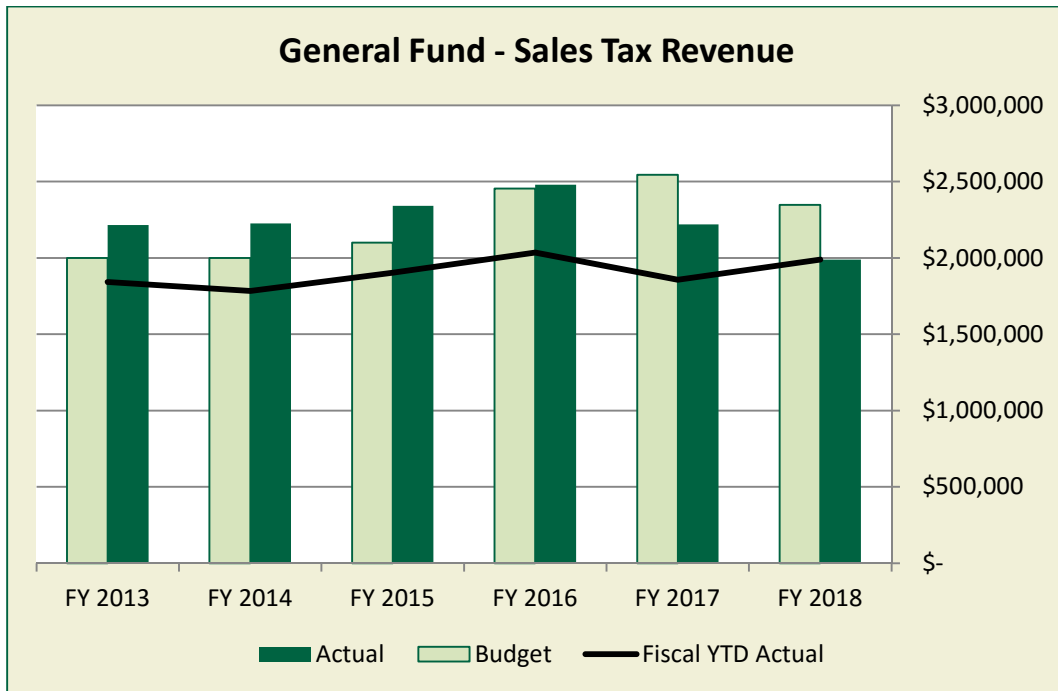
Franchise Taxes

Franchise taxes of \$1,153,905 for the ten months ended July 31, 2018 are under the allocated budget by \$25,103, or 2%. Electric franchise tax payments are generally received monthly. Gas, telephone, and cable franchise tax payments are generally received quarterly.



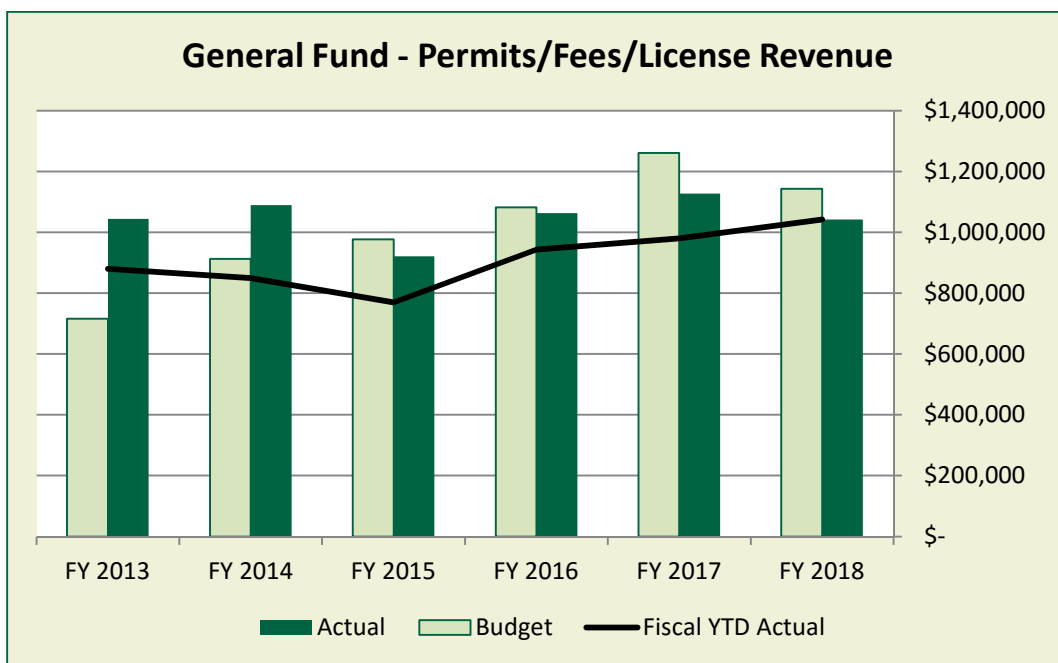
Sales Tax

Sales tax revenue of \$1,989,754 for the ten months ended July 31, 2018, is over the allocated budget by \$62,579, or 3%.

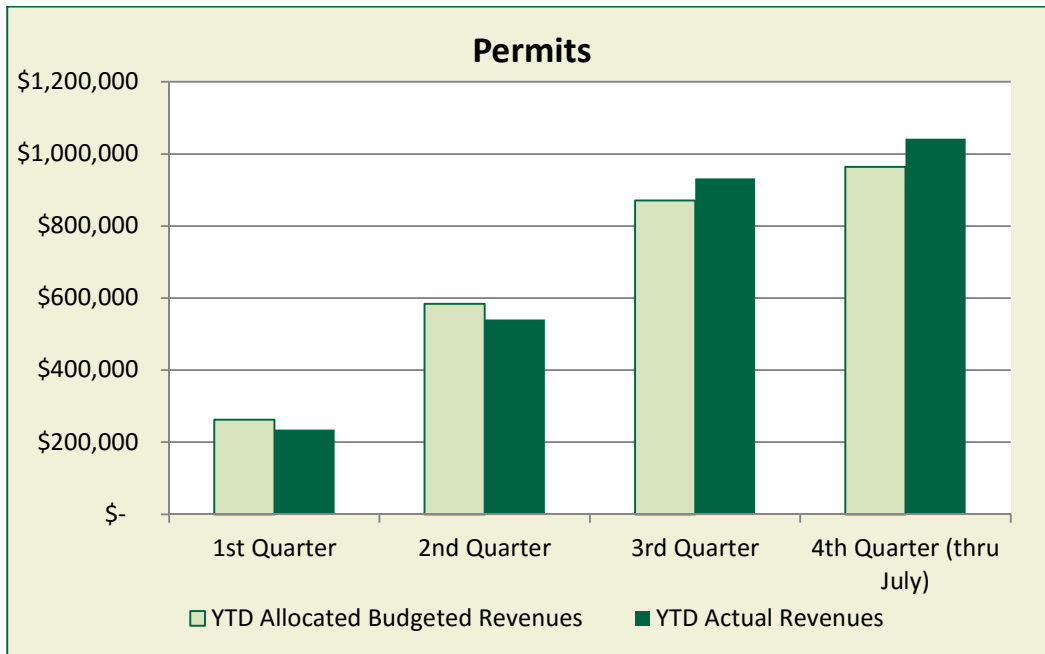


Permits, Fees, and Licenses

Development permits, fees, and licenses of \$1,042,570 are over the allocated budget by \$78,564, or 8%.

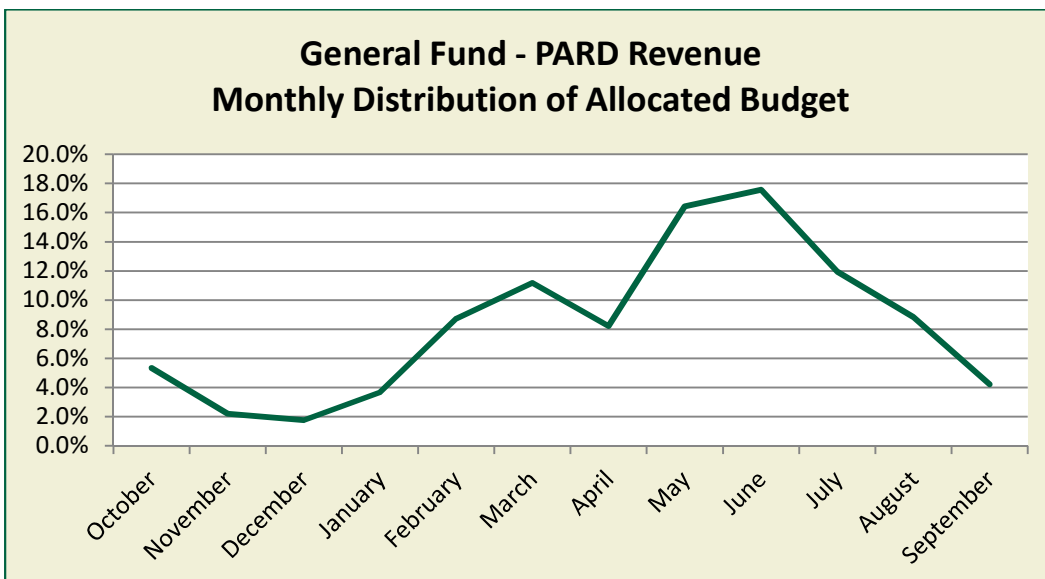


A resurgence in permit and fee revenue in the third and early fourth quarters are responsible for the over-budget variance. Early in the year, Hurricane Harvey had a negative impact on permits and fee revenue, but as flooded properties were sold and developers began a wave of new construction, permit and fee revenues rebounded. As illustrated in the following chart, on a year-to-date basis, revenues trail allocated budget in the first and second quarters but exceed allocated budget in the third and fourth quarters.

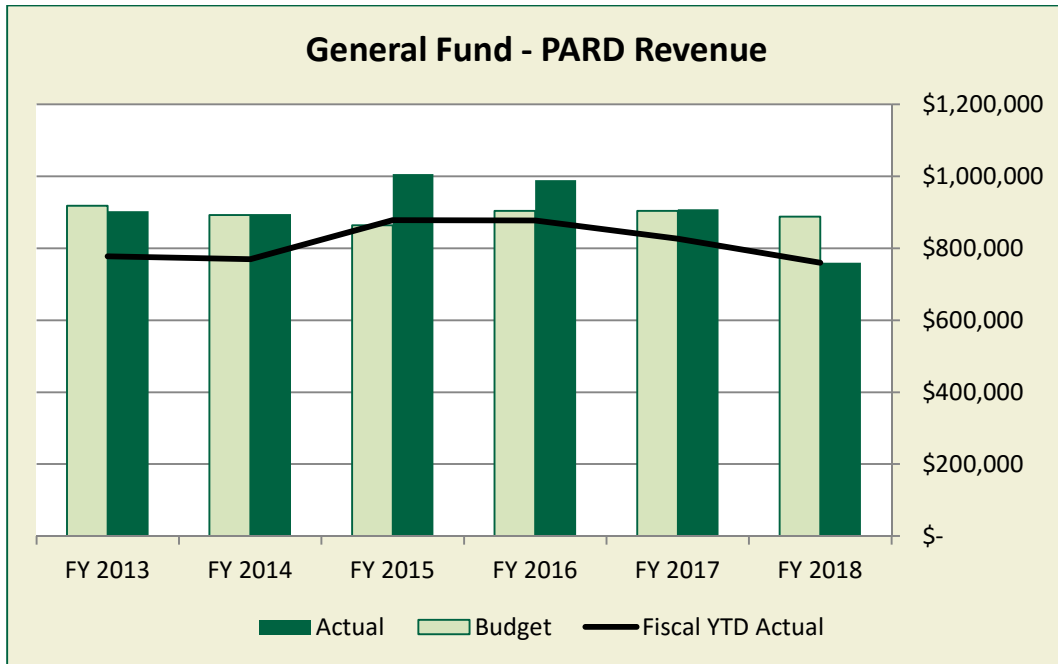


PARD Charges & Fees

As reflected in the following chart, Parks and Recreation fees are weighted heavily toward the summer months when Camp Paseo is operating and the swimming pools are open daily.

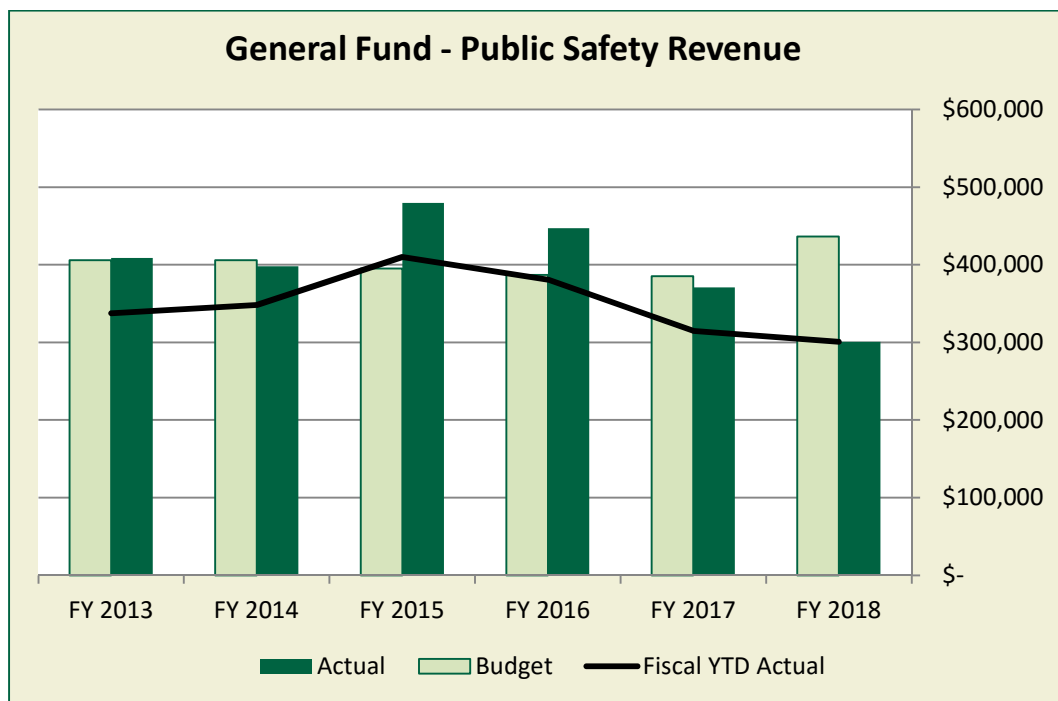


Parks and Recreation fees of \$759,554 are under the allocated budget by \$19,613, or 3%.



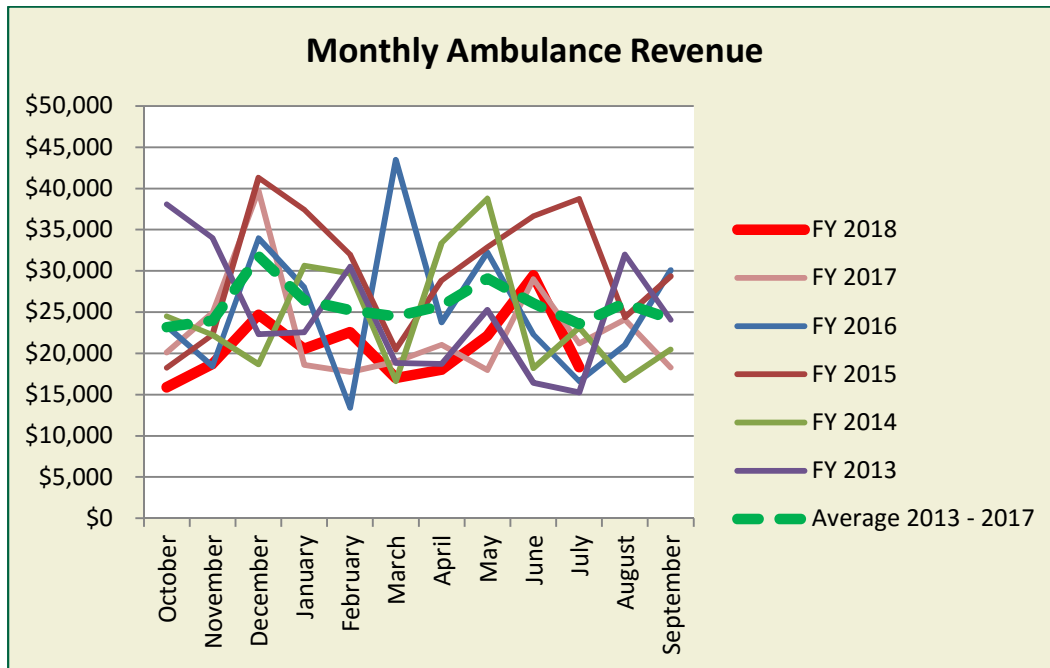
Public Safety

Public Safety revenue of \$300,912 is under the allocated budget by \$70,507, or 19%.



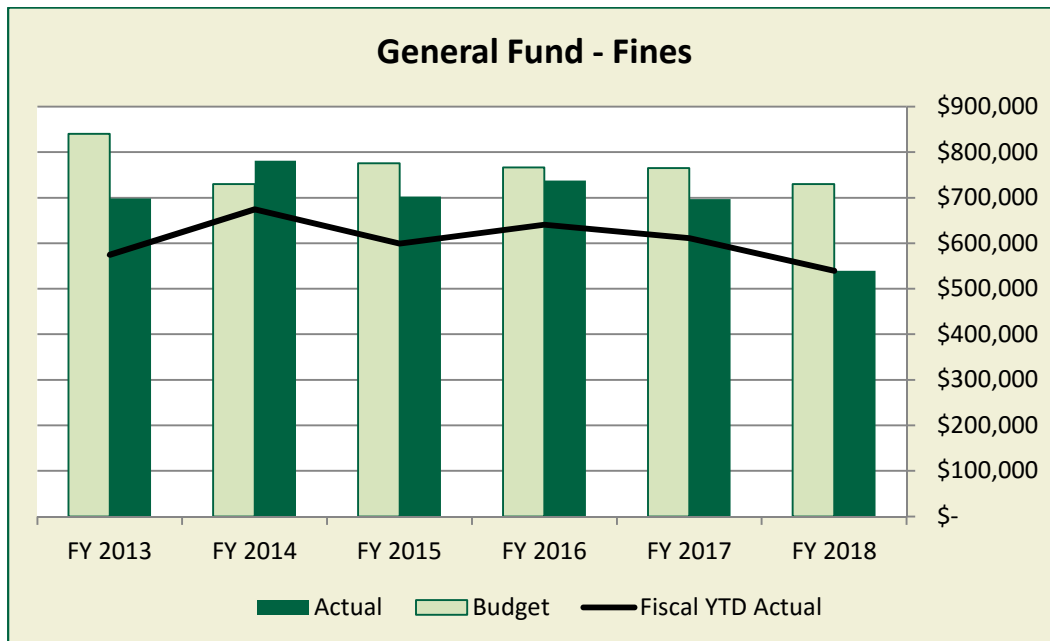
Ambulance fees make up 80% of the public safety revenue budget. As reflected in the following chart, ambulance fees are volatile from month-to-month. Ambulance fees appear to be following

seasonal trends, but trailing historical averages and the budget. We expect this trend to continue; therefore, we reduced our FY 2018 projections for public safety revenues by \$87,000, or 20%, to \$347,000.

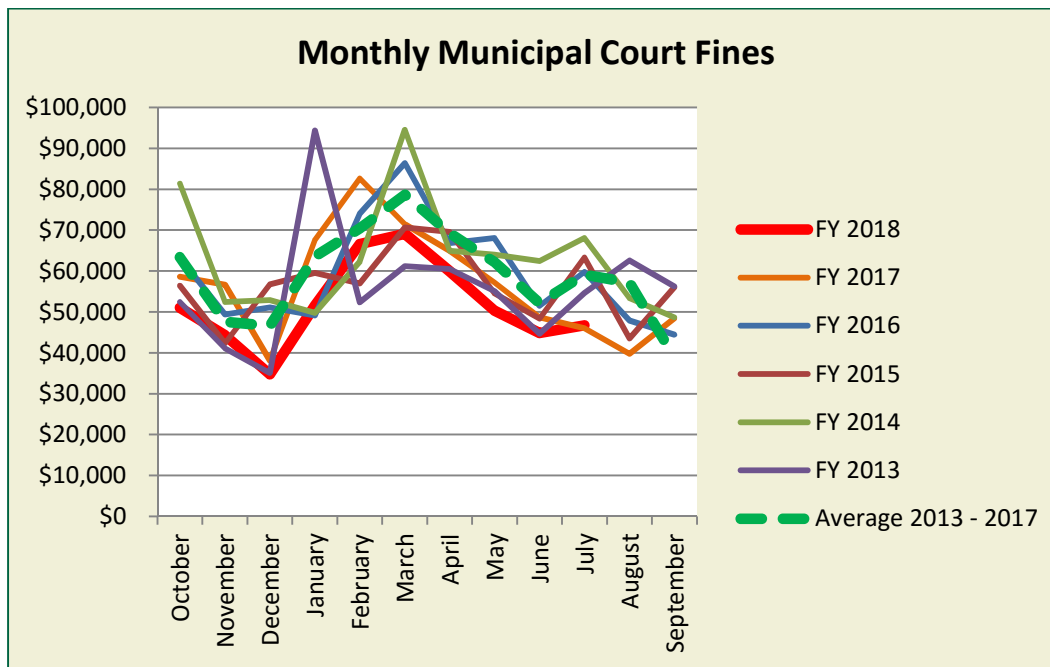


Fines

Fines revenue of \$539,550 is under the allocated budget by \$85,958, or 14%.

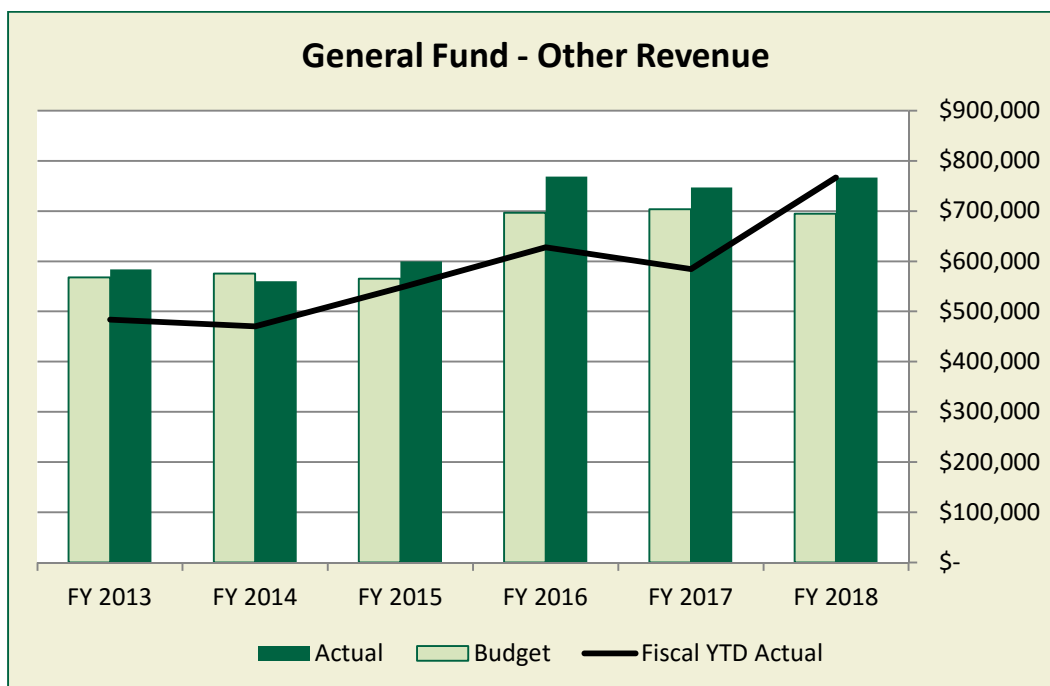


Municipal court fines make up 96% of the fines revenue budget. As reflected in the following chart, municipal court fines are generally lowest in December and generally peak around March. Municipal court fines appear to be following seasonal trends, but trailing historical averages and the budget. We expect this trend to continue; therefore, we reduced our FY 2018 projections for fines revenues by \$98,500, or 13.5%, to \$631,500.



Other

Other revenues of \$766,762 are over the allocated budget by \$185,995, or 32%.



As illustrated in the following table, \$77,709 of unbudgeted TML reimbursements related to Hurricane Harvey is the largest contributor to the variance. Additionally, interest income substantially exceeds budget due to higher than projected interest rates.

Other Revenues Account Detail				
G/L Account Classification	FY 2018 Budget	YTD Actual	Actual as % of Budget	% of FY Complete
Reimbursements - Insurance	\$10,000	\$87,709	877%	83%
Reimbursements - FEMA	0	0	n/a	83%
Interest	35,000	84,372	241%	83%
All Other Categories	649,700	594,681	92%	83%
Total	\$694,700	\$766,762	110%	83%

General Fund Expenditures:

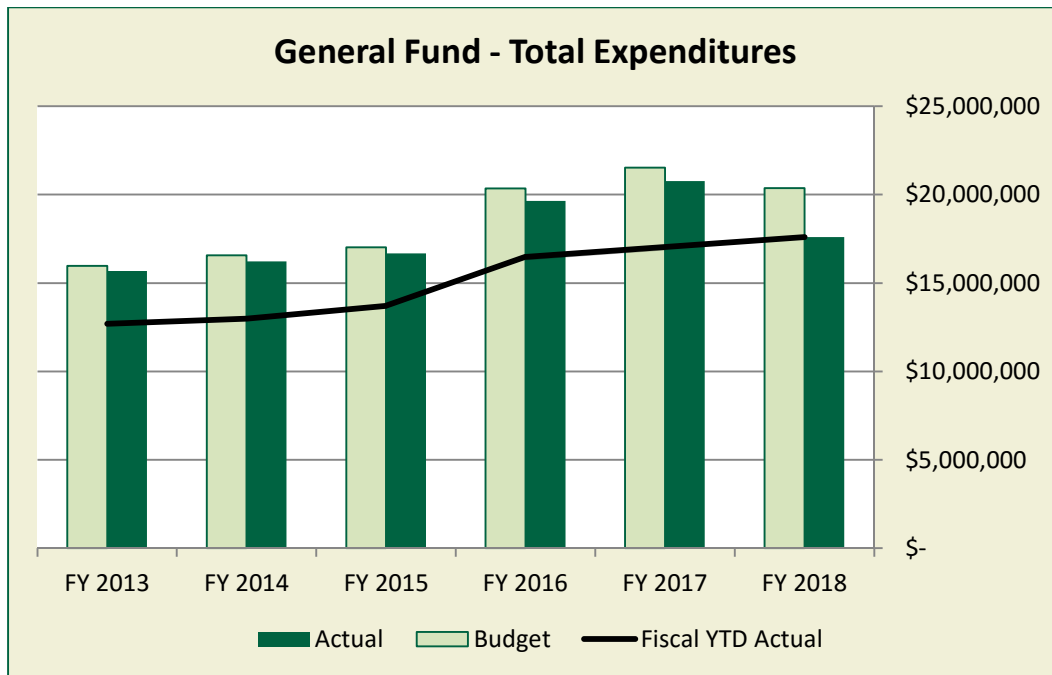
FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$20,359,848	\$16,711,382	\$17,594,191	\$882,809

For the ten months ended July 31, 2018, the General Fund expended 86% of its total budgeted expenditures and is over its allocated budget by \$882,809, or 5%.

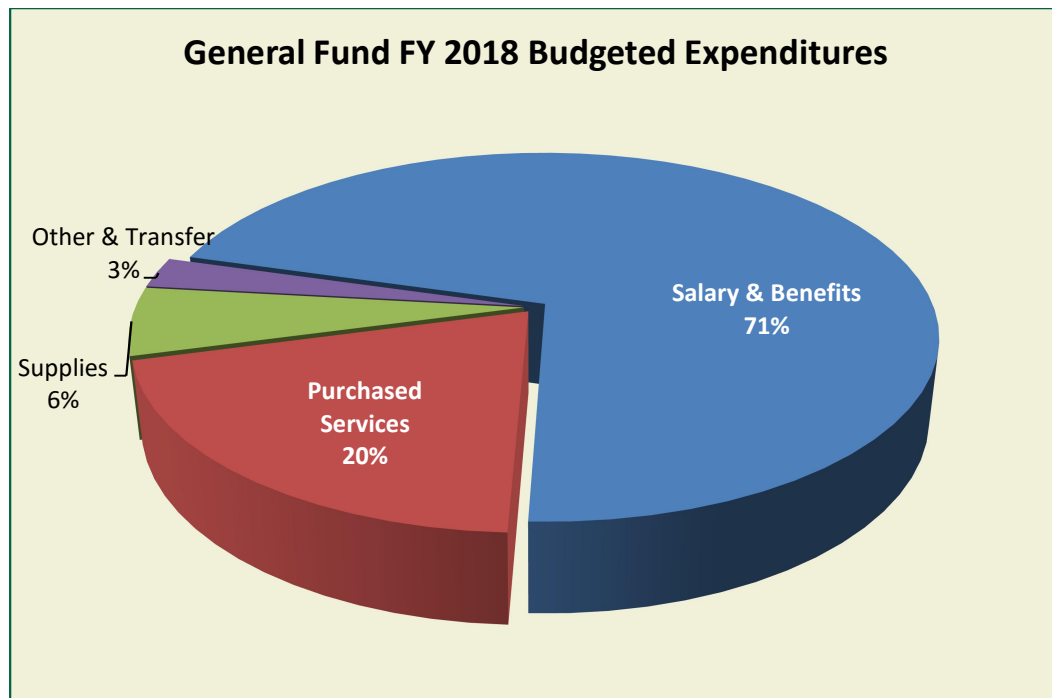
As reflected in the following table, the expenditure category causing the majority of the variance from allocated budget is non-payroll disaster related expenditures, which is over the allocated budget by \$1,593,564. This expenditure category includes all Hurricane Harvey related expenditures other than payroll.

Expenditure Category	FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
Salaries & Benefits	\$14,495,815	\$11,965,523	\$11,905,440	(\$60,084)
Purchased Services	4,110,441	3,329,473	2,798,632	(530,841)
Supplies	1,212,641	968,046	849,218	(118,828)
Other/Transfers	540,951	448,340	447,337	(1,003)
Non-Payroll Disaster	-	-	1,593,564	1,593,564
Total	\$20,359,848	\$16,711,382	\$17,594,191	\$882,809

A discussion of individual expenditure categories follows the discussion of total expenditures.

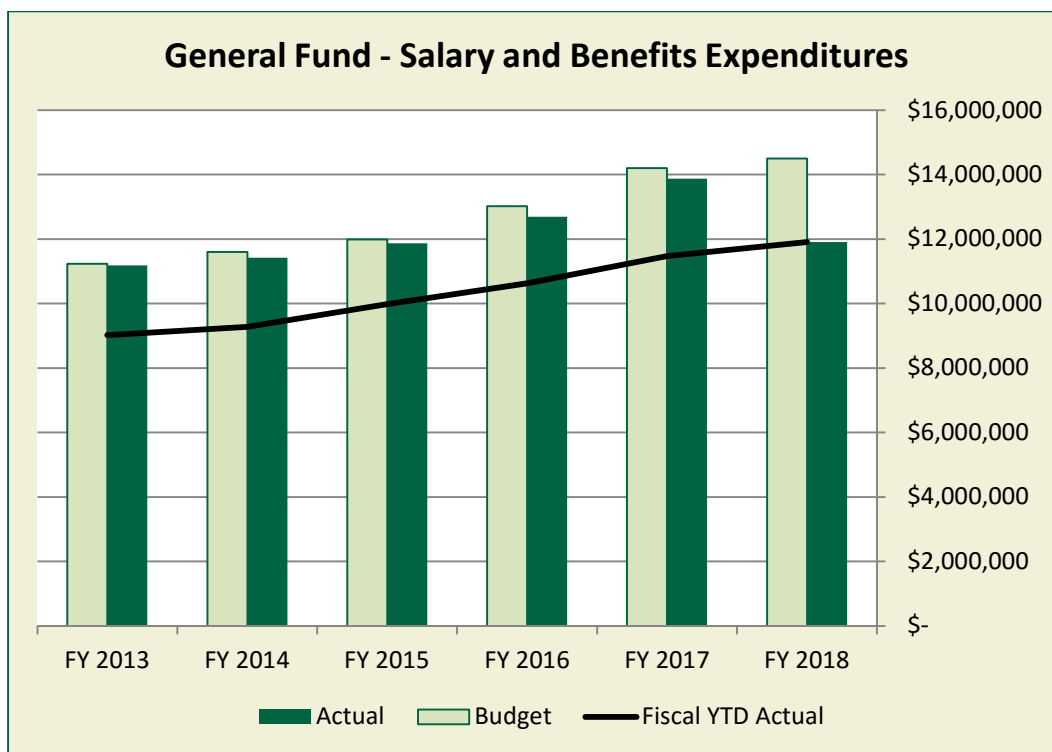


Salaries and benefits make up the largest category of expenditures in the General Fund at 71% of all FY 2018 budgeted expenditures, followed by purchased services at 20%.



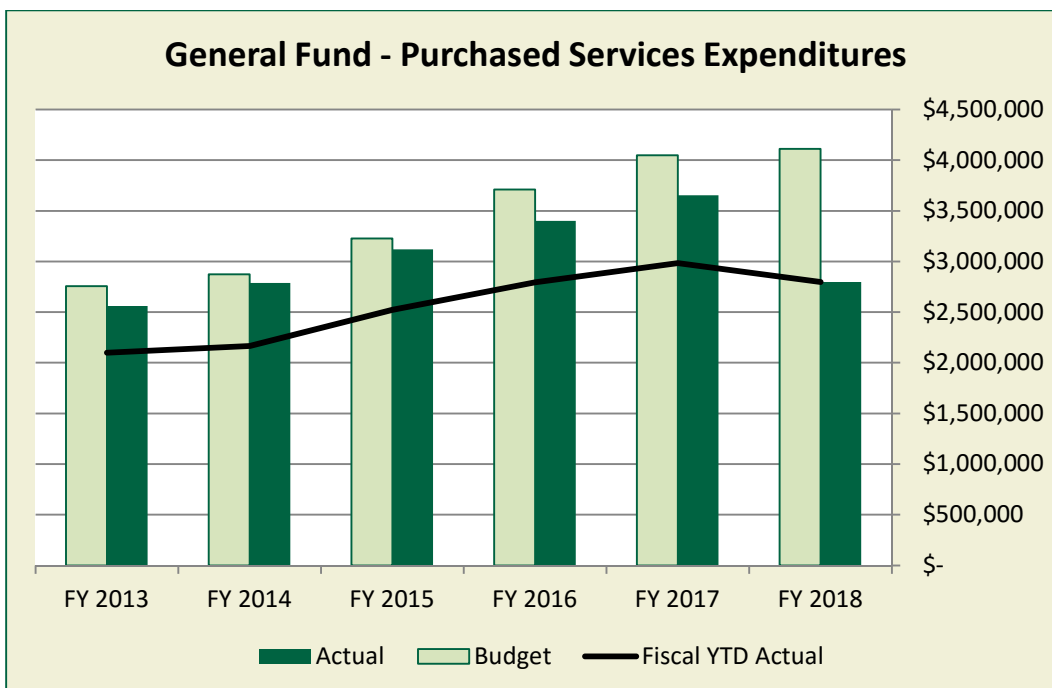
Salary and Benefits

Salary and benefits of \$11,905,440 are under the allocated budget by \$60,084, or 1%.



Purchased Services

Purchased services of \$2,798,632 are under the allocated budget by \$530,841, or 16%.



Some of the larger departmental level variances contributing to purchased services expended during the ten months ended July 31, 2018 being below the FY 2018 allocated budget include:

- City Manager's Office – Other professional expenditures were \$10,232 for the ten months ended July 31, 2018. Over the past five years, the City Manager's Office has incurred an average of 56% of the full year expenditures for other professional services by July 31; however, as of July 31, 2018 it has only spent 41% of its FY 2018 \$24,800 budget. This translates into an under-allocated budget variance of approximately \$3,545. The annual budget includes \$9,800 for a council facilitator for the May pre-budget planning session, \$2,500 related to the Bellaire Citizens Academy, and \$12,500 for other professional services.
- Human Resources – Hiring activities expenditures were \$4,852 for the ten months ended July 31, 2018. Over the past five years, the Human Resources department has incurred an average of 77% of the full year expenditures for hiring activities by July 31; however, as of July 31, 2018 it has only spent 37% of its FY 2018 \$13,000 budget. This translates into an under-allocated budget variance of approximately \$5,200.
- Information Technology – IT maintenance expenditures were \$0 for the ten months ended July 31, 2018. Over the past five years, the Information Technology department has incurred an average of 79% of the full year expenditures for IT maintenance by July 31; however, as of July 31, 2018 it has only spent 0% of its FY 2018 \$5,000 budget. This translates into an under-allocated budget variance of approximately \$3,974.
- Information Technology – Communications maintenance expenditures were \$1,683 for the ten months ended July 31, 2018. Over the past five years, the Information Technology department has incurred an average of 92% of the full year expenditures for communications maintenance by July 31; however, as of July 31, 2018 it has only spent 17% of its FY 2018 \$10,000 budget. This translates into an under-allocated budget variance of approximately \$7,510.
- Development Services – Vehicle maintenance expenditures were \$253 for the ten months ended July 31, 2018. Over the past five years, the Development Services department has incurred an average of 91% of the full year expenditures for vehicle maintenance by July 31; however, as of July 31, 2018 it has only spent 11% of its FY 2018 \$2,250 budget. This translates into an under-allocated budget variance of approximately \$1,796.
- Fire – Other technical services expenditures were \$18,240 for the ten months ended July 31, 2018. Over the past five years, the Fire department has incurred an average of 86% of the full year expenditures for other technical services by July 31; however, as of July 31, 2018 it has only spent 39% of its FY 2018 \$46,500 budget. This translates into an under-allocated budget variance of approximately \$21,763. The other technical services annual budget includes \$33,000 for EMS patient billing fees. The billing fees are based on ambulance billing collections, which are also under budget.
- Police – Vehicle maintenance expenditures were \$42,534 for the ten months ended July 31, 2018. Over the past five years, the Police department has incurred an average of 78%

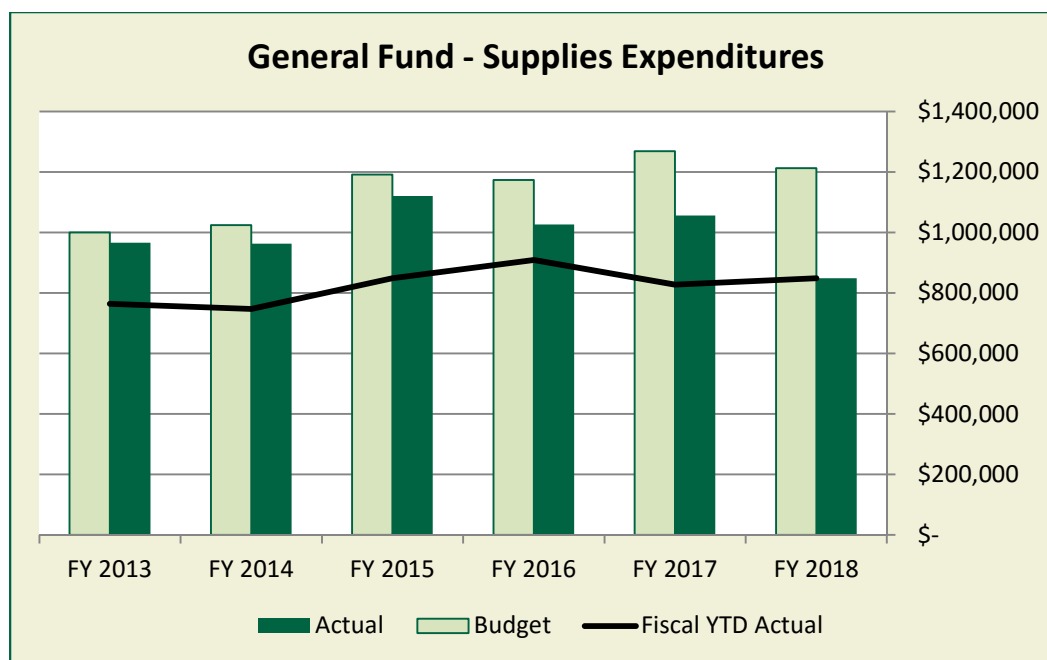
of the full year expenditures for vehicle maintenance by July 31; however, as of July 31, 2018 it has only spent 71% of its FY 2018 \$60,000 budget. This translates into an under-allocated budget variance of approximately \$4,187.

- Police – Other professional services expenditures were \$3,821 for the ten months ended July 31, 2018. Over the past five years, the Police department has incurred an average of 57% of the full year expenditures for other professional services by July 31; however, as of July 31, 2018 it has only spent 22% of its FY 2018 \$17,450 budget. This translates into an under-allocated budget variance of approximately \$6,077.
- Police – Rental equipment expenditures were \$2,407 for the ten months ended July 31, 2018. Over the past five years, the Police department has incurred an average of 85% of the full year expenditures for rental equipment by July 31; however, as of July 31, 2018 it has only spent 34% of its FY 2018 \$7,155 budget. This translates into an under-allocated budget variance of approximately \$3,650. This budget line item includes \$5,630 for copier rental; however, the copier expenditures were centralized in IT in FY 2018.
- Parks (Maintenance) – Other contract labor expenditures were \$8,488 for the ten months ended July 31, 2018. Over the past five years, the Parks department has incurred an average of 78% of the full year expenditures for other contract labor by July 31; however, as of July 31, 2018 it has only spent 47% of its FY 2018 \$18,000 budget. This translates into an under-allocated budget variance of approximately \$5,553.
- Parks (Maintenance) – Parks maintenance expenditures were \$303,069 for the ten months ended July 31, 2018. Over the past five years, the Parks department has incurred an average of 81% of the full year expenditures for parks maintenance by July 31; however, as of July 31, 2018 it has only spent 59% of its FY 2018 \$515,684 budget. This translates into an under-allocated budget variance of approximately \$113,540.
- Public Works (Streets) – Engineers, planners, arborists expenditures were \$40,625 for the ten months ended July 31, 2018. Over the past five years, the Public Works Streets division has incurred an average of 69% of the full year expenditures for engineers, planners, arborists by July 31; however, as of July 31, 2018 it has only spent 39% of its FY 2018 \$103,000 budget. This translates into an under-allocated budget variance of approximately \$30,928. This is a matter of timing of invoices for the City engineer.
- Public Works (Streets) – Vehicle maintenance expenditures were \$14,948 for the ten months ended July 31, 2018. Over the past five years, the Public Works Streets division has incurred an average of 87% of the full year expenditures for vehicle maintenance by July 31; however, as of July 31, 2018 it has only spent 55% of its FY 2018 \$27,000 budget. This translates into an under-allocated budget variance of approximately \$8,515.
- Public Works (Streets) – Paving maintenance expenditures were \$11,456 for the eight months ended March 31, 2018. Over the past five years, the Public Works Streets division has incurred an average of 77% of the full year expenditures for paving maintenance by

July 31; however, as of July 31, 2018 it has only spent 33% of its FY 2018 \$35,000 budget. This translates into an under-allocated budget variance of approximately \$15,407.

Supplies

Supplies of \$849,218 are under the allocated budget by \$118,828, or 12%.



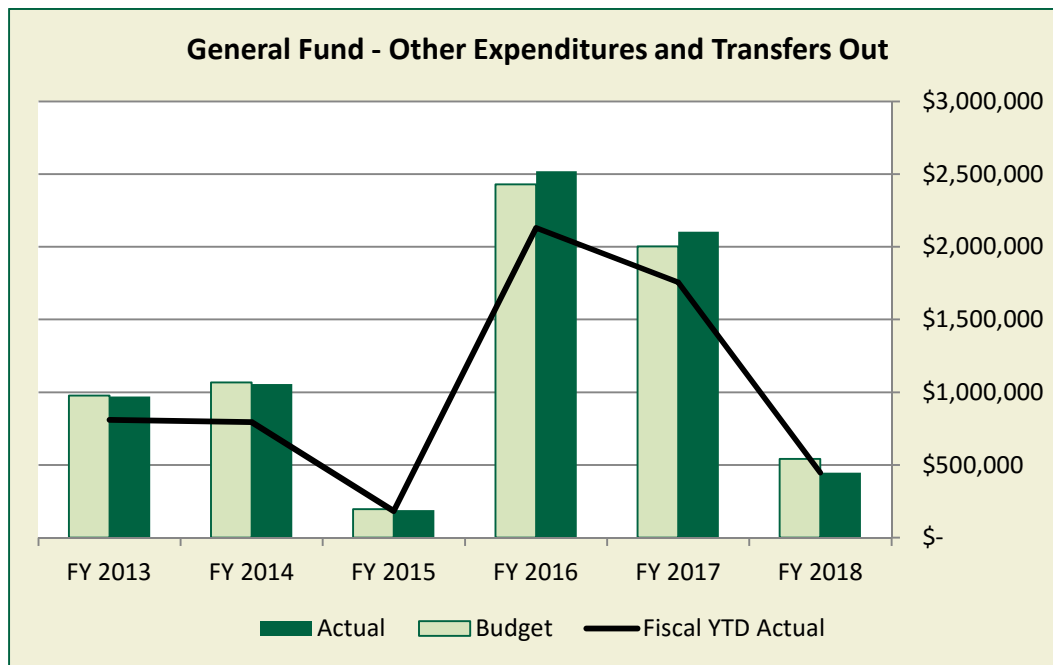
Some of the larger departmental level variances contributing to supplies expended during the ten months ended July 31, 2018 being below the FY 2018 allocated budget include:

- Information Technology – IT supplies expenditures were \$13,194 for the ten months ended July 31, 2018. Over the past five years, the Information Technology department has incurred an average of 77% of the full year expenditures for IT supplies by July 31; however, as of July 31, 2018 it has only spent 66% of its FY 2018 \$20,000 budget. This translates into an under-allocated budget variance of approximately \$2,289.
- Information Technology – Hardware and software expenditures were \$56,289 for the ten months ended July 31, 2018. Over the past five years, the Information Technology department has incurred an average of 87% of the full year expenditures for hardware and software by July 31; however, as of July 31, 2018 it has only spent 49% of its FY 2018 \$115,000 budget. This translates into an under-allocated budget variance of approximately \$43,707.
- Fire – Operating (miscellaneous) expenditures were \$14,465 for the ten months ended July 31, 2018. Over the past five years, the Fire department has incurred an average of 62% of the full year expenditures for operating (miscellaneous) items by July 31; however, as of July 31, 2018 it has only spent 54% of its FY 2018 \$26,541 budget. This translates into an under-allocated budget variance of approximately \$1,903.

- Parks (Recreation) – Operating (miscellaneous) expenditures were \$6,221 for the ten months ended July 31, 2018. Over the past five years, the Parks Recreation division has incurred an average of 59% of the full year expenditures for operating (miscellaneous) items by July 31; however, as of July 31, 2018 it has only spent 37% of its FY 2018 \$16,800 budget. This translates into an under-allocated budget variance of approximately \$3,665.
- Parks (Aquatics) – Small tools and minor equipment expenditures were \$1,974 for the ten months ended July 31, 2018. Over the past five years, the Parks Aquatics division has incurred an average of 84% of the full year expenditures for small tools and minor equipment by July 31; however, as of July 31, 2018 it has only spent 42% of its FY 2018 \$4,700 budget. This translates into an under-allocated budget variance of approximately \$1,982.

Other Expenditures and Transfers Out

The “other expenditures and transfers out” category is mainly the monthly transfers from the General Fund to (1) the Capital Improvement Fund and (2) the Vehicle and Equipment Replacement Fund. Other expenditures and transfers out in the ten months ended July 31, 2018, of \$447,337 are under the allocated budget by \$1,003, or 0%.



Total budgeted transfers out of the General Fund are \$492,926, or \$41,077/month.

G/L Account Classification	FY 2018 Budget	Fiscal YTD Actual	Actual as % of Budget	% of FY Complete
740 – Operating Transfers Out	\$492,926	\$410,772	83%	83%
711 – Credit Card Fees	\$41,000	\$34,577	84%	83%
710 – Banking Charges	\$7,025	\$1,989	28%	83%
Total	\$540,951	\$447,337	83%	83%

Non-Payroll Disaster Related

Non-Payroll disaster related expenditures totaled \$1,593,564 for the ten months ended July 31, 2018. The “non-payroll disaster related” category is unbudgeted non-payroll expenditures related to Hurricane Harvey. Debris removal expenditures totaling \$1,383,207 is the most significant item within this category.

ENTERPRISE FUND

Enterprise Fund Revenues:

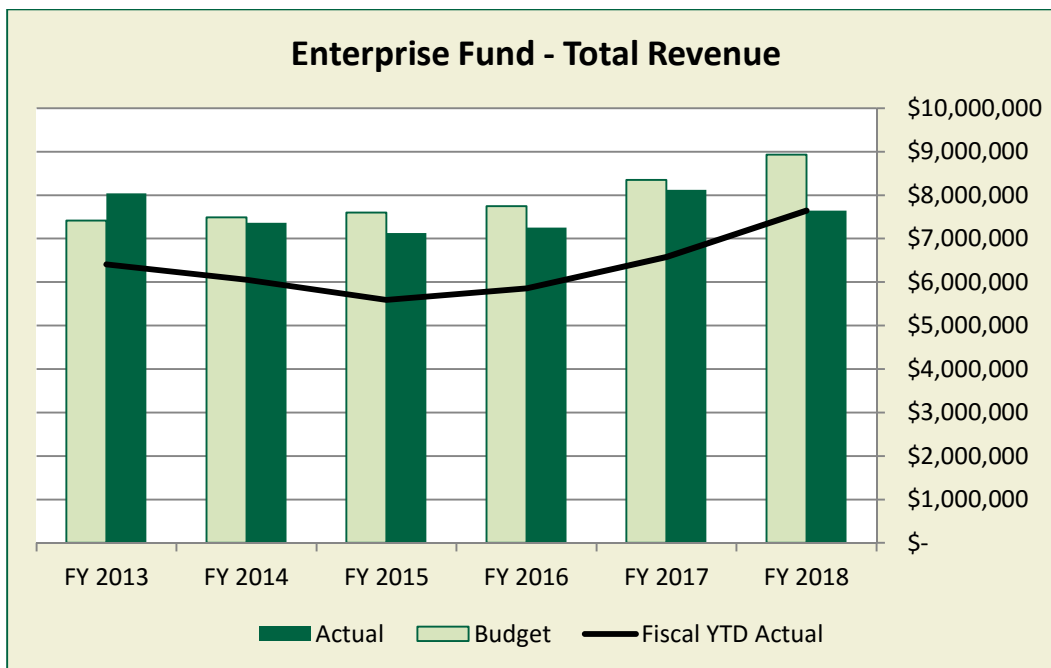
FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$8,932,118	\$7,182,205	\$7,641,529	\$459,324

For the ten months ended July 31, 2018, the Enterprise Fund collected 86% of its total budgeted revenues and is over its allocated budget by \$459,324, or 6%.

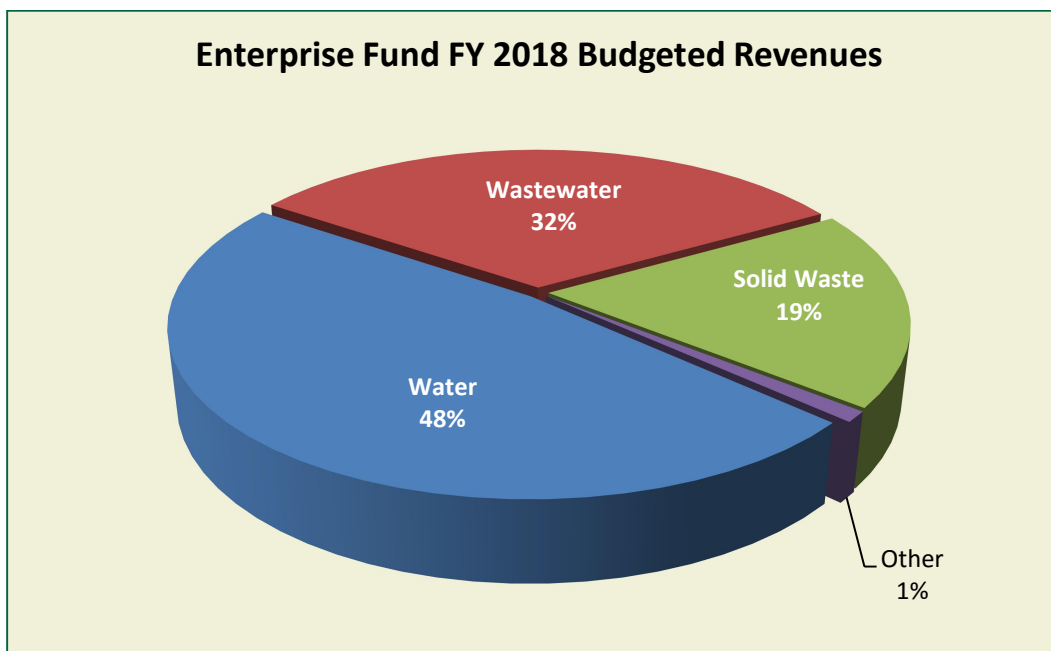
As reflected in the following table, the revenue categories causing the majority of the variance from allocated budget are water revenue and other revenues. Other revenues include \$225,671 of unbudgeted insurance proceeds related to Hurricane Harvey. If this revenue source is excluded, the Enterprise Fund is over its allocated budget by \$233,653, or 3%.

Revenue Category	FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
Water	\$4,266,524	\$3,313,120	\$3,631,768	\$318,648
Wastewater	2,891,394	2,397,268	2,271,387	(125,881)
Solid Waste	1,683,700	1,402,824	1,377,401	(25,423)
Other	90,500	68,993	360,973	291,980
Total	\$8,932,118	\$7,182,205	\$7,641,529	\$459,324

A discussion of individual revenue categories follows the discussion of total revenues.

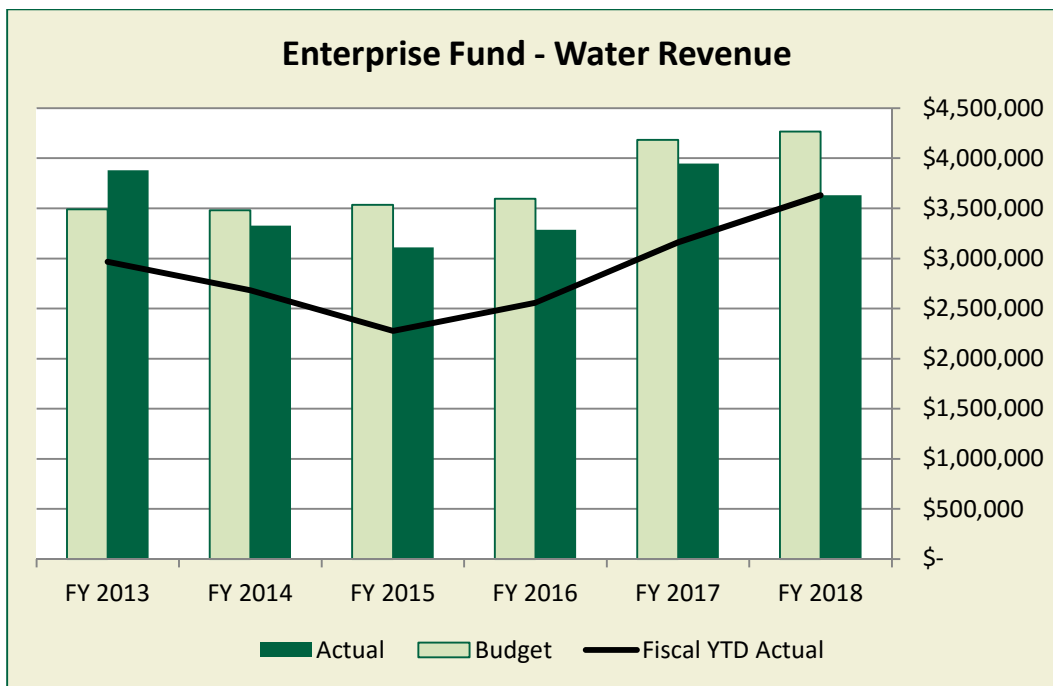


Sales of water makes up the largest category of revenues in the Enterprise Fund at 48% of all FY 2018 budgeted revenues, followed by charges for wastewater at 32%, and charges for solid waste at 19%.

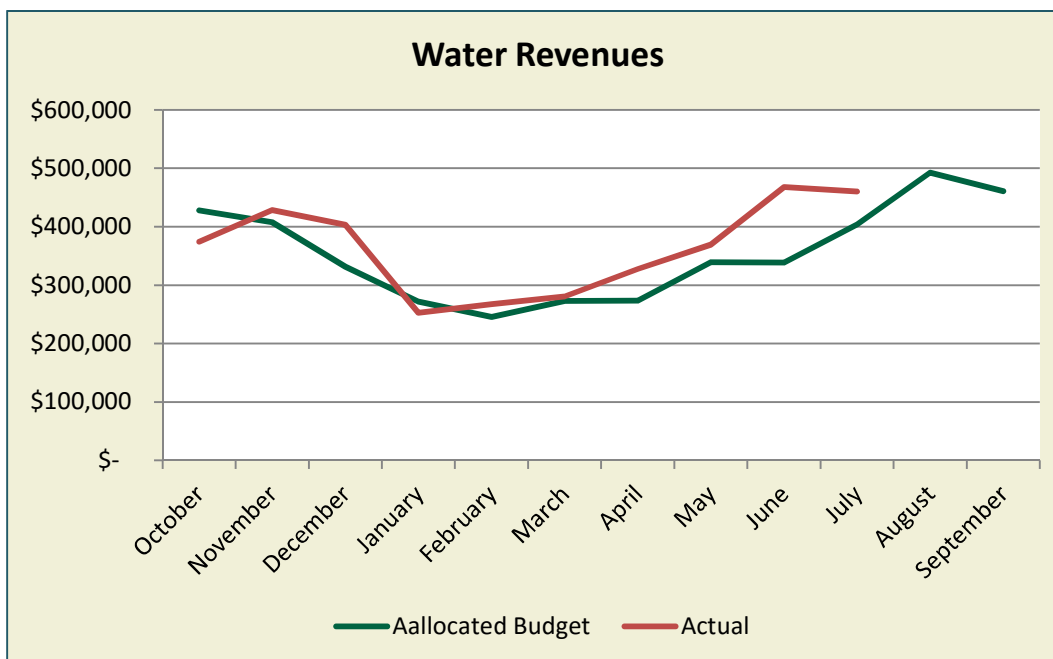


Water Revenue

Water revenue of \$3,631,768 is above the allocated budget by \$318,648, or 10%.



A significant portion of annual water sales is related to lawn irrigation. This results in seasonal revenues with the highest water revenue in the months of July through November as illustrated in the following graph.



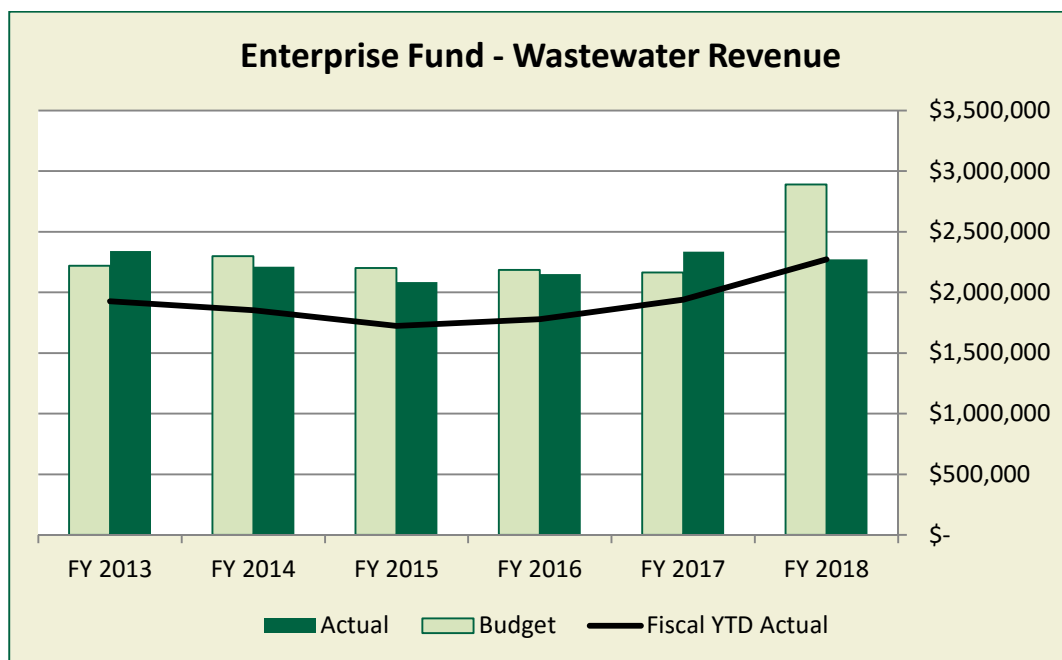
This year, we are 10% above allocated budget for water sales. Contributing to the overage is higher than expected lawn irrigation resulting from a dryer than normal year. As reflected in the

following table, the cumulative rainfall this fiscal year is the lowest since FY 2013. Also potentially contributing is improved accuracy of the new water meters.

Rainfall (Inches)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Cumulative thru July	23.46	45.66	58.84	62.08	39.08	32.63
Annual	30.06	59.05	70.83	70.95	123.77	

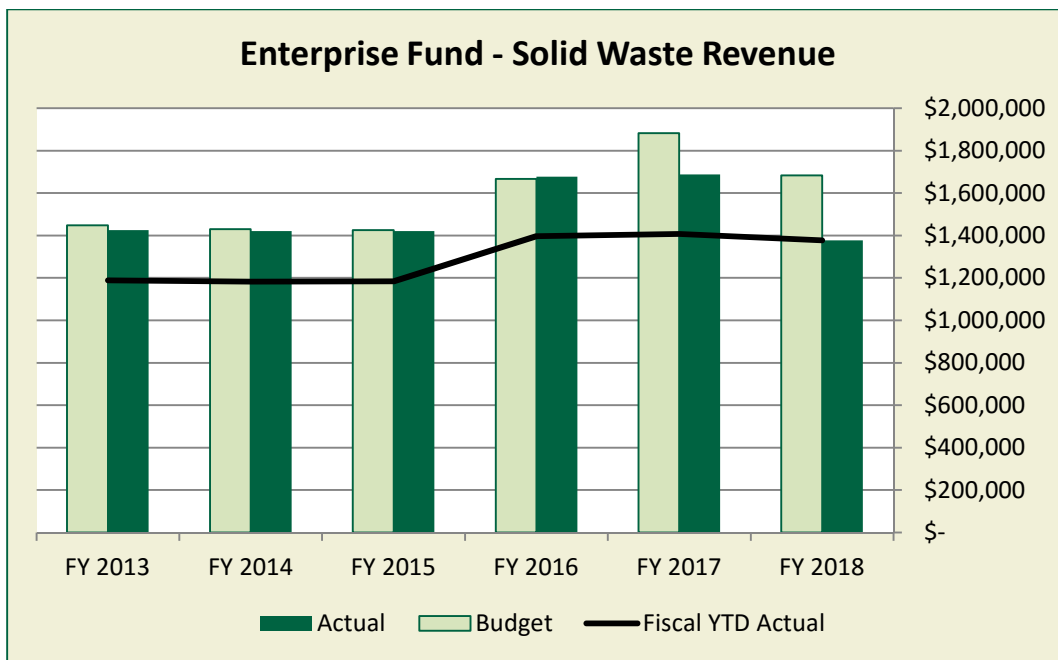
Wastewater Revenue

Wastewater revenue of \$2,271,387 is under the allocated budget by \$125,881, or 5%.



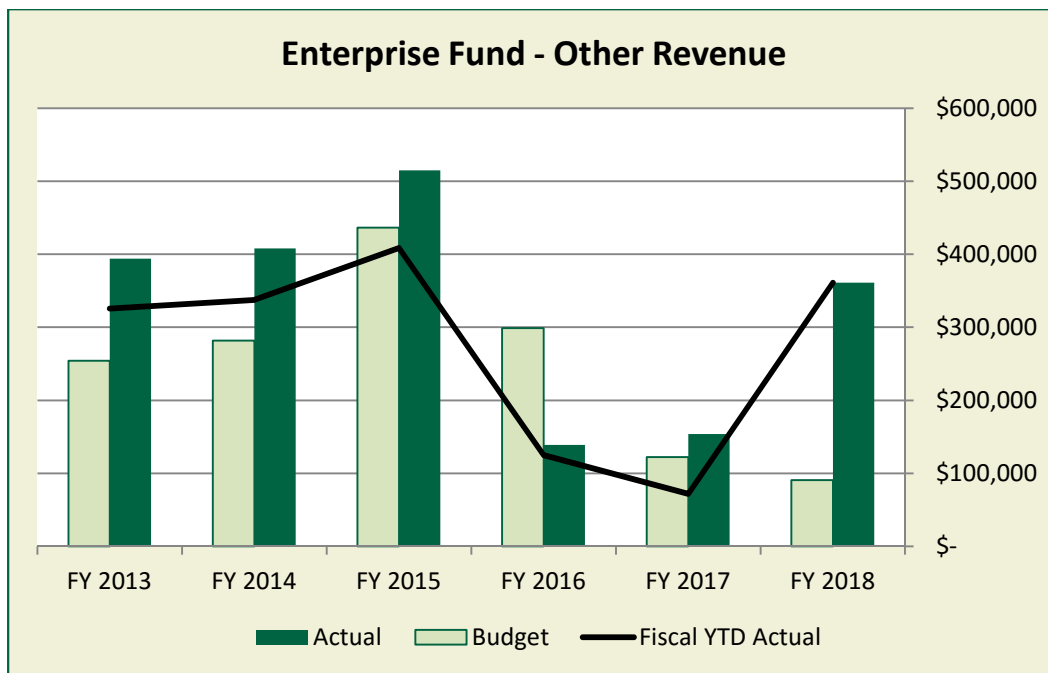
Solid Waste

Solid Waste revenue of \$1,377,401 is below the allocated budget by \$25,423, or 2%.



Other

Other revenues of \$360,973 are over the allocated budget by \$291,980, or 423%.



As illustrated by the following table, \$225,671 of unbudgeted TML reimbursements related to Hurricane Harvey account for the majority of the variance. Additionally, the City received \$52,377 from surplus asset sales, far exceeding the budget of \$5,000. Most of the surplus asset sales relate to proceeds from the sale of meters uninstalled as part of the meter replacement project.

Other Revenues Account Detail				
G/L Account Classification	FY 2018 Budget	YTD Actual	Actual as % of Budget	% of FY Complete
Reimbursements - Insurance	\$0	\$225,671	n/a	83%
Reimbursements - FEMA	0	0	n/a	83%
Sale of City Property	5,000	52,377	1,048%	83%
All Other Categories	85,500	82,925	97%	83%
Total	\$90,500	\$360,973	399%	83%

Enterprise Fund Expenses:

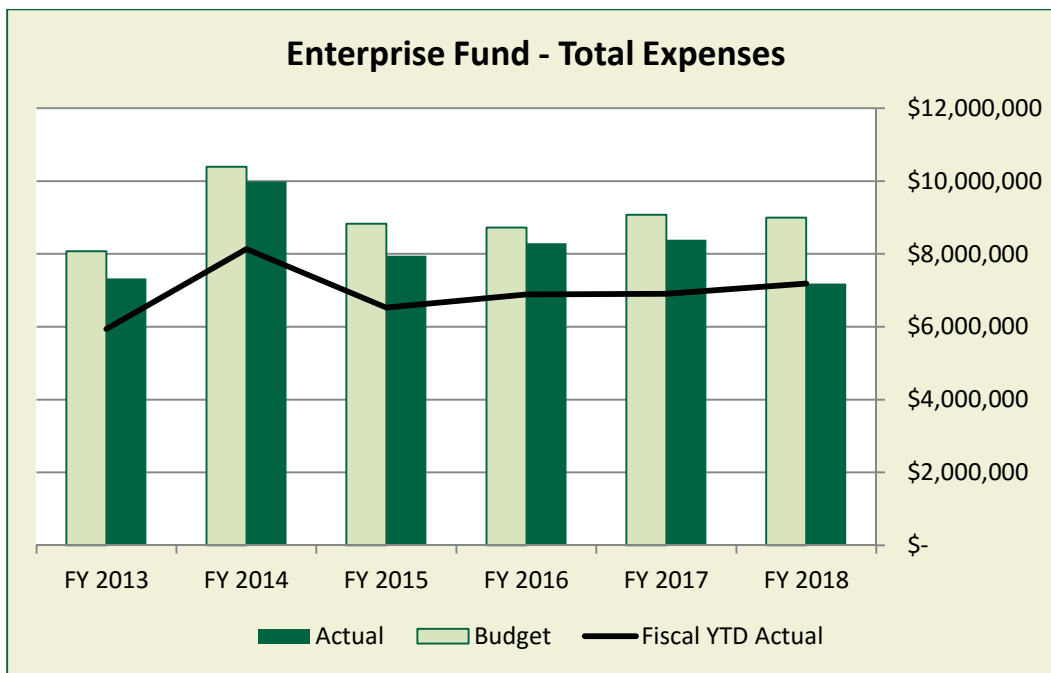
FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$8,990,787	\$7,384,405	\$7,187,292	(\$197,114)

For the ten months ended July 31, 2018, the Enterprise Fund incurred 80% of its total budgeted expenses and is under its allocated budget by \$197,114, or 3%.

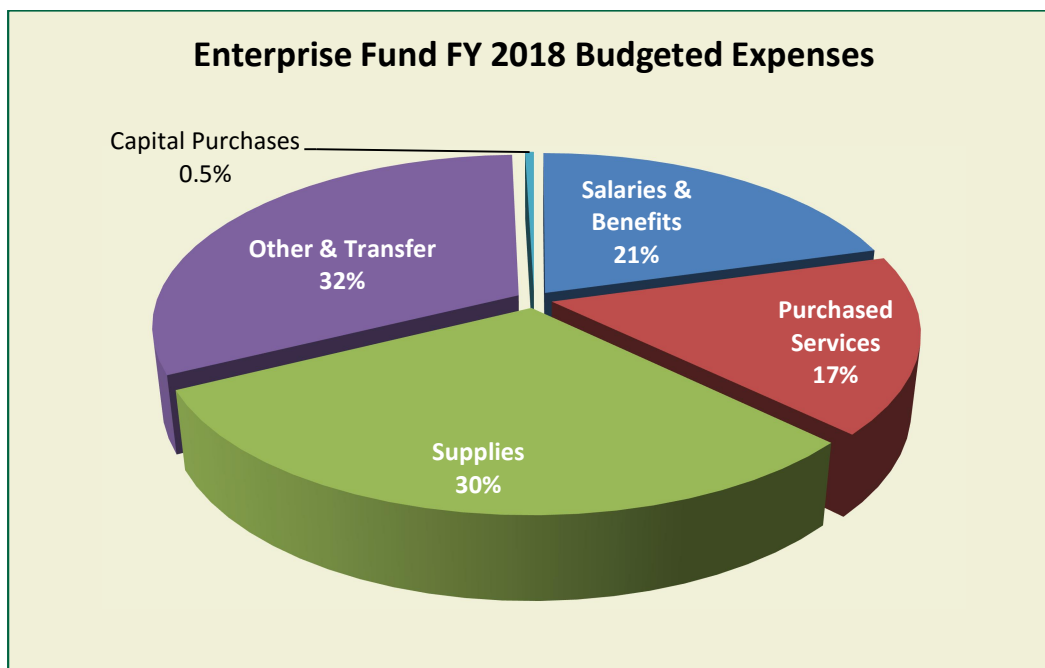
As reflected in the following table, the expense categories most responsible for the variance from allocated budget are supplies, which is under the allocated budget by \$322,587, and non-payroll disaster related expenses, which is over the allocated budget by \$190,939.

Expense Category	FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
Salaries & Benefits	\$1,854,594	\$1,526,155	\$1,367,449	(\$158,705)
Purchased Services	1,491,676	1,160,192	1,287,573	127,381
Supplies	2,737,081	2,275,077	1,952,490	(322,587)
Other/Transfers	2,865,436	2,389,265	2,388,841	(424)
Capital Purchases	42,000	33,717	-	(33,717)
Non-Payroll Disaster	-	-	190,939	190,939
Total	\$8,990,787	\$7,384,405	\$7,187,292	(\$197,114)

A discussion of individual expense categories follows the discussion of total expenses.

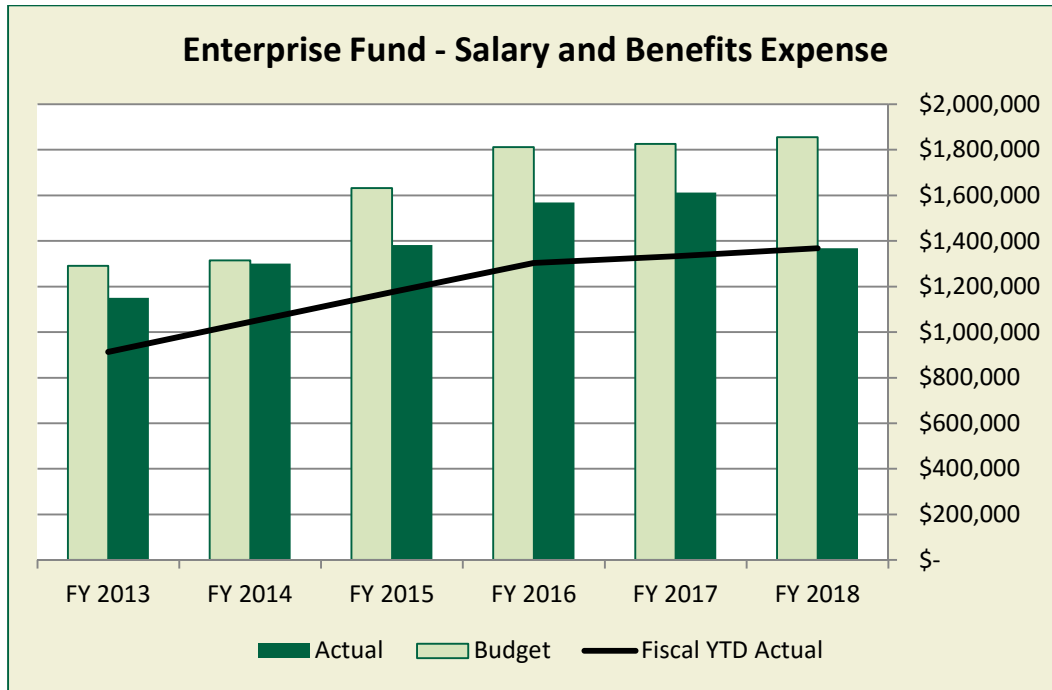


“Other expenses and transfers” makes up the largest category of expense in the Enterprise Fund at 32% of all FY 2018 budgeted expenses, followed by supplies, which includes water purchased from the City of Houston, at 30%. Other and transfers includes \$14,000 of budgeted operational expenses and \$2,851,436 of transfers out, including (1) \$624,000 to the General Fund to reimburse overhead expenses, (2) \$1,750,436 to the Debt Service Fund, (3) \$357,000 to the Vehicle and Equipment Replacement Fund, and (4) \$120,000 to the Capital Improvement Fund.



Salary and Benefits

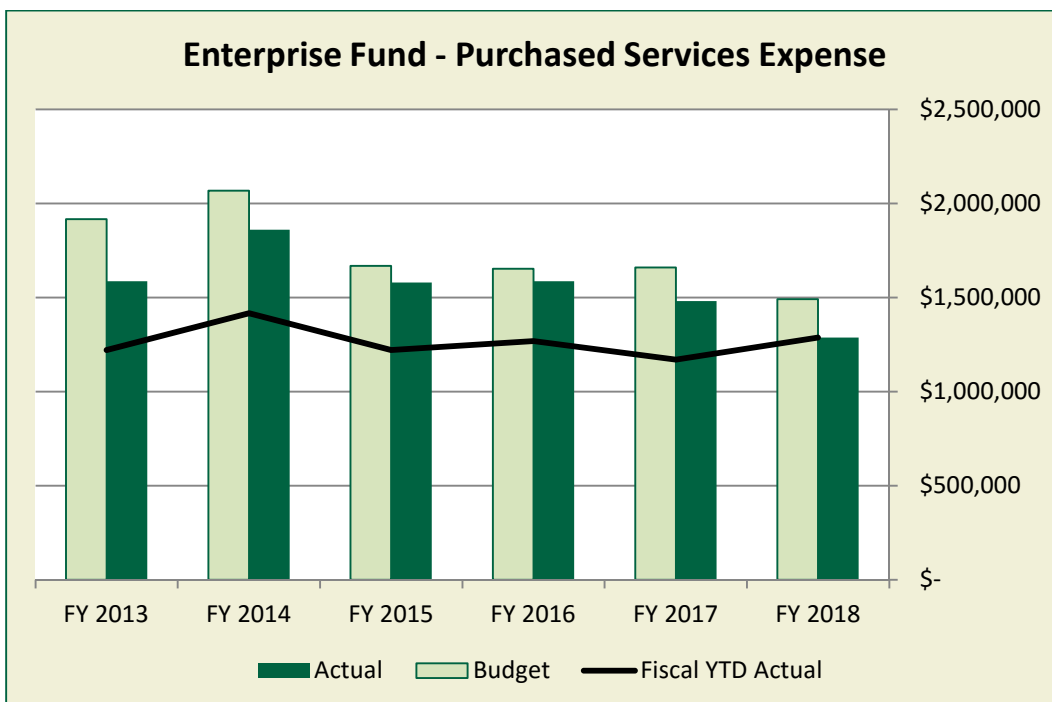
Salary and benefits of \$1,367,449 are under the allocated budget by \$158,705, or 10%.



Salaries and benefits are under budget due to vacancies. Due to the vacancies, the Public Works department has supplemented the labor force using contract labor. The contract labor expense is reflected in the Purchased Services category.

Purchased Services

Purchased services of \$1,287,573 are over the allocated budget by \$127,381, or 11%.



Some of the larger divisional level variances contributing to purchased services expended during the ten months ended July 31, 2018 being over the FY 2018 allocated budget include:

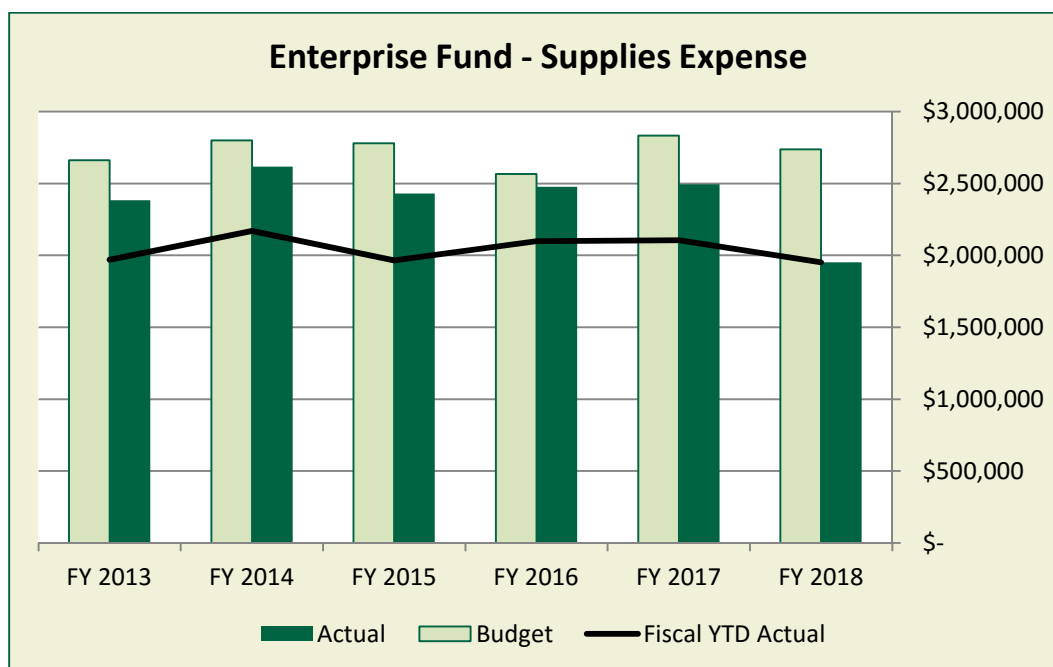
- PW (all divisions) – Contract labor expenditures were \$162,734 for the ten months ended July 31, 2018. Over the past five years, the Enterprise Fund Public Works department has incurred an average of 76% of the full year expenditures for contract labor by July 31; however, as of July 31, 2018 the department has spent 236% of its FY 2018 original \$69,000 budget. This translates into an over-allocated budget variance of approximately \$110,216. These expenditures are primarily a result of vacancies, which cause salaries and benefits to be under budget.
- PW (Water Production) – Well water maintenance expenditures were \$83,639 for the ten months ended July 31, 2018. Over the past five years, the Water Production division has incurred an average of 71% of the full year expenditures for well water maintenance by July 31; however, as of July 31, 2018 the City has spent 119% of its FY 2018 \$70,000 budget. This translates into an over-allocated budget variance of approximately \$34,001.
- PW (Water Production) – Water main maintenance expenditures were \$118,150 for the ten months ended July 31, 2018. Over the past five years, the Water Production division has incurred an average of 72% of the full year expenditures for water main maintenance by July 31; however, as of July 31, 2018 the City has spent 79% of its FY 2018 \$150,000 budget. This translates into an over-allocated budget variance of approximately \$9,820.
- PW (Wastewater Collection) – Sanitary sewer maintenance expenditures were \$32,062 for the ten months ended July 31, 2018. Over the past five years, the Wastewater Collection division has incurred an average of 57% of the full year expenditures for sanitary sewer maintenance by July 31; however, as of July 31, 2018 the City has spent 60% of its FY 2018 \$53,000 budget. This translates into an over-allocated budget variance of approximately \$1,885.
- PW (Wastewater Collection) – Lift station maintenance expenditures were \$53,700 for the ten months ended July 31, 2018. Over the past five years, the Wastewater Collection division has incurred an average of 81% of the full year expenditures for lift station maintenance by July 31; however, as of July 31, 2018 the City has spent 114% of its FY 2018 \$47,000 budget. This translates into an over-allocated budget variance of approximately \$15,650.
- PW (Wastewater Treatment) – Wastewater treatment plant maintenance expenditures were \$69,527 for the ten months ended July 31, 2018. Over the past five years, the Wastewater Treatment division has incurred an average of 64% of the full year expenditures for wastewater treatment plant maintenance by July 31; however, as of July 31, 2018 the City has spent 126% of its FY 2018 \$55,000 budget. This translates into an over-allocated budget variance of approximately \$34,420.

The above over-allocated budget situations have been partially offset by savings in other areas.

- PW (all divisions) – Vehicle maintenance expenditures were \$99,124 for the ten months ended July 31, 2018. Over the past five years, the Enterprise Fund Public Works department has incurred an average of 81% of the full year expenditures for vehicle maintenance by July 31; however, as of July 31, 2018 the City has spent only 58% of its FY 2018 \$170,650 budget. This translates into an under-allocated budget variance of approximately \$39,156.

Supplies

Supplies of \$1,952,490 are under the allocated budget by \$322,587, or 14%.



Supplies includes the cost of water purchased from the City of Houston and the cost of groundwater credits the City purchases from the Harris-Galveston Subsidence District related to water the City pumps from underground. Both of the costs are contributing to the supplies expenditure being under the allocated budget.

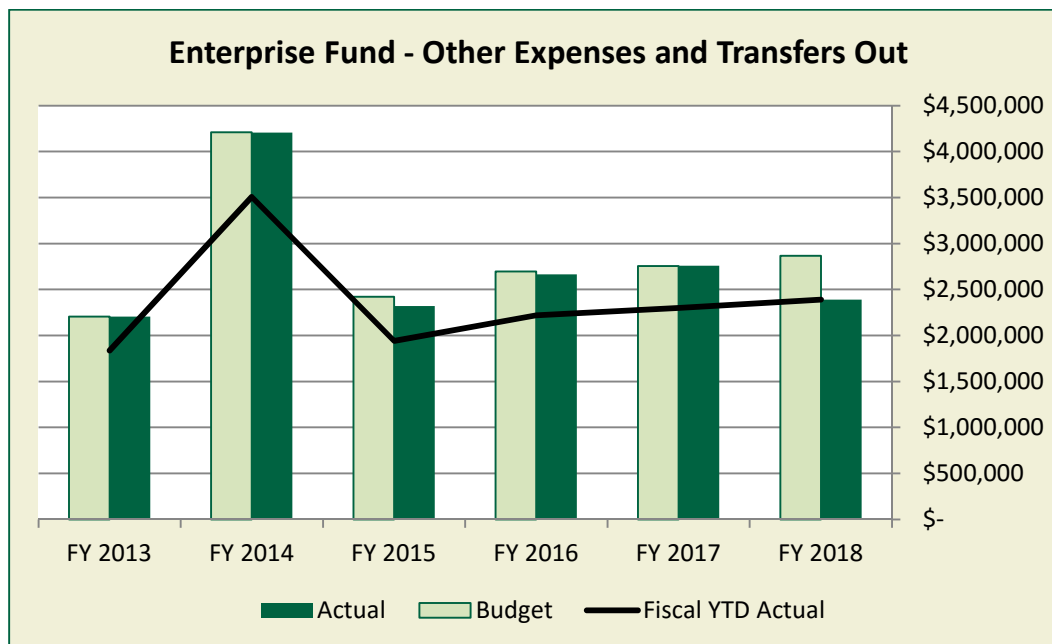
The \$1,453,942 year-to-date July expense for water purchased from the City of Houston includes nine months of water purchases instead of ten. Historically, October contained the expense related to water purchased in September. That caused us to do a year-end adjusting entry to accrue the expense into September, so at the end of FY 2017 we recorded the expense in September to avoid having a year-end adjustment. The payment for September 2017 water usage was \$147,184.

The budget includes \$170,800 for groundwater credits, which are typically purchased annually from the Harris-Galveston Subsidence District between November and March. The City

determined it has an adequate inventory of groundwater credits on hand to forgo purchasing additional credits this fiscal year.

Other Expenses and Transfers Out

The “other expenses and transfers out” category is mainly the monthly transfers from the Enterprise Fund to (1) the General Fund, (2) the Debt Service Fund, (3) The Vehicle and Equipment Replacement Fund, and (4) the Capital Improvement Fund. Other expenses and transfers out in the ten months ended July 31, 2018, of \$2,388,841 are under the allocated budget by \$424, or 0%.



Total budgeted transfers out of the Enterprise Fund are \$2,851,436, or \$237,620/month.

G/L Account Classification	FY 2018 Budget	Fiscal YTD Actual	Actual as % of Budget	% of FY Complete
740 – Operating Transfers Out	\$2,851,436	\$2,376,197	83%	83%
711 – Credit Card Fees	\$14,000	\$12,644	90%	83%
Total	\$2,865,436	\$1,910,603	83%	83%

Non-Payroll Disaster Related

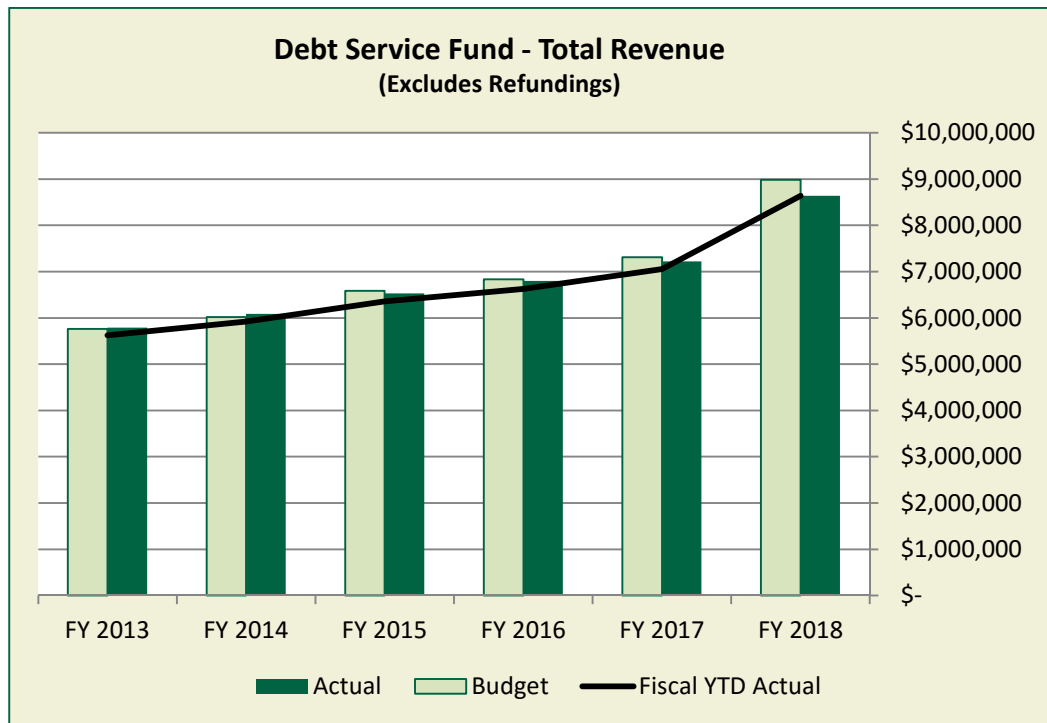
Non-Payroll disaster related expenses totaled \$190,939 for the ten months ended July 31, 2018. The “non-payroll disaster related” category is unbudgeted non-payroll expenses related to Hurricane Harvey. The most significant expenses in this category relate to the repair of the wastewater treatment plant.

DEBT SERVICE FUND

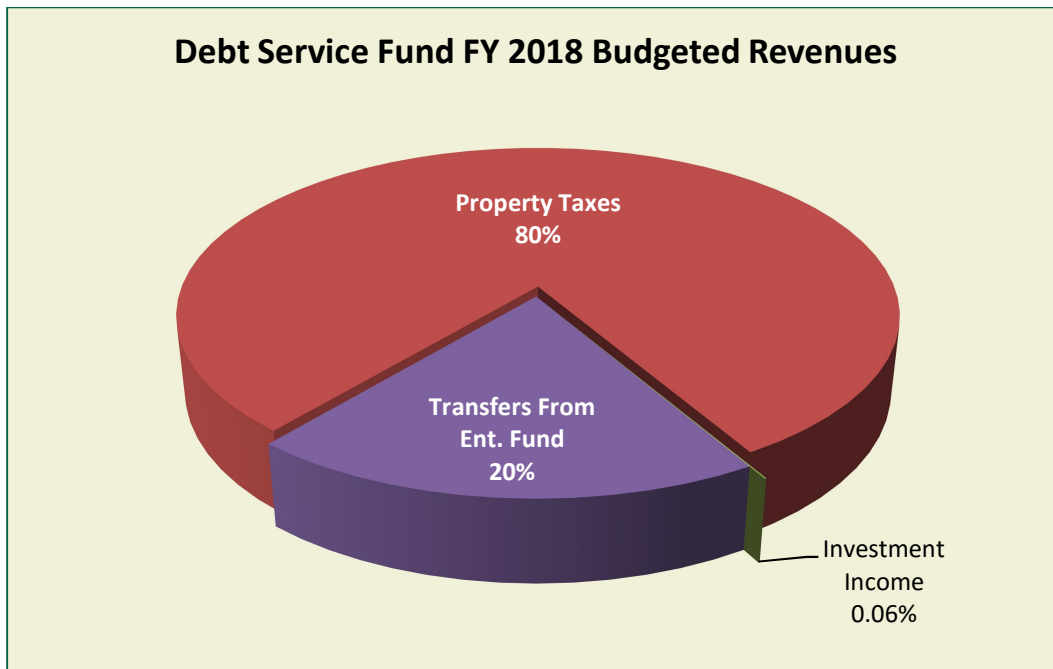
Debt Service Fund Revenues:

FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$8,984,321	\$8,677,379	\$8,640,391	(\$36,988)

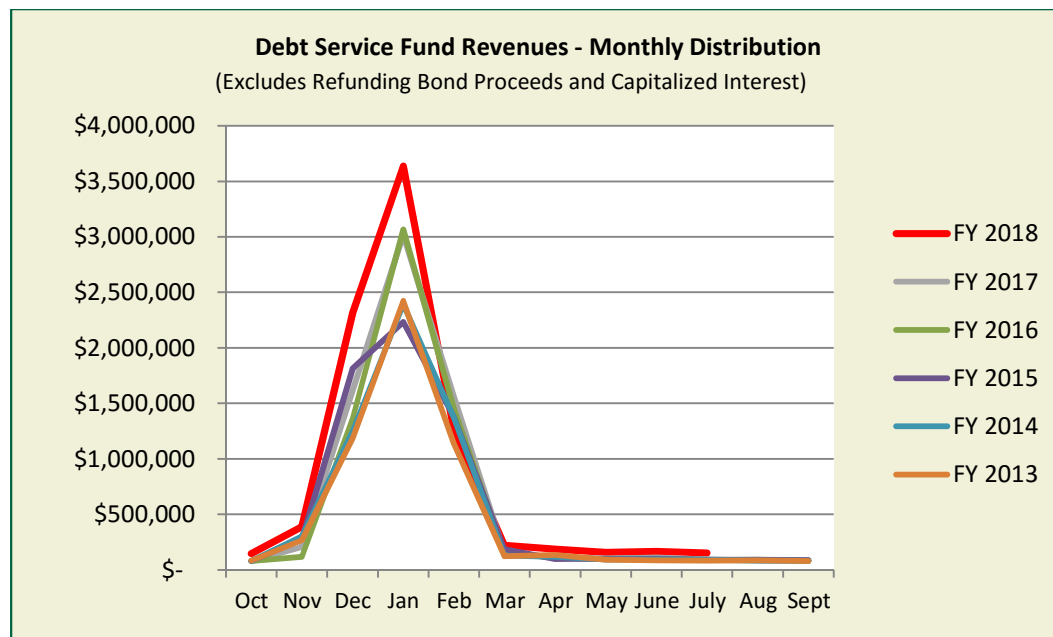
For the ten months ended July 31, 2018, the Debt Service Fund collected 96% of its total budgeted revenues and is under its allocated budget by 36,988, or 0%.



Property tax makes up the largest category of revenue in the Debt Service Fund at 80% of all FY 2018 budgeted revenues, followed by transfers from the Enterprise Fund at 20%, and investment income at less than 1%.

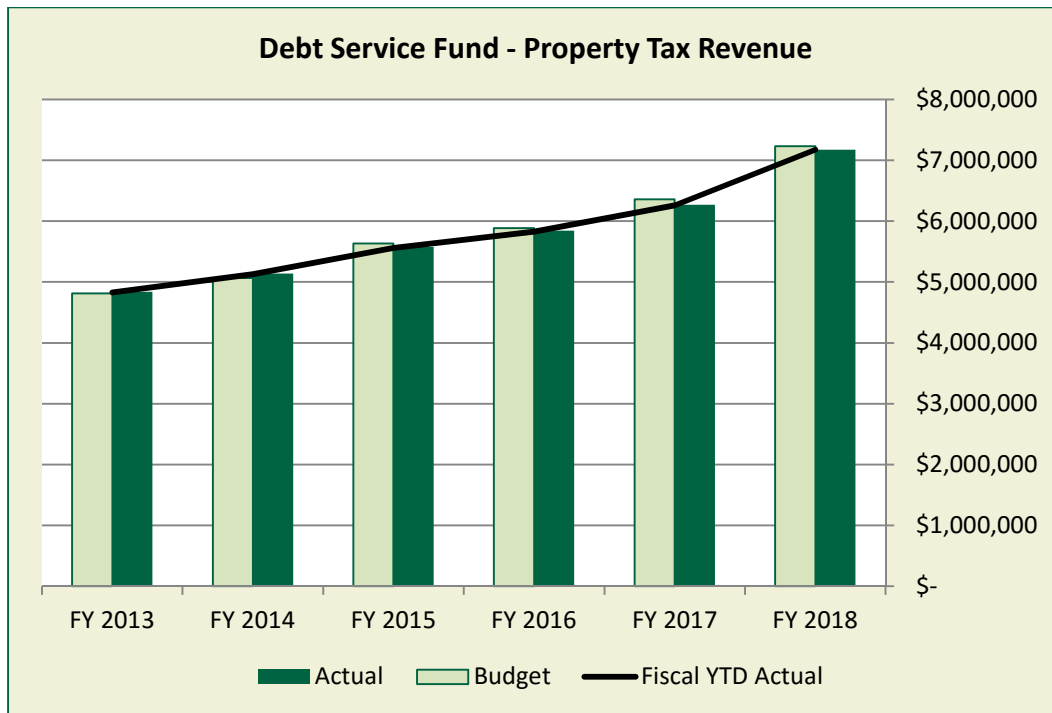


As property taxes are the main revenue source, the January 31 property tax deadline results in revenues being concentrated in the December – March timeframe.



Property Tax

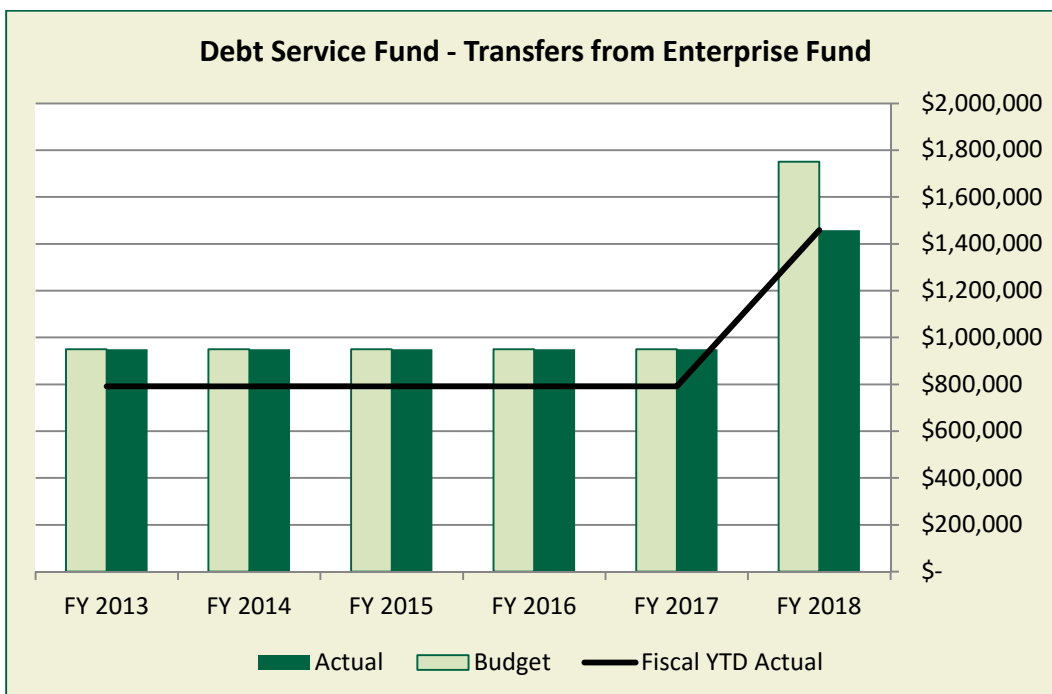
The Debt Service Fund collected \$7,173,799 of property tax revenue in the ten months ended July 31, 2018, which is under the allocated budget by \$40,165, or 1%.



FY 2018 property taxes are budgeted for \$7.2 million, an increase of \$0.9 million over FY 2017's \$6.3 million. The budgeted increase in property taxes is driven by a debt service tax rate increase of \$0.0158 per \$100 of assessed value, or 11.9%, and a 1.9% increase in taxable values.

Transfers In

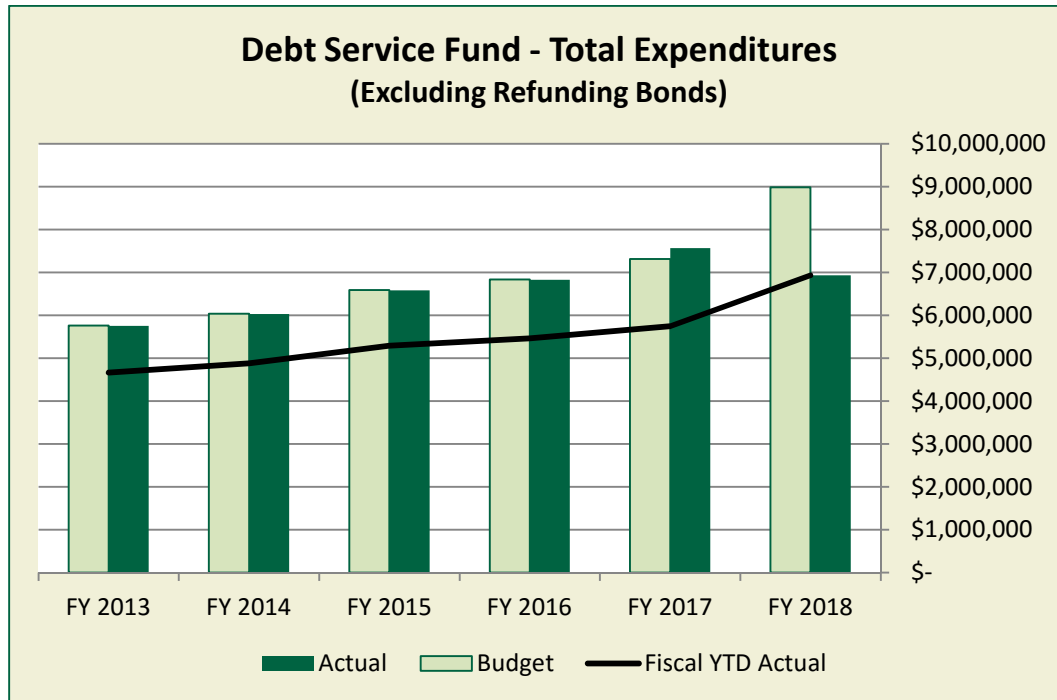
Transfers from the Enterprise Fund in the amount of \$1,458,697 for the ten months ended July 31, 2018, are equal to allocated budget.



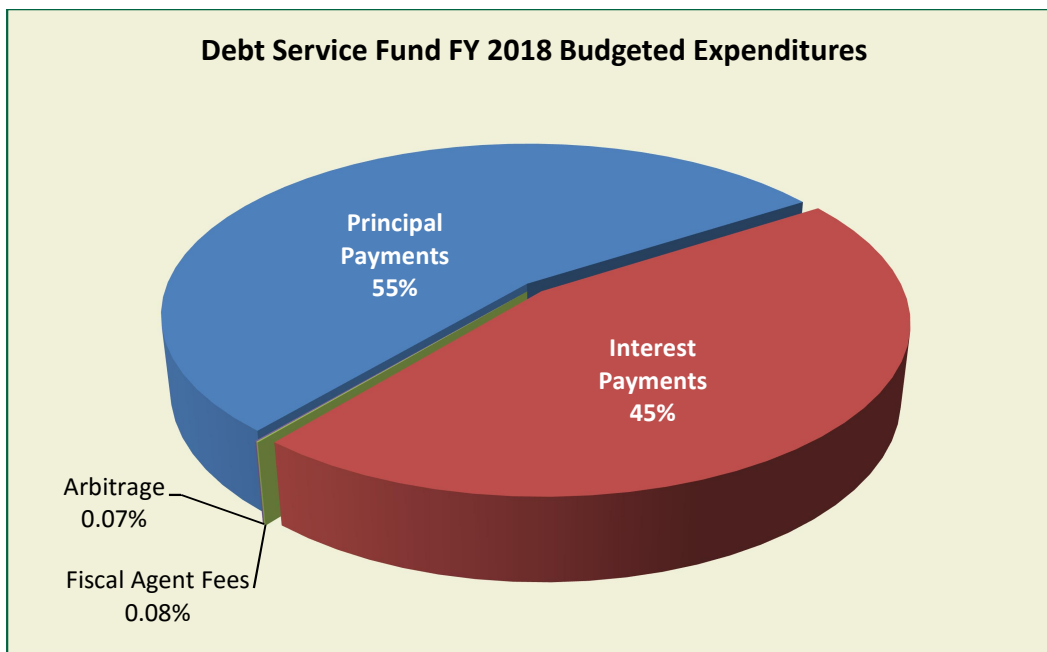
Debt Service Fund Expenditures:

FY 2018 Budget	Fiscal YTD Allocated Budget	Fiscal YTD Actual	Over/(Under) Allocated Budget
\$8,984,341	\$6,904,468	\$6,931,995	\$27,526

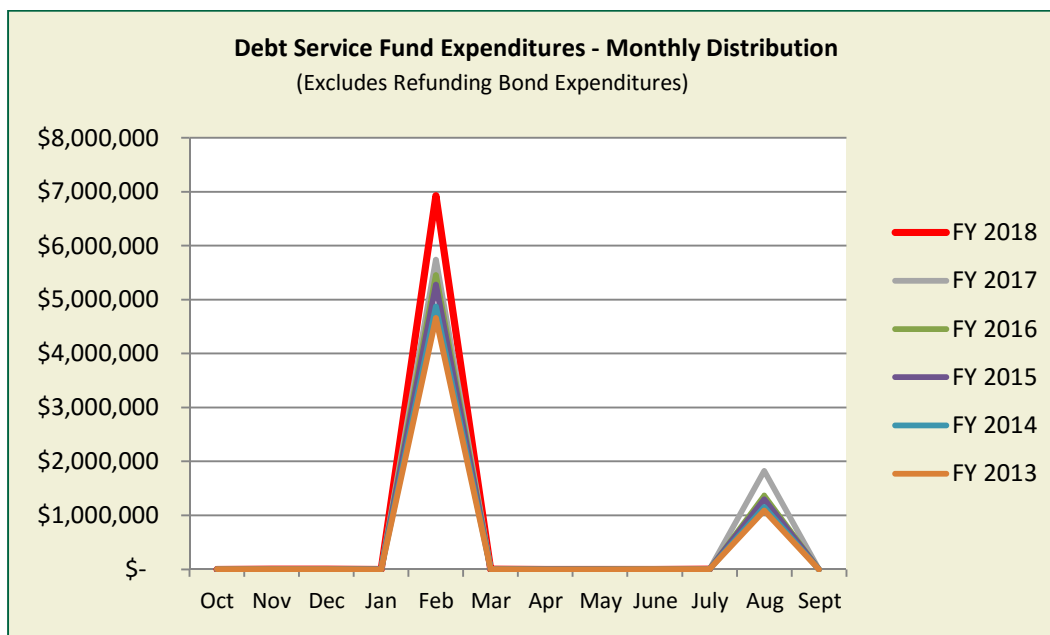
For the ten months ended July 31, 2018, the Debt Service Fund incurred 77% of its total budgeted expenditures and is over its allocated budget by \$27,526, or 0%.



Principal payments make up the largest category of expenditure in the Debt Service Fund at 55% of all FY 2018 budgeted expenditures, followed by interest payments at 45%. All other expenditures combined make up less than 1% of budgeted expenditures.



In February, there are annual principal payments and semi-annual interest payments due on the City's outstanding bonds, and in August there are semi-annual interest payments due. Expenditures are concentrated in February and August in accordance with the debt payment schedules. Payments in other months of fiscal agent fees and arbitrage consultants are minor.



City of Bellaire
General Fund
Revenues and Expenditures (Unaudited)
Fiscal Year-to-Date as of July 2018

	FY 2018 Adopted Budget	July		Year-to-Date			
		Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
Revenues							
Property Taxes	\$ 13,118,646	\$ 14,630	0%	\$ 13,084,094	\$ 13,052,900	\$ (31,194)	99%
Franchise Taxes	1,424,734	97,990	7%	1,179,008	1,153,905	(25,103)	81%
Sales Taxes	2,348,555	175,988	7%	1,927,175	1,989,754	62,579	85%
Permits, Fees, Licenses	1,143,400	110,111	10%	964,006	1,042,570	78,564	91%
PARD Charges and Fees	887,400	117,241	13%	779,167	759,554	(19,613)	86%
Public Safety	436,400	24,848	6%	371,419	300,912	(70,507)	69%
Fines	730,000	49,197	7%	625,508	539,550	(85,958)	74%
All Other	694,700	58,985	8%	580,767	766,762	185,995	110%
Total Revenues	20,783,835	648,991	3%	19,511,143	19,605,906	94,763	94%
Expenditures							
Salary & Benefits	14,495,815	1,229,456	8%	11,965,523	11,905,440	(60,084)	82%
Purchased Services	4,110,441	221,870	5%	3,329,473	2,798,632	(530,841)	68%
Supplies	1,212,641	88,522	7%	968,046	849,218	(118,828)	70%
Other/Transfers	540,951	46,952	9%	448,340	447,337	(1,003)	83%
Non-Payroll Disaster Related	-	139,985	n/a	-	1,593,564	1,593,564	n/a
Total Expenditures	20,359,848	1,726,784	8%	16,711,382	17,594,191	882,809	86%
Net Revenues/(Expenditures)	\$ 423,987	\$ (1,077,793)		\$ 2,799,761	\$ 2,011,715	\$ (788,045)	
 Budgeted Unassigned Fund Balance 9/30/17	 \$ 3,387,437						
Budgeted FY 2018 Revenues	20,783,835						
Budgeted FY 2018 Expenditures	20,359,848						
Budgeted Ending Unassigned Fund Balance	<u>\$ 3,811,424</u>						
 60 Day Reserve Requirement	 \$ 3,311,154						
(Includes only operating budget)							

Attachment: July 2018 Monthly Report (2644 : Monthly Financial Report for the Period Ending July 31, 2018)

City of Bellaire
Enterprise Fund
Revenues and Expenses (Unaudited)
Fiscal Year-to-Date as of July 2018

		July		Year-to-Date			
	FY 2018 Adopted Budget	Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
Revenues							
Water	\$ 4,266,524	\$ 460,118	11%	\$ 3,313,120	\$ 3,631,768	\$ 318,648	85%
Wastewater	2,891,394	236,612	8%	2,397,268	2,271,387	(125,881)	79%
Solid Waste	1,683,700	137,021	8%	1,402,824	1,377,401	(25,423)	82%
All Other	90,500	9,012	10%	68,993	360,973	291,980	399%
Total Revenues	8,932,118	842,763	9%	7,182,205	7,641,529	459,324	86%
Expenses							
Salary & Benefits	1,854,594	104,279	6%	1,526,155	1,367,449	(158,705)	74%
Purchased Services	1,491,676	118,029	8%	1,160,192	1,287,573	127,381	86%
Supplies	2,737,081	167,366	6%	2,275,077	1,952,490	(322,587)	71%
Other Expenses and Transfers	2,865,436	239,298	8%	2,389,265	2,388,841	(424)	83%
Capital Purchases	42,000	-	0%	33,717	-	(33,717)	0%
Non-Payroll Disaster Related	-	-	n/a	-	190,939	190,939	n/a
Total Expenses	8,990,787	628,972	7%	7,384,405	7,187,292	(197,114)	80%
Net Revenues/(Expenses)	\$ (58,669)	\$ 213,791		\$ (202,201)	\$ 454,237	\$ 656,437	
Budgeted Working Capital 9/30/17	\$ 669,399						
Budgeted FY 2018 Revenues	8,932,118						
Budgeted FY 2018 Expenses	8,990,787						
Budgeted Ending Working Capital	<u>\$ 610,730</u>						
30 Day Fund Balance	\$ 563,613						
(Includes only operating budget)							

City of Bellaire
Debt Service Fund
Revenues and Expenditures (Unaudited)
Fiscal Year-to-Date as of July 2018

	FY 2018 Adopted Budget	July		Year-to-Date			
		Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
Revenues							
Property Taxes	\$ 7,228,885	\$ 4,360	0%	\$ 7,213,963	\$ 7,173,799	\$ (40,165)	99%
Investment Earnings	5,000	868	17%	4,719	7,896	3,177	158%
Transfers from Enterprise Fund	1,750,436	145,870	8%	1,458,697	1,458,697	-	83%
Total Revenues	8,984,321	151,098	2%	8,677,379	8,640,391	(36,988)	96%
Expenses							
Principal Payments	4,920,000	-	0%	4,920,000	4,920,000	-	100%
Interest Payments	4,050,841	-	0%	1,973,252	2,007,350	34,098	50%
Other	13,500	750	6%	11,217	4,645	(6,572)	34%
Total Expenses	8,984,341	750	0%	6,904,468	6,931,995	27,526	77%
Net Revenues/(Expenses)	\$ (20)	\$ 150,348		\$ 1,772,911	\$ 1,708,397	\$ (64,514)	
Budgeted Unassigned Fund Balance 9/30/17	\$ 557,371						
Budgeted FY 2018 Revenues	8,984,321						
Budgeted FY 2018 Expenses	8,984,341						
Budgeted Ending Unassigned Fund Balance	<u>\$ 557,351</u>						

Attachment: July 2018 Monthly Report (2644 : Monthly Financial Report for the Period Ending July 31, 2018)

City of Bellaire
Vehicle and Equipment Replacement Fund
Revenues and Expenditures (Unaudited)
Fiscal Year-to-Date as of July 2018

	FY 2018 Adopted Budget	Budget Carry-Over (a)	Budget Adjustments	FY 2018 Revised Budget	July Actual	YTD Actual	Encumbrance	Budget Balance
Revenues								
Transfers - General Fund	\$ 450,500	\$ -	\$ -	\$ 450,500	\$ 29,750	\$ 297,500	n/a	\$ 153,000
Transfers - Enterprise Fund	357,000	-	-	357,000	37,542	375,416.70	n/a	(18,417)
Transfers - Special Revenue Fund	-	-	-	-	-	9,000	n/a	(9,000)
Insurance Reimbursements	-	-	-	-	5,005	28,855	n/a	(28,855)
Total Revenues	807,500	-	-	807,500	72,297	710,771	n/a	96,729
Expenditures								
Information Technology	194,900	-	-	194,900	23,801	23,801	24,903	146,196
Development Services	-	-	-	-	310	310	-	(310)
Fire	98,900	712,721	-	811,621	-	766,857	3,052	41,712
Police	320,000	-	-	320,000	210	129,276	166,392	24,332
Parks & Recreation	27,500	-	-	27,500	630	82,809	-	(55,309)
Public Works - General Fund	-	-	-	-	-	97,031	3,721	(100,752)
Public Works - Enterprise Fund	290,000	238,087	-	528,087	1,260	331,762	3,703	192,622
Total Expenditures/Encumbrances	931,300	950,808	-	1,882,108	26,211	1,431,845	201,772	248,491
Net Revenues/(Expenditures)	\$ (123,800)	\$ (950,808)	\$ -	\$ (1,074,608)	\$ 46,086	\$ (721,074)	n/a	\$ (151,762)

(a) Capital improvement budgets are project-length and do not expire at the end of the fiscal year. Unexpired prior-year carry-over budgets on ongoing projects are carried-over into the current fiscal year.

Budgeted Unassigned Fund Balance 9/30/17	\$ 1,369,101
Budgeted FY 2018 Revenues	807,500
Budgeted FY 2018 Expenditures	931,300
Budgeted Ending Unassigned Fund Balance	<u>\$ 1,245,301</u>

City of Bellaire
Capital Improvement Fund
Revenues and Expenditures (Unaudited)
Fiscal Year-to-Date as of July 2018

	FY 2018 Adopted Budget	Budget Carry-Over (a)	Budget Adjustments	FY 2018 Revised Budget	July Actual	YTD Actual	Encumbrance	Budget Balance
Revenues								
General Fund Transfer	\$ 42,426	\$ -	\$ -	\$ 42,426	\$ 3,536	\$ 35,355	n/a	\$ 7,071
Enterprise Fund Transfer	120,000	-	-	120,000	10,000	100,000	n/a	20,000
Special Revenue Fund Transfer	-	-	-	-	-	7,500	n/a	(7,500)
Misc	-	-	-	-	-	-	n/a	-
Total Revenues	162,426	-	-	162,426	13,536	142,855	n/a	19,571
Project Expenditures								
FY 2014 Street & Drainage Reconstruction - Phase 5B (b)	-	489,523	-	489,523	-	186,523	-	302,999
FY 2017 Flood Plain Hazard Mitigation Plan	-	8,130	-	8,130	-	-	-	8,130
FY 2018 Update Facilities Master Plan	50,000	-	-	50,000	-	-	38,000	12,000
FY 2018 WTC Steel - Memorial	-	-	-	-	-	7,500	-	(7,500)
FY 2015 Evelyn's Park	-	70,797	-	70,797	-	155,365	27,909	(112,477)
FY 2018 Playground/Shade/Amenities	100,000	214	-	100,214	-	27,568	69,725	2,921
FY 2017 BFAC Pool Area Improvements	-	144,988	-	144,988	-	4,500	2,748	137,740
FY 2018 Park Signage Master Plan	50,000	50,000	-	100,000	-	-	-	100,000
FY 2017 Community Pathways Master Plan	-	56,585	-	56,585	-	53,165	3,420	-
FY 2016 Street Striping Program	-	143,631	-	143,631	-	127,137	16,493	-
FY 2016 Pavement Management Program	-	1,426,330	-	1,426,330	-	362,430	916,800	147,100
FY 2014 City Wide Beautification	-	148,174	-	148,174	-	22,050	-	126,124
FY 2018 Decorative Standard for Major Streets	75,000	75,000	-	150,000	-	-	-	150,000
Total General Project Expenditures	275,000	2,613,370	-	2,888,370	-	946,240	1,075,094	867,036
FY 2015 City Wide SCADA System	-	293,160	-	293,160	-	-	-	293,160
FY 2016 Rehab Renwick Ground Storage	-	142,335	-	142,335	-	14,245	-	128,090
FY 2017 Water System Upgrades	-	50,000	-	50,000	-	-	-	50,000
FY 2018 Renwick Well - Pumps/Motors	285,000	-	-	285,000	-	-	-	285,000
FY 2015 Water/Sanitary Sewer Program	-	81,756	-	81,756	-	-	-	81,756
FY 2016 WW System Upgrades	-	179,125	-	179,125	-	-	-	179,125
FY 2018 Wendell Lift Station - Submersible Pumps	75,000	-	-	75,000	-	-	-	75,000
Total Enterprise Project Expenditures	360,000	746,376	-	1,106,376	-	14,245	-	1,092,131
Total Expenditures/Encumbrances	635,000	3,359,746	-	3,994,746	-	960,485	1,075,094	1,959,167
Net Revenues/(Expenditures)	\$ (472,574)	\$ (3,359,746)	\$ -	\$ (3,832,320)	\$ 13,536	\$ (817,630)	n/a	\$ (1,939,596)

(a) Capital improvement budgets are project-length and do not expire at the end of the fiscal year. Unexpired prior-year carry-over budgets on ongoing projects are carried-over into the current fiscal year.

(a) Pay as you Go portion of Bonds in Fund 620

Budgeted Unassigned Fund Balance 9/30/17	\$ 1,580,601
Budgeted FY 2018 Revenues	162,426
Budgeted FY 2018 Expenditures	635,000
Budgeted Ending Unassigned Fund Balance	<u>\$ 1,108,027</u>

Attachment: July 2018 Monthly Report (2644 : Monthly Financial Report for the Period Ending July 31, 2018)

City of Bellaire
Capital Bond Fund
Revenues and Expenditures (Unaudited)
Fiscal Year-to-Date as of July 2018

	FY 2018 Adopted Budget	Budget Carry-Over (a)	Budget Adjustments	FY 2018 Revised Budget	July Actual	YTD Actual	Encumbrance	Budget Balance
Revenues								
Interest	\$ -	\$ -	\$ -	\$ -	\$ 47,890	\$ 465,298	n/a	\$ (465,298)
Bonds Proceeds	12,500,000	-	-	12,500,000	-	-	n/a	12,500,000
Total Revenues	12,500,000	-	-	12,500,000	47,890	465,298	n/a	12,034,702
Non-Project Expenditures								
Bond Issuance Costs	-	-	-	-	-	-	-	-
Bond Expenditures	-	-	-	-	-	-	-	-
Total Non-Project Expenditures	-	-	-	-	-	-	-	-
Project Expenditures								
FY 2012 Drainage Phase 5	-	21,010	-	21,010	-	-	-	21,010
FY 2015 Drainage Phase 5B	-	11,672	-	11,672	-	11,672	-	-
FY 2017/18 Streets and Drainage	7,000,000	6,836,034	-	13,836,034	44,018	434,742	1,145,808	12,255,484
FY 2017 Police/Courts Construction	-	8,123,062	-	8,123,062	1,973,293	5,204,878	3,140,995	(222,811)
FY 2017 City Hall/Civic Center Construction	-	6,821,561	-	6,821,561	1,919,269	4,800,839	2,255,490	(234,768)
FY 2017 Transition - New City Hall/Police/Municipal Court	-	53,620	-	53,620	68,783	81,092	90,509	(117,981)
FY 2013 Design - New City Hall/Police/Municipal Court	-	1,014,907	-	1,014,907	-	68,859	75,648	870,400
FY 2015 Evelyn's Park	-	-	-	-	-	-	140	(140)
FY 2017/18 Sidewalks	1,000,000	1,907,680	-	2,907,680	500	118,989	237,838	2,550,853
FY 2017/18 Water Line Improvements	4,500,000	3,258,116	-	7,758,116	21,103	178,770	2,170,192	5,409,153
FY 2017 Water Meter Installations	-	360,092	-	360,092	12,476	341,896	1	18,195
FY 2017 Wastewater Treatment Plant Improvements	-	5,965,286	-	5,965,286	480,240	5,451,113	514,173	-
FY 2017/18 Wastewater Line Improvements	-	580,000	-	580,000	-	113,381	28,668	437,951
Total Project Expenditures	12,500,000	34,953,040	-	47,453,040	4,519,681	16,806,232	9,659,462	20,987,346
Total Expenditures/Encumbrances	12,500,000	34,953,040	-	47,453,040	4,519,681	16,806,232	9,659,462	20,987,346
Net Revenues/(Expenditures)	\$ -	\$ (34,953,040)	\$ -	\$ (34,953,040)	\$ (4,471,792)	\$ (16,340,934)	n/a	\$ (8,952,644)

(a) Capital improvement budgets are project-length and do not expire at the end of the fiscal year. Unexpired prior-year carry-over budgets on ongoing projects are carried-over into the current fiscal year.

Budgeted Unassigned Fund Balance 9/30/17	\$ -
Budgeted FY 2018 Revenues	12,500,000
Budgeted FY 2018 Expenditures	12,500,000
Budgeted Ending Unassigned Fund Balance	<u>\$ -</u>

**City of Bellaire
Metro Fund
Revenues and Expenditures (Unaudited)
Fiscal Year-to-Date as of July 2018**

	FY 2018 Adopted Budget	Budget Carry-Over (a)	FY 2018 Revised Budget	July Actual	YTD Actual	Encumbrance	Budget Balance
Revenues							
Metro Sales Tax	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 81,594	\$ 979,065	n/a	\$ 20,935
Interest	-	-	-	3,286	22,833	n/a	(22,833)
Total Revenues	1,000,000	-	1,000,000	84,879	1,001,898	n/a	(1,898)
Project Expenditures							
Street Striping Program	-	15,953	15,953	-	-	224	15,729
FY 2017 Street Pavement Mgt Program	-	739,299	739,299	45,171	268,346	470,953	-
FY 2018 Street Pavement Mgt Program	1,300,000	-	1,300,000	-	-	412,599	887,401
Sidewalk Projects	-	185,283	185,283	-	-	-	185,283
City Wide Trip Hazard	-	115,615	115,615	-	-	-	115,615
Total Expenditures/Encumbrances	1,300,000	1,056,150	2,356,150	45,171	268,346	883,776	1,204,028
Net Revenues/(Expenditures)	\$ (300,000)	\$ (1,056,150)	\$ (1,356,150)	\$ 39,708	\$ 733,552	n/a	\$ (1,205,926)

(a) Capital improvement budgets are project-length and do not expire at the end of the fiscal year. Unexpired prior-year carry-over budgets on ongoing projects are carried-over into the current fiscal year.

Budgeted Unassigned Fund Balance 9/30/17	\$ 308,000
Budgeted FY 2018 Revenues	1,000,000
Budgeted FY 2018 Expenditures	1,300,000
Budgeted Ending Unassigned Fund Balance	<u>\$ 8,000</u>

City of Bellaire
Summary of Current Property Tax Collections
FY 2015 - FY 2018
July 2018

<u>Month</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Oct	\$ -	\$ -	\$ -	\$ -
Nov	585,025	131,234	414,152	681,242
Dec	4,865,374	3,881,188	4,504,067	6,083,331
Jan	6,075,640	8,702,108	8,590,430	9,775,263
Feb	3,634,938	4,005,865	4,342,814	3,118,307
Mar	296,537	206,525	201,515	209,927
Apr	63,640	90,455	92,324	121,137
May	55,636	49,017	67,720	23,566
Jun	53,382	57,865	98,066	59,448
Jul	4,673	14,076	15,943	11,948
Aug	-	-	-	
Sep	-	-	-	
YTD Collections				<u>\$ 20,084,169</u>
% of Budget				99.12%
% of Total Levy				100.09%
FY 2018 Budget - Total Tax Revenue				<u>\$ 20,261,531</u>
2017 Tax Year Taxable Value - Certified Appraisal Roll*				<u>\$ 4,570,121,110</u>
2017 Tax Year - Under Protest or not Certified*				<u>254,576,183</u>
Total 2017 Tax Year				<u>4,824,697,293</u>
Total Levy at \$0.4159 / \$100 =				<u>\$ 20,065,916</u>

Ten Largest Property Taxpayers in City of Bellaire (Tax Year 2017) *

		<u>Taxable Value</u>
Chevron Chemical Company	Oil & Gas	\$ 81,900,770
Pin Oak North Parcel LL LLC	Land/Improvements	52,838,215
KBS SOR 6565 6575 West Loop S LLC	Land/Improvements	36,988,682
BRI 1833 6330 LLC	Land/Improvements	36,200,573
CenterPoint Energy Inc.	Electric Utility	32,789,970
SBC Communications	Utility	28,283,940
CHP Houston TX MOB Owner LLC	Land/Improvements	27,880,000
CHP Houston TX Hospital Owner LLC	Hospital	23,197,526
Pin Oak South Parcel LL LLC	Land/Improvements	21,606,958
SLS Properties	Land/Improvements	13,176,820
		<u>\$ 354,863,454</u>
Tax Levy @ \$0.4159 / \$100		<u>\$ 1,475,877</u>
% of Total Levy		7.36%

* Source: Harris County Tax Assessor-Collector

City of Bellaire
Housing Information
FY 2018
July 2018

	<u>Jul-17</u>	<u>Jan-18</u>	<u>Jul-18</u>
<u>Houses, Townhomes & Vacant Lots for Sale *</u>			
<u>Price Range</u>			
\$ 0 - \$ 250,000	-	-	-
\$ 250,001 - \$ 500,000	38	63	66
\$ 500,001 - \$ 750,000	32	39	48
\$ 750,001 - \$ 1,000,000	32	26	43
> \$ 1,000,000	99	73	87
Total Units For Sale *	201	201	244
 Total HCAD Residential Units/Lots **	 6,199	 6,210	 6,210
 For Sale as a % of Total Units	 3.24%	 3.24%	 3.93%
 Highest Listing Price - Home	 \$ 3,295,000	 \$ 3,688,000	 \$ 2,699,000
Lowest Listing Price - TH/Lot	\$ 309,990	\$ 279,900	\$ 289,900
 <u>Houses for Lease *</u>	 64	 29	 60
Highest Lease/Month	\$ 9,750	\$ 15,000	\$ 28,500
Lowest Lease/Month	\$ 1,100	\$ 1,100	\$ 1,395
 <u>Foreclosure History as of end of Quarter Reported by RealtyTrac</u>			
	<u>Auction</u>	<u>Bank Owned</u>	
At Quarter End 09-30-15	2	2	
At Quarter End 12-31-15	3	2	
At Quarter End 03-31-16	2	2	
At Quarter End 06-30-16	0	2	
At Quarter End 09-30-16	0	2	
At Quarter End 12-31-16	2	3	
At Quarter End 03-31-17	3	2	
At Quarter End 06-30-17	3	1	
At Quarter End 09-30-17	0	0	
At Quarter End 12-31-17	2	3	
At Quarter End 03-31-18	3	3	
At Quarter End 06-30-18	3	5	
 <u>New Residential Construction</u>			
<u>Fiscal Year</u>	<u>New Units</u>	<u>Construction Cost****</u>	
		<u>Construction</u>	<u>Avg/Unit</u>
2008	132	\$ 75,405,507	\$ 571,254
2009	49	\$ 26,026,889	\$ 531,161
2010	***	64 \$ 34,682,458	\$ 541,913
2011		56 \$ 30,064,905	\$ 536,873
2012	***	93 \$ 54,914,376	\$ 590,477
2013	***	113 \$ 65,491,037	\$ 579,567
2014		125 \$ 78,420,596	\$ 627,365
2015		98 \$ 52,190,001	\$ 532,551
2016		73 \$ 44,585,564	\$ 610,761
2017		87 \$ 49,790,625	\$ 572,306
2018 (YTD)		91 \$ 51,478,393	\$ 565,697
 Average Appraised Value (Tax Year 2017)		 \$ 874,019	

* Source: realtor.com - does not include for sale or lease by owner

** Based on information provided by the Harris County Tax Assessor-Collector and the Harris County Appraisal District includes estimated values

*** Numbers revised based on system correction

**** Construction cost of structure. Not a market value. Excludes land value/cost.

City of Bellaire
Summary of Sales and Mixed Beverage Tax
FY 2016 - FY 2018
July 2018

Payment					
Month	Period	FY 2016	FY 2017	FY 2018	
<u>Sales Tax</u>					
Oct	Aug	\$ 159,655	\$ 153,452	\$ 160,106	
Nov	Sep	236,498	179,528	193,080	
Dec	Oct	196,711	177,498	225,253	
Jan	Nov	258,816	203,388	206,157	
Feb	Dec	253,419	232,674	210,256	
Mar	Jan	176,377	174,240	192,127	
Apr	Feb	177,283	169,626	172,897	
May	Mar	210,865	201,758	218,236	
Jun	Apr	172,229	154,642	216,831	
Jul	May	192,406	191,746	163,187	
Aug	Jun	266,791	190,031		
Sep	Jul	119,759	194,122		
Sub-Total		\$ 2,420,809	\$ 2,222,707	\$ 1,958,130	
<u>Mixed Beverage</u>					
Oct	1st Qtr	\$ 6,012	\$ 4,668	\$ 5,827	
Jan	2nd Qtr	5,238	4,408	6,095	
Apr	3rd Qtr	5,570	4,876	6,900	
Jul	4th Qtr	5,970	5,201	12,801	
Sub-Total		\$ 22,790	\$ 19,153	\$ 31,624	
Total		\$ 2,443,599	\$ 2,241,860	\$ 1,989,754	

City of Bellaire
Summary of Franchise Fees
FY2016 - FY 2018
July 2018

		<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Electric	YTD	\$ 686,412	\$ 686,869	\$ 684,448
	Total	823,825	823,888	n/a
Gas	YTD	90,735	114,379	156,226
	Total	90,762	128,135	n/a
Telephone	YTD	87,196	79,038	74,885
	Total	115,362	103,487	n/a
Cable /PEG	YTD	354,035	294,390	285,952
	Total	400,666	383,314	n/a
All	YTD	<u>\$ 1,218,378</u>	<u>\$ 1,174,677</u>	<u>\$ 1,201,511</u>
	Total	<u>\$ 1,430,616</u>	<u>\$ 1,438,824</u>	n/a

City of Bellaire
Summary of Purchase Orders
FY 2018
July 2018

	Oct-17		Nov-17		Dec-17		1st Qtr	
	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>
<u>Total Purchase Orders</u>	306	\$ 1,350,257	213	\$ 4,297,841	194	\$ 4,210,089	713	\$ 9,858,188
<u>PO for \$5,000 - \$50,000</u>	36	\$ 586,295	18	\$ 316,786	21	\$ 331,212	75	\$ 1,234,293
% of Total Purchase Orders	11.76%	43.42%	8.45%	7.37%	10.82%	7.87%	10.52%	12.52%
\$ 5,000 - \$ 25,000	28	\$ 334,003	14	\$ 174,476	18	\$ 231,059	60	\$ 739,538
\$ 25,001 - \$ 50,000	8	\$ 252,292	4	\$ 142,310	3	\$ 100,153	15	\$ 494,755
	Jan-18		Feb-18		Mar-18		2nd Qtr	
	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>
<u>Total Purchase Orders</u>	207	\$ 367,385	224	\$ 1,430,951	216	\$ 1,771,613	647	\$ 3,569,949
<u>PO for \$5,000 - \$50,000</u>	11	\$ 103,828	17	\$ 285,954	19	\$ 191,093	47	\$ 580,875
% of Total Purchase Orders	5.31%	28.26%	7.59%	19.98%	8.80%	10.79%	7.26%	16.27%
\$ 5,000 - \$ 25,000	11	\$ 103,828	13	\$ 137,761	18	\$ 164,618	42	\$ 406,207
\$ 25,001 - \$ 50,000	0	\$ 0	4	\$ 148,193	1	\$ 26,475	5	\$ 174,668
	Apr-18		May-18		Jun-18		3rd Qtr	
	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>
<u>Total Purchase Orders</u>	209	\$ 2,836,661	224	\$ 533,467	161	\$ 901,109	594	\$ 4,271,237
<u>PO for \$5,000 - \$50,000</u>	18	\$ 288,272	17	\$ 218,462	7	\$ 67,286	42	\$ 574,019
% of Total Purchase Orders	8.61%	10.16%	7.59%	40.95%	4.35%	7.47%	7.07%	13.44%
\$ 5,000 - \$ 25,000	14	\$ 151,466	15	\$ 154,385	7	\$ 67,286	36	\$ 373,137
\$ 25,001 - \$ 50,000	4	\$ 136,806	2	\$ 64,076	-	\$ -	6	\$ 200,882
	Jul-18		Aug-18		Sep-18		4th Qtr	
	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>	<u>Issued</u>	<u>Amount</u>
<u>Total Purchase Orders</u>	196	\$ 418,295	-	\$ -	-	\$ -	196	\$ 418,295
<u>PO for \$5,000 - \$50,000</u>	10	\$ 108,215	-	\$ -	-	\$ -	10	\$ 108,215
% of Total Purchase Orders	5.10%	25.87%	0.00%	0.00%	0.00%	0.00%	5.10%	25.87%
\$ 5,000 - \$ 25,000	10	\$ 108,215	-	\$ -	-	\$ -	10	\$ 108,215
\$ 25,001 - \$ 50,000	-	\$ -	-	\$ -	-	\$ -	-	\$ -

* Purchases include bids, sole source, and cooperative purchasing.

Attachment: July 2018 Monthly Report (2644 : Monthly Financial Report for the Period Ending July 31, 2018)

Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM
Department: Finance Administration
Category: Bond
Department Head: Terrence Beaman
DOC ID: 2647

SCHEDULED**ORDINANCE (ID # 2647)****Item Title:**

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the issuance of City of Bellaire, Texas (Harris County, Texas), General Obligation Refunding Bonds, Series 2018A, in an amount not to exceed \$13,175,000; specifying the terms and features of said refunding bonds; establishing certain parameters for the sale of said bonds; and enacting provisions incident and related to the issuance, delivery, and payment of a security for said bonds - Submitted by Terrence Beaman, Chief Financial Officer.

Background/Summary:**Previous Council Action Summary:**

The City's financial advisor, U.S. Capital Advisors, monitors the bond market and makes recommendations on refinancing the City's outstanding bonds as opportunities present themselves for savings. Mr. Jim Gilley of U.S Capital Advisors has identified an opportunity for the City to realize savings from refunding portions of four currently outstanding bond issues:

Bond Series	Call Date	Principal to Refund
GO 2009	2/15/2019	3,385,000
GO 2009A	2/15/2019	2,485,000
GO 2010	2/15/2019	6,780,000
GO 2010A	2/15/2019	525,000

Coupons on the outstanding bonds range from 3.3% to 4.8%. Analysis based on market conditions on September 12, 2018 show a potential for total debt service savings of \$716,171 or an average annual debt service savings of \$44,798 per year for 16 years, with a net present value benefit of \$589,679 or 4.51% savings of refunded bonds.

In an effort to maximize the City's savings in this transaction, staff and U.S. Capital Advisors recommend a process called a "parameter sale" whereby City Council approves an ordinance authorizing the transaction to refund the bonds within parameters or minimum levels of savings and authorizing representatives to execute the transaction within those parameters. This process provides more opportunities to capture market conditions without having to time the sale to City Council meeting dates.

Fiscal Impact:

Total debt service savings in the amount of \$716,771 or an average annual savings of \$44,798 will be realized as a result of this refunding.

Recommendation:

Terrence Beaman, CFO recommends approval of the ordinance authorizing the issuance of City of Bellaire, Texas (Harris County, Texas), General Obligation Refunding Bonds, Series 2018A in an amount not to exceed \$13,175,000 in accordance with the stated parameters for the sale of said bonds.

ATTACHMENTS:

- Refunding Analysis prepared by U.S. Capital Advisors dated September 12, 2018.
- Ordinance authorizing the issuance of City of Bellaire, Texas (Harris County, Texas), General Obligation Refunding Bonds, Series 2018A in an amount not to exceed \$13,175,000; specifying the terms and features of said refunding bonds; establishing certain parameters for the sale of said bonds; and enacting provisions incident and related to the issuance, delivery, payment of and security for said bonds.

ATTACHMENTS:

- POS Bellaire - Refunding Bonds 2018 (Draft 2) (PDF)
- Timetable - Bellaire Refunding Bonds 2018 (PDF)
- Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (PDF)
- Bond Ordinance - Refunding Series 2018 (DOC)

**NEW ISSUE
BOOK-ENTRY-ONLY**

RATING: S&P Global Ratings AAA/Stable
(See OTHER INFORMATION - Rating herein)

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, AND ASSUMING CONTINUING COMPLIANCE WITH CERTAIN COVENANTS AND THE ACCURACY OF CERTAIN REPRESENTATIONS, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES, SUBJECT TO THE MATTERS DESCRIBED UNDER TAX MATTERS HEREIN AND IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS AND, EXCEPT AS DESCRIBED HEREIN, ON CORPORATIONS.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

\$12,900,000*
CITY OF BELLAIRE, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018
(A political subdivision of the State of Texas located in Harris County, Texas)

Dated Date: November 1, 2018
(Interest accrues from the date of delivery)

Due: February 15 See inside cover page

The City of Bellaire, Texas (the "City") is issuing its General Obligation Refunding Bonds, Series 2018 (the "Bonds"). The Bonds are being issued by the City pursuant to the applicable provisions of the Texas Constitution, the general laws of the State of Texas, including particularly Chapter 1331, Texas Government Code, as amended ("Chapter 1331"), an election held within the City September 17, 2018, the ordinance authorizing the issuance of the Bonds adopted by the City Council of the City (the "City Council") (the "Bond Ordinance"), and the City's Home Rule Charter.

Interest on the Bonds will accrue from the initial Date of Delivery (defined below) to the Initial Purchaser and is payable commencing on February 15, 2019, and each August 15 and February 15 thereafter, until the earlier of redemption or maturity. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Bonds are direct obligations of the City and are payable from and secured by a continuing direct annual ad valorem tax levied, within the limits prescribed by law, against all taxable property located within the City. See THE BONDS Sources of Payment herein.

The Bonds will be issued in fully-registered form and, when issued, will be registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), as the registered owner, pursuant to the book-entry-only system described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by ZB, National Association, dba Amegy Bank, Houston, Texas (the "Paying Agent/Registrar") to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See THE BONDS Book-Entry-Only System herein.

Proceeds from the sale of the Bonds will be used for (i) refunding a portion of the City's outstanding obligations described in Schedule I hereto (the "Refunded Obligations") in order to achieve savings, and (ii) paying the costs of issuing the Bonds. See PURPOSE AND PLAN OF FINANCE The Bonds herein.

SEE INSIDE COVER FOR MATURITY SCHEDULE

The Bonds are subject to optional redemption prior to their scheduled maturities as described herein. See THE BONDS Optional Redemption herein.

If the principal amounts designated in the serial maturity schedule on the inside cover page hereof are combined to create one or more term Bonds (the "Term Bonds"), each such Term Bond shall be subject to mandatory sinking fund redemption commencing on February 15 of the first year of the serial maturities combined to create such Term Bond. See THE BONDS Mandatory Sinking Fund Redemption herein.

The Bonds are offered for delivery, when, as and if issued by the City and received by the Initial Purchaser listed below (the "Initial Purchaser"), subject to the approving opinion of the Attorney General of the State of Texas and Johnson Petrov LLP, Houston, Texas, Bond Counsel for the City. See LEGAL MATTERS herein and Form of Opinion of Bond Counsel attached hereto as Appendix D. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about November 21, 2018 (the "Date of Delivery").

BIDS DUE: TUESDAY, OCTOBER 23, 2018 at 10:00 A.M. (Central Time)

* Preliminary, subject to change.

MATURITY SCHEDULE

\$12,900,000*
CITY OF BELLAIRE, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018
CUSIP Prefix ^(c): 078275

Due Feb. 15	Principal	Interest	Yield ^(b)	CUSIP No. Suffix ^(c)
2019	\$ 120,000			
2020	1,815,000			
2021	1,870,000			
2022	1,275,000			
2023	1,205,000			
2024	1,235,000			
2025	1,270,000			
2026	1,310,000			
2027 (a)	980,000			
2028 (a)	490,000			
2029 (a)	205,000			
2030 (a)	205,000			
2031 (a)	220,000			
2032 (a)	225,000			
2033 (a)	235,000			
2034 (a)	240,000			

(Interest accrues from date of delivery)

- (a) The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2027, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof on February 15, 2026, or any date thereafter at par plus accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS" Optional Redemption herein. Additionally, principal amounts designated in the above schedule may be combined to create one or more term bond, with each such term bond being subject to mandatory sinking fund redemption. See "THE BONDS" Mandatory Sinking Fund Redemption herein.
- (b) The initial reoffering prices or yields of the Bonds are furnished by the Initial Purchaser (as defined herein) and represent the initial offering prices or yields to the public, which may be changed by the Initial Purchaser at any time.
- (c) CUSIP numbers have been assigned to the Bonds by the CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association, and are included solely for the convenience of the purchasers of the Bonds. Neither the City nor the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

* Preliminary, subject to change.

CITY OFFICIALS, ADMINISTRATION AND CONSULTANTS

The City of Bellaire, Texas (the "City") was incorporated under the laws of the State of Texas (the "State") in 1918. The City has operated under a "Home Rule Charter" which provides for a "Council Manager" form of government since January 15, 1949. The City Council is comprised of a Mayor and six council members, all of whom are elected at large. The Mayor is elected for regular terms of two years, and the council members are elected for regular terms of four years. The Mayor shall not serve more than four consecutive terms in that position and no councilmember shall serve more than two consecutive terms as a councilmember.

Elected Officials

<u>Council Members</u>	<u>Position</u>	<u>Term Expires</u>	<u>Occupation</u>
Andrew S. Friedberg	Mayor	2020	Attorney
Neil Verma	Council Member	2022	Attorney
Trisha S. Pollard	Council Member	2020	Attorney
Gus E. Pappas	Mayor Pro-Tem	2022	Attorney
Pat McLaughlan	Council Member	2020	Retired
Michael Fife	Council Member	2022	Retired
David E. Montague	Council Member	2020	Retired

Appointed Positions

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Paul A. Hofmann	City Manager	4 Years
Terrence Beaman	Chief Financial Officer	2 Years
Tracy L. Dutton	City Clerk	21 Years
Alan Petrov	City Attorney	22 Years

Consultants

Bond Counsel	Johnson Petrov LLP Houston, Texas
Certified Public Accountants	Whitely, Penn LLP Houston, Texas
Financial Advisor	USCA Municipal Advisors, LLC Houston, Texas

For Additional Information, Contact:

Mr. Terrence Beaman
Chief Financial Officer
City of Bellaire
7008 South Rice Avenue
Bellaire, Texas 77401
Telephone: (713) 662-8251
tbeaman@bellairetx.gov

Mr. James Gilley
Managing Director
USCA Municipal Advisors, LLC
300 W. 6th Street, Suite 1900
Austin, Texas 78701
Telephone: (512) 813-1110
jfgilley@uscallc.com

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (“Rule 15c 2-12”) and in effect on the date of this Preliminary Official Statement, this document constitutes an “official statement” of the City with respect to the Bonds that has been “deemed final” by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No broker, dealer, sales representative or any other person has been authorized by the City, the Financial Advisor, or the Initial Purchaser to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described in it and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy all securities other than those described on the inside cover page, nor shall there be an offer to sell, solicitation of an offer to buy or sale of such securities by any persons in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

All the summaries of the statutes, ordinances, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the City.

Certain information set forth herein has been obtained from the City and other sources, which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Initial Purchaser.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by the City, or any other person. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after such Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THIS OFFERING, THE INITIAL PURCHASER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Initial Purchaser has provided the following sentence for inclusion in this Official Statement. The Initial Purchaser has reviewed the information in this Official Statement in accordance with, and as part of its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Initial Purchaser does not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information of links contained herein are not incorporated into, and are not part of, this official statement for purposes of, and as that term is defined in the Rule.

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OFFICIAL STATEMENT SUMMARY

This Official Statement Summary is subject in all respects to the more complete information contained therein. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this Official Statement Summary from the Official Statement or otherwise to use same without the entire Official Statement. Certain defined terms used in this Official Statement Summary are defined elsewhere in this Official Statement.

The Issuer	City of Bellaire, Texas.
The Bonds	\$12,900,000* City of Bellaire, Texas General Obligation Refunding Bonds, Series 2018 (the "Bonds"). The Bonds are being issued in the principal amounts, maturities, and at the rates per annum, set forth on the inside cover page hereof. The Bonds will be issued only in fully-registered form in integral multiples of \$5,000 principal amount.
Interest	The Bonds are dated November 1, 2018. Interest will accrue from the initial date of delivery of the Bonds to the Initial Purchaser at the rates indicated on the insider cover page hereof, with interest payable on February 15, 2019, and on each August 15 and February 15 thereafter until the earlier of redemption or maturity.
Paying Agent/Registrar	The initial Paying Agent/Registrar for the Bonds is ZB, National Association, dba Amegy Bank, Houston, Texas
Authority for Issuance	The Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1207 of the Texas Government Code, as amended ("Chapter 1207"), an ordinance adopted by the City Council of the City (the "City Council") on September 17, 2018 (the "Ordinance") and the City's Home Rule Charter. As permitted by the provisions of Chapter 1207, the City Council, in the Ordinance, delegated the authority to certain City officials to execute a pricing certificate (the "Pricing Certificate") establishing the final terms of the sale for the Bonds.
Optional Redemption	The City reserves the right, at its option, to redeem the Bonds having stated maturities on or after February 15, 2027, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2026 or any day thereafter at par, plus accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, if the principal amounts designated in the serial maturity schedule on the inside cover page hereof are combined to create one or more term bonds (the "Term Bonds"), each such Term Bond shall be subject to mandatory sinking fund redemption. See "THE BONDS - Optional Redemption" and "Mandatory Sinking Fund Redemption" herein.
Security for the Bonds	Principal of and interest on the Bonds are payable from the receipts of a continuing, direct annual ad valorem tax levied, against all taxable property located within the City, within the limits prescribed by law. The Bonds are direct obligations of the City and not obligations of the State, Harris County or any other political subdivision. See "The BONDS - Sources of Payment" herein.
Use of Proceeds	Proceeds from the sale of the Bonds will be used for (i) refunding a portion of the City's outstanding obligations as described in Schedule I attached hereto in order to achieve savings, and (ii) paying the costs of issuing the Bonds. See "PURPOSE AND PLAN OF FINANCE - Sources and Uses" herein.
Book-Entry Only System	The Bonds are initially registered and delivered only to Cede & Co., the nominee of DTC, pursuant to the book-entry-only system. No physical delivery of the Bonds will be made to the beneficiary thereof. Principal of and interest on the Bonds will be paid to Cede & Co., which will distribute such payment to the participating members of DTC

* Preliminary, subject to change.

for remittance to the beneficial owners of the Bonds. See “THE BONDS ó Book-Entry-Only System” herein.

Municipal Bond Rating

S&P Global Ratings, a division of S&P Global Inc. has assigned its municipal bond rating of “AAA/Stable.” See “RATING” herein.

Tax Exemption

In the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under existing law. The Bonds are not private activity bonds. See “TAX MATTERS ó Tax Exemption” herein.

Qualified Tax-Exempt Obligations

The City will not designate the Bonds as “qualified tax-exempt obligations” for financial institutions.

Delivery

It is expected that the Bonds will be available for delivery through the facilities of DTC on or about November 21, 2018.

Legality

Delivery of the Bonds is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by Johnson Petrov LLP, Bond Counsel, Houston, Texas.

SELECTED FINANCIAL INFORMATION

2018 Preliminary Taxable Assessed Valuation ^(a)	\$ 4,795,283,304
2017 Estimated Population	18,593

<u>Outstanding Debt as of October 1, 2018</u>	<u>Par Amount</u>
Outstanding Bonds	\$ 124,850,000
Plus: The Refunding Bonds	12,900,000 *
Less: Refunded Obligations	(13,175,000) *
Total General Obligation Debt	\$ 124,575,000 *

<u>Direct Debt Ratio ^(b)</u>	<u>2017 Estimated Per Capita</u>	<u>Percent of 2018 Taxable Assessed Valuation</u>
Direct Debt Ratio	\$ 6,700.10	2.60%

<u>Estimated Annual Requirements ^(b)</u>	<u>Direct Debt</u>
Total Average Annual Debt Service	\$ 6,821,979
Total Maximum Annual Debt Service	\$ 9,637,518
Net Average Annual Debt Service ^(c)	\$ 5,158,524
Net Maximum Annual Debt Service ^(c)	\$ 7,257,672

<u>Fund Balances</u>	<u>9/30/2017</u>
General Fund	\$ 3,700,935
Debt Service Fund	\$ 470,766
Enterprise Fund - Total Net Position	\$ 49,206,401

<u>2018 Tax Rate</u>	
General Fund	\$ 0.2781
Debt Service Fund	0.1532
Total Tax Rate	\$ 0.4313

(a) Source: City of Bellaire and Harris County Appraisal District.

(b) Includes the Bonds and excludes the Refunded Obligations.

(c) The Enterprise Fund transfers a discretionary amount to the Debt Service Fund to pay a portion of the principal and interest in general obligation debt used to finance capital improvements used for the enterprise activities.

Net Debt reflects such transfer.

*Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT

\$12,900,000^{*} CITY OF BELLAIRE, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018

(A political subdivision of the State of Texas located in Harris County, Texas)

INTRODUCTORY STATEMENT

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance by the City of Bellaire, Texas (the "City") of its \$12,900,000^{*} General Obligation Refunding Bonds, Series 2018 (the "Bonds").

Capitalized terms used in the Official Statement have the same meanings assigned in the Bond Ordinance adopted by the City Council of the City (the "City Council"), the governing body of the City, authorizing the issuance of the Bonds (the "Bond Ordinance").

The Bonds are being issued by the City pursuant to the applicable provisions of the Texas Constitution, the general laws of the State of Texas (the "State"), including particularly Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), and an ordinance adopted by the City Council of the City (the "City Council") on September 17, 2018 (the "Bond Ordinance"). As permitted by the provisions of Chapter 1207, the City Council, in the Bond Ordinance, delegated the authority to certain City officials to execute a pricing certificate (the "Pricing Certificate") establishing the final terms of the sale for the Bonds (the Bond Ordinance and the Pricing Certificate are jointly referred to herein as the "Ordinance").

The City's audited general purpose financial statements for the fiscal year ended September 30, 2017, which are set forth in Appendix C attached hereto, present information on the general financial condition of the City at the dates and for the periods described therein.

The Bonds are issued for the purposes described below and are payable from the receipts of a continuing direct annual ad valorem tax levied by the City, within the limits prescribed by law.

PURPOSE AND PLAN OF FINANCE

The Bonds

Proceeds from the sale of the Bonds will be used for (i) refunding all or a portion of the City's outstanding obligations described in Schedule I hereto (the "Refunded Obligations") in order to achieve savings, and (ii) paying the costs of issuing the Bonds. Refer to the section below.

Refunded Obligations

The principal of, premium, if any, and interest on the Refunded Obligations are to be paid on the scheduled redemption date of such Refunded Obligations shown on Schedule I attached hereto from funds to be deposited with the paying agent for the Refunded Obligations.

The Ordinance provides that the City will deposit certain proceeds of the sale of the Bonds along with other lawfully available funds of the City, if any, with the Paying Agent for the Refunded Obligations in the amount necessary to accomplish the discharge and final payment of the Refunded Obligations. Such funds will be held by the paying agent for the Refunded Obligations and will be irrevocably pledged to the payment of principal of, premium, if any, and interest on the Refunded Obligations. The Paying Agent for the Refunded Obligations will provide a certificate with respect to the sufficiency the deposit to accomplish the discharge and final payment of the Refunded Obligations. The funds deposited with the paying agent for the Refunded Obligations for the purpose of paying the Refunded Obligations will not be available to pay debt service on the Bonds.

^{*} Preliminary, subject to change.

By the deposit of the proceeds of the Bonds and other lawfully available funds of the City, if any, with the Paying Agent for the Refunded Obligations, the City will have effected the defeasance of the Refunded Obligations pursuant to the terms of Chapter 1207 and the ordinance authorizing the issuance of the Refunded Obligations. As a result of such defeasance, the Refunded Obligations will be outstanding only for the purpose of receiving payments from the funds held for such purpose by the Paying Agent for the Refunded Obligations, and the Refunded Obligations will no longer be deemed outstanding obligations of the City payable from the sources and secured in the manner provided in the ordinance authorizing their issuance or for any other purpose.

Sources and Uses

The following table sets forth the estimated sources and use of funds associated with the proceeds from the sale of the Bonds.

Sources of Funds:	
Par Amount	\$
Premium	
Total	\$
Uses of Funds:	
Deposit to the Escrow Fund	\$
Underwriter's Discount	
Deposit to the Interest and Sinking Fund	
Issuance Costs ^(a)	
Total	\$

- (a) Includes professional costs, rating agency fees, fees of the Paying Agent/Registrar, rounding amount and other costs of issuance.

Description

The Bonds are dated November 1, 2018. Interest will accrue from the initial date of delivery to the Initial Purchaser and will bear interest from such date as indicated on the inside cover page hereof. Interest is payable on February 15, 2019, and on each August 15 and February 15 thereafter, until the earlier of redemption or maturity.

The Bonds will be issued in fully-registered form in integral multiples of \$5,000 of principal amount, for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York (the "DTC"), pursuant to the book-entry-only system, described herein. See "THE BONDS - Book Entry-Only System" herein. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by ZB, National Association dba Amegy Bank, Houston, Texas (the "Paying Agent/Registrar") to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book Entry-Only System" herein.

Authority for Issuance

The Bonds are being issued pursuant to the applicable provisions of the Texas Constitution and of the laws of the State, including, particularly, Chapter 1207, Texas Government Code, the City's home rule charter and the Ordinance.

Sources of Payment

The Bonds are payable as to principal and interest from the proceeds of a continuing, direct annual ad valorem tax levied, within the limits prescribed by law, against all taxable property within the City. See "TAX INFORMATION - Tax Rate Limitation" herein. Pursuant to the provisions of the Bond Ordinance, the City Council, as the governing body of the City, has levied and agreed to assess and collect an annual ad valorem tax sufficient together with other funds available for such purpose to pay principal and interest on the Bonds when due. Each year the City Council will make a determination of the taxes necessary to be collected to pay interest as it accrues and principal as it matures on the Bonds, and will formally assess and collect such tax for that year. The receipts from

such tax levy are to be credited to a separate fund to be used solely for the payment of the principal of and interest on the Bonds.

Optional Redemption

The City reserves the right, at its option, to redeem Bonds having stated maturities on, or after February 15, 2027, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2026, or any date thereafter at par, plus accrued interest from the most recent interest payment date to the date fixed for redemption. If less than all the Bonds of a stated maturity are to be redeemed, the Bonds, or portions thereof, within such maturity to be redeemed shall be selected by lot or other customary method.

Mandatory Sinking Fund Redemption

In addition to the foregoing optional redemption provisions, if principal amounts designated in the serial maturity schedule on the inside cover page hereof are combined to create term Bonds (the "Term Bonds"), each such Term Bond shall be subject to mandatory sinking fund redemption commencing on February 15 of the first year which has been combined to form such Term Bond and continuing on February 15 in each year thereafter until the stated maturity date of that Term Bond, and the amount required to be redeemed in any year shall be equal to the principal amount for such year set forth in the serial maturity schedule on the inside cover page hereof.

The particular Term Bonds to be mandatorily redeemed shall be selected by lot or other customary random selection method. The principal amount of the Term Bonds to be mandatorily redeemed on such mandatory redemption date shall be reduced by the principal amount of such Term Bond which, by the 45th day prior to such mandatory redemption date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the City to the Paying Agent/Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Notice of Redemption

The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the registration books at the close of business on the Business Day next preceding the date of mailing such notice. The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

The City reserves the right to give notice of its election or direction to redeem Bonds under "Optional Redemption" herein conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York ("DTC"), while the Bonds are registered in its nominee name. The information in this section concerning DTC and the book-entry-only system has been provided by DTC for use in disclosure documents such as this Official Statement.

The City, the Financial Advisor and the Initial Purchaser believe the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payment of debt service on the Bonds, or redemption or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the beneficial owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is a holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AAA+." The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchasers of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their Purchaser. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive physical Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the

Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the City or the Paying Agent/Registrar. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but neither the City, the Financial Advisor nor the Initial Purchaser take responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the book-entry-only system, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry-only system, and (ii) except as described above, notices that are to be given to registered owners under the Bond Ordinance will be given only to DTC.

Information concerning DTC and the book-entry-only system has been obtained from DTC and is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City or the Initial Purchaser.

Paying Agent/Registrar

The initial Paying Agent/Registrar is ZB, National Association dba Amegy Bank, Houston, Texas. In the Bond Ordinance, the City retains the right to replace the Paying Agent/Registrar with respect to the Bonds. The Paying Agent/Registrar may be removed from its duties at any time, but no such removal is effective until a successor has accepted the duties of the Paying Agent/Registrar by written instrument. The City covenants to maintain and provide a Paying Agent/Registrar for the Bonds until the Bonds are duly paid. Any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar.

Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each registered owner affected by the change, which notice shall give the address of the new Paying Agent/Registrar.

Ownership

The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bonds for the purposes of making payment of the principal thereof and the interest thereon and for all other purposes, whether or not such Bond is overdue. Neither the City nor the Paying Agent/Registrar will be bound by any notice or knowledge to the contrary. All payments made to the registered owner of such Bond in accordance with the Bond Ordinance will be valid and effectual and will discharge the liability of the City and the Paying Agent/Registrar for such Bond to the extent of the sums paid.

Transfers and Exchanges

In the event the book-entry-only system should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the Registered Owners, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office or the Paying Agent/Registrar, or sent by United States mail, first class postage prepaid, to the new registered owner or his designee.

The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office with such endorsement or other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register. The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denominations, and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section.

A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

No service charge shall be made to the Owner for the initial registration, any subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within 45 days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Record Date for Interest Payment

The record date (öRecord Dateö) for the interest payable on the Bonds on any interest payment date means the close of business on the 15th day of the preceding month. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a öSpecial Record Dateö) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (öSpecial Payment Dateö which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Replacement Bonds

If any Bond is mutilated, destroyed, stolen or lost, a new Bond in the same principal amount as the Bond so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Bond, such new Bond will be delivered only upon presentation and surrender of such mutilated Bond to the Paying Agent/Registrar. The City or the Paying Agent/Registrar may require the owner to pay all expenses and charges in connection therewith. In the case of any Bond issued in lieu of and in substitution for a Bond which has been destroyed, stolen or lost, such new Bond will be delivered only once the owner (a) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond, (b) furnishes security or indemnity as may be required by the Paying Agent/Registrar and the City, (c) pays all expenses and charges in connection therewith and (d) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

Remedies In The Event of Default

The Ordinance does not establish specific events of default with respect to the Bonds or any remedies to a registered owner if the City defaults on the payment of the principal of or interest on any Bonds. Further, the Ordinance does not provide for the appointment of a trustee to protect and enforce the interest of the registered owners upon the occurrence of such a default. If a registered owner of a Bonds does not receive payment of principal or interest when due, the registered owner may seek a writ of mandamus from a court of competent jurisdiction requiring the City to levy and collect taxes. The mandamus remedy, however, may be impractical and difficult to enforce. There is no provision for the acceleration of maturity of principal of a Bond in the event of a default. A registered owner of a Bonds could file suit against the City if a default occurred in the payment of principal of or interest on any such Bonds; however, a suit for monetary damages could be vulnerable to the defense of sovereign immunity as discussed below, and any judgment could not be satisfied by execution against any property of the City.

The Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3rd 325 (Tex. 2006), that a waiver of governmental immunity in a contractual dispute must be provided for by statute in clear and unambiguous language. Because it is unclear whether the Texas legislature has effectively waived the City's governmental immunity from a suit for money damages, registered owners may not be able to bring such a suit against the City for breach of the Bonds or covenants in the Ordinance. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 59 Tex. Sup. Ct. J. 524 (Tex. 2016) that governmental immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in considering municipal breach of contract cases, it is incumbent on the courts to determine whether a function is proprietary or governmental based upon the common law and statutory guidance. Issues related to the applicability of governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question.

In addition, the enforcement of a claim for the payment of the Certificates would be subject to the applicable provisions of Federal bankruptcy laws and any other statutes affecting the rights of the creditors of political subdivisions and may be limited by general principles of equity.

Defeasance

The Ordinance provides for the defeasance of the Bonds in any manner now or hereafter provided by law.

TAX INFORMATION

General

One of the City's primary sources of operational revenue and a principal source of funds for ad valorem tax debt service payments is ad valorem taxation.

Authority for Ad Valorem Taxation

The appraisal of property within the City is the responsibility of the Harris County Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under Title 1 of the Texas Property Tax Code (the "Property Tax Code") to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. The value placed upon property within the Appraisal District is subject to review by the appraisal review board of the Appraisal District (the "Appraisal Review Board"), consisting of three members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The City may require an annual review at its own expense and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to the Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant:

- (1) an exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision; and
- (2) an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of \$5,000.

The City granted an exemption to the market value of the residence homestead of persons 65 years of age or older of \$135,000; the disabled are granted an exemption of \$135,000. The City has granted, since tax year 1991, an exemption of 20% of the market value of residential homesteads with a minimum exemption of \$5,000. The City must grant a complete exemption for the residential homesteads of disabled veterans judged to be 100% disabled by the U.S. Department of Veterans Affairs.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created. Ad valorem taxes are not levied by the City against the exempt value of residential homesteads for the payment of debt.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 to a maximum of \$12,000.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1. Nonbusiness vehicles, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation. The City does not tax nonbusiness vehicles.

Article VIII, Section 1-j of the Texas Constitution provides for "freeport property" to be exempted from *ad valorem* taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. The exemption became effective for the 1990-91 fiscal year and thereafter unless action to tax such property has been taken prior to April 1, 1990. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal. The City has taken no action to tax freeport property.

Article VIII, section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." Goods-in-transit is defined by a provision of the Property Tax Code, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. The Property Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. A taxpayer may receive only one of the freeport exemptions or the goods-in-transit exemptions for items of personal property.

Collections. As of January 1 of each year, the City has a lien granted by statute for unpaid taxes on real property, which shall be levied for that tax year. A tax lien may not be enforced on personal property transferred to a bona fide Purchaser for value who does not have actual notice of the existence of the lien. In the event a taxpayer fails to make timely payment owing to the City on real property, a penalty of 6% of the unpaid taxes is incurred in the first month of delinquency and 1% is added monthly until July 1 when the penalty becomes 12%. In addition, interest on delinquent taxes accrues at the rate of 1% per month until paid. The City may file suit for the collection of delinquent taxes and may foreclose such lien in a foreclosure proceeding. The City may also impose an additional penalty to defray costs of collection by an attorney, not to exceed 20% of the total amount due. The property subject to the City's lien may be sold, in whole or in part, pursuant to a court order to collect the amounts due. The ability of the City to collect delinquent taxes by foreclosure may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of the taxpayer's debt.

In addition, the Texas Legislature amended Section 33.02 of the Property Tax Code effective September 1, 2013. Such amendment requires a taxing jurisdiction, such as the City, to allow delinquent taxpayers to enter into installment agreements of a least 12, but not more than 36 months for the payment of ad valorem taxes on a residential homestead. At this time, this legislation has not had an impact on the City's property tax collections, however, the City cannot predict whether or not there will be any future impact.

Taxation Procedures. By September 30 or the 60th day after the certified appraisal is received by the City, the City Council must adopt a tax rate for the current year. Taxes are due October 1 and become delinquent after January 31 of the following year. No discount for early payment is offered by the City, though the City may authorize discounts for early payment under State law. Partial payments may be accepted if requested by the taxpayer and approved by the City. If the target tax rate, excluding taxes for bonds and other contracted obligations, for the current year, exceeds the rollback tax rate, 10% of qualified voters of the City may petition for an election to determine whether to limit the increase of the tax rate to no more than the rollback year. The City is required to hold two public hearings should the target rate exceed the effective tax rate.

Under Texas law, the Appraisal District is under an obligation to assess all property for taxation which has not been rendered for taxation by the owner and to present his assessments along with any objections to renditions to a nine-member Appraisal Review Board, each of whom has resided within the Appraisal District for two years, and has been appointed by the Appraisal District's Board of Directors. The Appraisal Review Board has the ultimate responsibility of equalizing the value of all comparable taxable property within the Appraisal District; however, any owner who has rendered his property may appeal the decision of the Appraisal Review Board by filing suit in state district court in Harris County within 45 days from the date the tax roll is approved. In the event of such suit, the value of the property is determined by the court, or by a jury if requested by the owner, which value as so determined is binding on the City for the tax year in question and the succeeding year, except for subsequent improvements.

A City, or other taxing unit, may challenge the appraisals of categories of property within its jurisdiction under certain limited circumstances. The City may also sue the Appraisal District to compel it to comply with the tax code. It is not expected that Appraisal District procedures will affect the ability of the City to levy and collect taxes sufficient to meet its payment of the Bonds.

Tax Rate Limitation

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax levied, within the limits prescribed by law, against all property within the City, sufficient to provide for the payment of principal of and interest on all ad valorem tax debt of the City. Article XI, Section 5, of the

Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per \$100 assessed valuation for all City purposes. The City operates under a Home Rule Charter, which adopts the constitutional provisions. While there is no direct funded debt limitation imposed on the City under current Texas law, the Texas Attorney General has adopted an administrative policy that prohibits the issuance of general obligation debt payable from ad valorem taxes by a municipality, such as the City, if the issuance produces debt service requirements exceeding that which can be paid from \$1.50 of the foregoing \$2.50 maximum tax rate calculated at 90% of collections. The issuance of the Bonds does not violate these limitations.

Effective Tax Rate and Rollback Tax Rate

Under current law, the City Council is required to adopt the annual tax rate for the City before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the City. If the annual tax rate is not adopted by such required date, the tax rate for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the City for the preceding tax year.

Under the Property Tax Code, the City must annually calculate and publicize its "effective tax rate" and "rollback tax rate." The City Council may not adopt a tax rate that exceeds the prior year's levy until it has held two public hearings on the proposed increase following notice to the taxpayers and otherwise complied with the Property Tax Code. The City Council is prohibited from adopting a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearings (including the requirement that notice be posted on the City's website if the City owns, operates or controls an internet website and public notice be given by television if the City has free access to a television channel) and the City Council has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate, the qualified voters of the City, by petition, may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

"Effective tax rate" means the rate that will produce last year's total tax levy (adjusted) from this year's total taxable values (adjusted). "Adjusted" means lost values are not included in the calculation of last year's taxes and new values are not included in this year's taxable values.

"Rollback tax rate" means the rate that will produce last year's maintenance and operation tax levy (adjusted) from this year's values (adjusted) multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values (unadjusted) divided by the anticipated tax collection rate.

The Property Tax Code provides that certain cities and counties in the State may submit a proposition to the voters to authorize an additional one-half cent sales tax on retail sales of taxable items. If the additional tax is levied, the effective tax rate and the rollback tax rate calculations are required to be offset by the revenue that will be generated by the sales tax in the current year. Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Municipal Sales Tax Collections

The City has adopted the Municipal Sales and Use Tax Act, Chapter 321, Texas Tax Code, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City. The proceeds are credited to the General Fund and are not pledged to the payment of the Bonds.

SELECTED ISSUER INFORMATION

Capital Improvement Plan

On November 8, 2005, voters approved two separate bond referenda for \$50 million and an additional pay-as-you-go of \$5 million to be spent over a ten-year period on infrastructure and facility improvements.

On November 5, 2013, the City voters authorized \$16.5 million of bonds for the purposes of providing funds for the reconstruction of new City facilities (city hall/civic center and police/municipal court buildings) and improvements to Evelyn's Park and Nature Discovery Center.

On November 8, 2016, the voters of the City approved three separate bond propositions collectively referred to as "Bonds for Better Bellaire 2016" totaling \$53.98 million. Of that, \$24 million was authorized for streets, drainage and sidewalk improvements, \$5.6 million was authorized for the construction of municipal buildings, including a city hall/civic center and police/courts building and \$24.38 million was authorized for water and wastewater improvements. This is the third installment and funds will be used for streets and drainage, sidewalk improvements and water and wastewater improvements.

Rebuild Bellaire - voted 2005	Initially Authorized	Previously Issued	Authorized But Unissued
Street & Drainage Improvements	\$ 41,000,000	\$ 41,000,000	\$ -
Building and Facilities Improvements	9,000,000	9,000,000	-
Total Authorized but Unissued	\$ 50,000,000	\$ 50,000,000	\$ -

Bellaire - voted 2013	Initially Authorized	Previously Issued	Authorized But Unissued
Buildings and Facilities Improvements	\$ 11,000,000	\$ 11,000,000	\$ -
Evelyn's Park	5,000,000	5,000,000	-
Nature Discovery Center	500,000	500,000	-
Total Authorized but Unissued	\$ 16,500,000	\$ 16,500,000	\$ -

Bellaire - voted 2016	Initially Authorized	Previously Issued	Authorized But Unissued
Street & Drainage Improvements	\$ 20,000,000	\$ 14,000,000	\$ 6,000,000
Municipal Facilities	5,600,000	5,600,000	-
Sidewalk Repairs	4,000,000	4,000,000	-
Water and Sewer Improvements	24,380,000	20,380,000	4,000,000
	\$ 53,980,000	\$ 43,980,000	\$ 10,000,000

Authorized but Unissued General Obligation Debt

The City has \$10,000,000 million authorized but unissued general obligation debt remaining.

Anticipated Issuance of Additional Debt

The City anticipates the issuance of the remaining authorization of \$10 million in 2019.

Other Obligations

The City entered into a twelve (12) year capital lease obligation with ZB, N.A. for a Cinder Custom Pumper Fire Truck. Under the terms of the lease semi-annual payments are due March 1 and September 1 of each year. Upon final payment in 2028 the truck becomes the property of the City.

FYE 9/30	Governmental Activities
2018	\$ 77,604
2019	77,604
2020	77,604
2021	77,604
2022	77,604
2023-2027	388,019
2028	75,635
Total	\$ 851,674

Employee Retirement System and OPEB Liability

Employee Retirement System. The City participates in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS provides retirement, disability, and death benefits and all eligible employees are required to participate. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. See "Selected Data from the Comprehensive Annual Financial Report, City of Bellaire, Texas, Fiscal Year Ended September 30, 2017, Note 9 – Employee Retirement System."

Post-Employment Benefits. The City administers a single-employer defined benefit other post-employment benefits (OPEB) plan that will allow the retiree to pay the premium for continuation of medical and dental insurance coverage. Retirees pay 100% of the premium, at the lower rate by participating in the City's plan as opposed to individual purchased insurance. See "Selected Data from the Comprehensive Annual Financial Report, City of Bellaire, Texas, Fiscal Year Ended September 30, 2017, Note 10 – Other Post-Employment Benefits" attached hereto as Appendix C for a detailed discussion regarding the Employee Retirement System.

Risk From Weather Events

All of the United States Gulf Coast, including the City, is subject to hurricanes, tropical storms and other weather events that can cause loss of life and damage to property through weather events that include strong winds, storm surges, flooding and heavy rains. In the event that weather events cause a substantial loss of taxable assessed valuation in the City for a prolonged period, the ability of the City to pay its debt obligations, including the Bonds, could be impacted.

On August 25, 2017, Hurricane Harvey, characterized as a Category 4 hurricane at its peak, made landfall on the Texas coast before stalling over Houston-Galveston region (the "Region") and producing significant flooding. Many residences and commercial properties in the Region sustained damage.

As a result of Hurricane Harvey, the City closed City Hall for a week to assess damage citywide and respond to Bellaire residents in need of assistance.

Total expenditures to the City as a result of Hurricane Harvey are approximately \$3.24 million. Debris removal in the amount of \$1.8 million is the largest expenditure as a result of the hurricane. The remaining cost related to the hurricane were damage to the waste water treatment plant, capital losses to flooded vehicles, emergency protective measures to respond to the event as it occurred, and personnel costs for staff time in responding to the disaster.

As of January 31, 2018, the City has received \$601,499 in reimbursement; \$301,588 from TML the City's insurance provider. Although FEMA has reimbursed the City \$299,911, the City still anticipates over \$2 million of additional reimbursements once the debris removal project is completed and emergency protective measure expenditures are approved by FEMA.

In addition, Hurricane Harvey inundated the City of Bellaire with flood waters causing extensive damage resulting in more than 29% of Bellaire homes experiencing structural flooding. As a result of Harvey, the City has issued over 1133 permits for flood repairs. 65 houses have had letter of substantial damage issued, of which more than 19 have been demolished, and 5 elevated into compliance. 12 homes have voluntarily also applied for permits to elevate into compliance. Since the storm, a total of 140 houses have been demolished. This fiscal year, 62 new home permits have been requested.

The Harris County Appraisal District (HCAD) has released the "certified estimates" as of April 30, 2018 and the amount certified for the City of Bellaire is \$4,910,555,043 which is a slight increase from the \$4,894,809,224 certified for tax year 2017. This number will change as Bellaire residents that have protested their assessed valuations will be resolved by the HCAD review board.

In September 2008, Hurricane Ike struck the Texas Gulf Coast, and the City incurred approximately \$2,000,000 worth of damage as a result. The City filed for reimbursement from federal agencies and Texas Municipal League Insurance and has been reimbursed for most of the damages. In May 2015, a significant rain event impacted Harris

County including the City. The Harris County Flood Coastal District estimates that 160 homes in the City were flooded.

The damage caused by Hurricane Ike has not had significant impact on assessed valuations within the City and no assessment has been made of the May 2015 rain event. However, additional hurricanes or heavy rain events striking the area of the City in the future could result in negative impacts to the City.

Environmental Considerations

Air Quality Regulation. Air quality measures required by the United States Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ) may impact new industrial, commercial and residential development in Houston and adjacent areas. Under the Clean Air Act (CAA) Amendments of 1990, the eight-county Houston-Galveston area (HGB area) – Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty counties – was originally designated by the EPA as a moderate ozone nonattainment area for the 8-hour ozone standard. Such areas are required to demonstrate progress in reducing ozone concentrations each year until the EPA's 8-hour ozone standards are met. To provide for reductions in ozone concentrations, the EPA and the TCEQ have imposed increasingly stringent limits on sources of air emissions and require any new source of significant air emissions to provide for a net reduction of air emissions. If the HGB area fails to demonstrate progress in reducing ozone concentrations or fails to meet EPA's standards, EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects, as well as severe emissions offset requirements on new major sources of air emissions for which construction has not already commenced.

In order to comply with the EPA's standards for the HGB area, the TCEQ has established a state implementation plan (SIP) setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB area. On June 15, 2007, the Governor of the State of Texas requested a voluntary reclassification of the HGB area to a severe ozone nonattainment area for the 8-hour ozone standard, with an attainment date of June 15, 2019. The EPA is required to approve a request for a voluntary reclassification. The severe classification would give the HGB area more time to reach attainment. It is possible that additional controls will be necessary to allow the HGB area to reach attainment by June 15, 2019. These additional controls could have a negative impact on the HGB area's economic growth and development.

Area Topography and Land Subsidence

The land surface in certain areas of the City has subsided several feet since 1943 and the subsidence is continuing. The principal causes of subsidence are considered to be the withdrawal of groundwater and, to a lesser extent, oil and gas production. Subsidence may impair development in certain areas and expose such areas to flooding and severe property damage in the event of storms and hurricanes, and thus may affect assessed valuations in those areas. In 1975, the Texas Legislature created the Harris Galveston Subsidence District (the "Subsidence District") to provide regulatory control over the withdrawal of groundwater in Harris and Galveston Counties in an effort to limit subsidence. This state agency, with no powers to levy taxes or incur debt, encompasses an area which includes the existing surface water supplies, provides an alternative source of water to meet many industrial and domestic water needs and, with the reduction of withdrawal of groundwater, the rate of subsidence has been reduced, but not eliminated.

Water Supply

The City was required by the Subsidence District to convert to surface water for a significant portion of its water supply. The City adopted a Groundwater Reduction Plan of 50% surface water and 50% groundwater. It negotiated and entered into a long-term contract with the City of Houston to purchase sufficient potable water to meet the Subsidence District's conversion requirements. The surface water conversion project was completed in April 2003 at a cost of \$2.3 million paid for by funds on hand. In addition, the City has approximately 72 miles of water mains, 4 wells, 6 ground storage tanks and 2 elevated storage tanks.

Financial Policies

Basis of Accounting. The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Governmental resources are allocated and accounted for in the individual funds based upon the purposes for which they are utilized and the means by which spending activities are controlled. All proprietary funds are accounted for using the accrual basis of accounting. See "Selected Data from Comprehensive Annual Financial Report, City of Bellaire, Texas, Fiscal Year Ended September 30, 2016" attached hereto as Appendix C.

General Fund Balance. The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, permits and charges for services.

Debt Service Fund. The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for the debt service is local property taxes.

Capital Projects Fund. The capital projects funds are used to account for the expenditures of resources accumulated from tax revenues and the sale of Bonds and related interest earnings for the capital improvement projects. The capital projects funds include the capital improvement fund, which accounts for those projects funded by tax revenue; the bond fund, which includes those projects funded with bond proceeds; and the equipment replacement fund, which includes those projects funded with revenue from other governmental sources.

Enterprise Fund. The enterprise fund is used to account for the operations that provide water and wastewater collection, wastewater treatment operations and solid waste operations.

Deposits and Investments

Authorized Investments. Under Texas law, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas 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; (5) 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; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit (i) meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code) that are issued by or through an institution that either has its main office or a branch in Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits or, (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the City; (iii) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (iv) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (v) the City appoints the depository institution selected under (ii) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit issued for the account of the City; (8) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) require the securities being purchased by the City or cash held by the City to be 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, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (9) certain bankers' acceptances

with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (10) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (11) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share; and (12) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in the this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below. Texas law also permits the City to invest bond proceeds in a guaranteed investment contract, subject to limitations as set forth in the Public Funds Investment Act, Texas Government Code, Chapter 2256.

A political subdivision such as the City may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (10) through (12) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution.

The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Investment Policies. Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date

of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Additional Provisions. Under Texas law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business 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 City's entire portfolio and requires interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (7) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (8) restrict reverse repurchase agreements to not more than ninety (90) days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

Current Investments. As of June 30, 2018, the City had \$42,714,784 in cash and investments.

As of such date, the market value of such investments (as determined by the City by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book value. No funds of the City are invested in derivative securities, *i.e.*, securities whose rate of return is determined by reference to some other instrument, index, or commodity.

LEGAL MATTERS

Legal Opinions

The Bonds are offered when, as and if issued, subject to the approval by the Attorney General of the State and the rendering of an opinion as to legality by Johnson Petrov LLP, Houston, Texas, Bond Counsel for the City.

The City will furnish the Initial Purchaser with a complete transcript of proceedings held incident to the authorization and issuance of the Bonds, including the approving opinion of the Attorney General of the State of Texas as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and legally binding Bonds of the City under the Constitution and laws of the State. The City will also furnish the approving legal opinion of Bond Counsel in substantially the form attached hereto as Appendix D.

In its capacity as Bond Counsel, Johnson Petrov LLP, Houston, Texas, has not independently verified any of the factual information contained in this Official Statement nor have they conducted an investigation of the affairs of the City for the purpose of passing upon the accuracy or completeness of this Official Statement. Bond Counsel's role in connection with the Official Statement was limited to reviewing the information describing the Bonds in the Official Statement to verify that such descriptions conform to the provisions of the Ordinance. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the information contained herein.

The legal fee to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the book-entry-only system.

The legal opinion to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the

attorney does not become an insurer or guarantor of the expression of professional judgment of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation

The City is exposed to various risks of losses related to torts, theft of, damage to and destruction of fixed assets; error and omissions; injuries to employees; and natural disasters. The City has obtained coverage for these risks through the Texas Municipal League's Intergovernmental Risk Pool (the "TMLIRP") and has provided various employee education and prevention programs. Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City's financial position.

No-Litigation Certificate

The City will furnish the Initial Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by both the Mayor and the City Secretary, to the effect that no litigation of any nature is then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution, or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceeding for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds.

TAX MATTERS

Tax Exemption

In the opinion of Johnson Petrov LLP, Bond Counsel, under existing law (i) interest on the Bonds is excludable from gross income for federal income tax purposes and (ii) the Bonds are not "private activity bonds" under the Internal Revenue Code of 1986, as amended (the "Code"), and, as such, interest on the Bonds is not subject to the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds to be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The City has covenanted in the Ordinance that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the City, the City's Financial Advisor and the Initial Purchaser with respect to matters solely within the knowledge of the City, the City's Financial Advisor and the Initial Purchaser, respectively, which Bond Counsel has not independently verified. If the City fails to comply with the covenants in the Ordinance or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is

commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds regardless of the ultimate outcome of the audit.

Additional Federal Income Tax Considerations

Collateral Tax Consequences... Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the branch profits tax on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium... The issue price of all or a portion of the Bonds may exceed the stated redemption price payable at maturity of such Bonds. Such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have bond premium equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Certificate and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount... The issue price of all or a portion of the Bonds may be less than the stated redemption price payable at maturity of such Bonds (the "Original Issue Discount Bonds"). In such case, the difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions "TAX MATTERS - Tax Exemption" and "TAX MATTERS - Additional Federal Income Tax Considerations - Collateral Tax Consequences" and "Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Initial Purchaser has purchased the Bonds for contemporaneous sale to the public and (ii) all of the Original Issue Discount Bonds have been initially offered, and a substantial amount of

each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. Neither the City nor Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Certificates. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Ordinance, the City has made the following agreement for the benefit of the registered and beneficial owners of the Bonds. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually and timely notice of specified events to the Municipal Securities Rulemaking Board (MSRB).

Annual Reports

The City will provide to the MSRB (1) within six (6) months after the end of each Fiscal Year of the City ending in or after 2018, financial information and operating data with respect to the City of the general type (and to the extent such financial information and operating data is provided by a third party, to the extent that such information is made available) and included in the City's Comprehensive Annual Financial Audit. Should the City elect not to provide a Comprehensive Annual Financial Audit, the City will provide operating data annually which is in this Official Statement under the Schedules in Appendix A of the Official Statement numbered 1, 5, 7, 8 and 10 and including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

The City may provide updated information in full text, or may incorporate by reference any publicly available documents, or in such other form consistent with the agreement, as permitted by Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"). The updated information will include audited financial statements, if the City commissions an audit and the audit is completed by the required time. If audited financial statements are

not available by the required time, the City will provide unaudited financial statements when and if they become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix C or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation.

The City may provide updated information in full text or may incorporate by reference documents available on EMMA or filed with the U.S. Securities and Exchange Commission (the "SEC"). The City's current fiscal year end is September 30. Accordingly, it must provide updated information by the last day of March in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The City will also provide to the MSRB notices of certain events on a timely basis no later than 10 business days after the event. The City will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of the trustee, if material. (Neither the Bonds nor the Ordinance make any provision for a trustee.) The City will also provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports."

Availability of Information from EMMA

All such information described above must be filed with the MSRB. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org. The City has agreed to provide the foregoing information only to the MSRB through EMMA.

Limitations and Amendments

The City has agreed to update information and to provide notices of material events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the registered and beneficial owners of the Bonds. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or

selling the Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided

Compliance with Prior Undertakings

On July 31, 2014, the City filed material event notices for various rating changes for CFIG, FGIC and MBIA which were not previously filed in a timely manner. Additionally, the City filed a notice of Failure to File Information as required by the Rule. On July 31, 2014, the City filed a material event notice for failure to file in a timely manner the rating withdrawal for AMBAC. The City had filed on August 22, 2011 the notice of the withdrawal; however, the filing was made more than 10 days after the event. Furthermore, on July 31, 2014, the City filed a material event notice for failure to file in a timely manner the rating withdrawal for MBIA. The City had filed on February 9, 2012 the notice of the downgrade; however, the filing was made more than 10 days after the event. On July 31, 2014, the City filed a material event notice for the ratings upgrade of Assured Guaranty Corp and an event notice for failure to file in a timely manner the rating upgrade.

Other than stated above, for the past five years, the City has complied in all material respects with its previous continuing disclosure agreements in accordance with the Rule.

OTHER INFORMATION

Rating

S&P Global Ratings, a division of S&P Global Inc. (S&Pö) has assigned its municipal bond rating of AAA/Stable to this issue of Bonds. An explanation of the rating may be obtained from S&P. The rating reflects only the view of the rating organization and the City makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Financial Advisor

USCA Municipal Advisors, LLC (the Financial Advisorö), a subsidiary of U.S. Capital Investors, LLC, has been employed by the City to assist the City in connection with issuance of the Bonds. The Financial Advisor's fee for services with respect to the Bonds is contingent upon the issuance and delivery of the Bonds. Although the Financial Advisor has assisted in the drafting of this Official Statement, the Financial Advisor has not independently verified any of the data contained in it nor conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Official Statement. No person should presume that the limited participation of such Financial Advisor means that such Financial Advisor assumes any responsibility for the accuracy or completeness of any of the information contained in this Official Statement.

Initial Purchaser

After requesting competitive bids for the Bonds, the City has accepted a bid tendered by _____ (the Initial Purchaserö) to purchase the Bonds at the rates shown on the inside cover page of this Official Statement at a price of \$_____ (which includes the par of \$_____ plus a premium of \$_____). No assurance can be given that any trading market will be developed for the Bonds after their initial sale by the City to the Initial Purchaser. The City has no control over the prices at which the Bonds subsequently sold and the initial yields at which the Bonds will be priced and reoffered will be established by and the responsibility of the Initial Purchaser.

GENERAL CONSIDERATIONS

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the City of a certificate executed and delivered by the Initial Purchaser on or before the date of delivery of the Bonds, stating the prices at which a substantial amount of the Bonds of each maturity have been sold to the public. For this purpose, the term "public" shall not include any

bondhouse, broker, dealer, or similar person acting in the capacity of Initial Purchaser or wholesaler. The City has no control over trading of the Bonds after a bona fide offering of the Bonds is made by the Initial Purchaser at the yields specified inside on the cover page. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering price, including sales to dealers who may sell the Bonds into investment accounts.

Legal Investments and Eligibility to Secure Public Funds in Texas

Pursuant to the Texas Public Securities Act, Chapter 1201, Texas Government Code, as amended, the Bonds, whether rated or unrated, are legal and authorized investments for insurance companies, fiduciaries or trustees, and for municipalities and other political subdivisions or public agencies. Most political subdivisions in the State are required to adopt investment guidelines under the Public Funds Investment Act, Chapter 2256, Texas Government Code, and such political subdivisions may impose a requirement consistent with such act that the Bonds have a rating of not less than "A" or its equivalent to be legal investments of such entity's funds. The "Public Funds Collateral Act," Chapter 2257, Texas Government Code, provides that deposits of public funds, as defined in such chapter, must be secured by eligible security. "Eligible Security" is defined to include local government obligations (such as the Bonds) with a rating from a nationally recognized investment firm of "A" or its equivalent. See "RATING" herein.

The City makes no representation that the Bonds will be acceptable to public entities to secure their deposits, or acceptable to any such entities or institutions for investment purposes. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The City assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdictions.

Sources and Compilation of Information

The information contained in this Official Statement has been obtained primarily from the City and from other sources believed to be reliable. No representation is made as to the accuracy or completeness of the information derived from sources other than the City. This is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the statutes, resolutions and other related documents are included herein subject to all the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements.

The City's actual results could differ materially from those in such forward-looking statements. The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal

and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Approval of the Official Statement

The Bond Ordinance approved the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized use in the re-offering of the Bonds by the Initial Purchaser. This Official Statement has been approved by the City Council for distribution in accordance with the provisions of the Rule.

Certification of the Official Statement

At the time of payment for and delivery of the Bonds, the Initial Purchaser will be furnished a certificate, executed by the proper City officials, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in its Official Statement and any addenda, supplement or amendment thereto, for its Bonds on the date of such Official Statement, on the date of purchase of said Bonds, and on the date of delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of, or pertaining to, entities other than the City and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and that the City has no reason to believe that they are untrue in any material respect; (d) there has been no material adverse change in the financial condition of the City since September 30, 2016, the date of the last audited financial statements of the City; and (e) except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, of which the City has notice to restrain or enjoin the issuance or delivery of the Bonds, or which would affect the provisions made for their payment or security, or in any manner question the validity of the Bonds.

Audited Financial Statements

Whitley Penn LLP, the City's independent auditor, has not reviewed, commented on, or approved, and is not associated with, this Official Statement. The report of Whitley Penn LLP relating to the City's financial statements for the fiscal year ended September 30, 2017 is included in this Official Statement in APPENDIX C; however, Whitley Penn LLP has not performed any procedures on such financial statements since the date of such report, and has not performed any procedures on any other financial information of the City, including without limitation any of the information contained in this Official Statement, and has not been asked to consent to the inclusion of its report, or otherwise be associated with this Official Statement.

SCHEDULE 1

SUMMARY OF REFUNDED OBLIGATIONS*

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Refunding Bonds, Series 2009A					
SER2009A	2/15/2020	3.500%	\$ 355,000	2/15/2019	100.00
	2/15/2021	3.700%	355,000	2/15/2019	100.00
	2/15/2022	3.750%	355,000	2/15/2019	100.00
	2/15/2023	3.875%	350,000	2/15/2019	100.00
	2/15/2024	4.000%	350,000	2/15/2019	100.00
	2/15/2025	4.100%	360,000	2/15/2019	100.00
	2/15/2026	4.200%	360,000	2/15/2019	100.00
			\$ 2,485,000		
General Obligation Refunding Bonds, Series 2010					
REF2010	2/15/2020	4.000%	\$ 1,025,000	2/15/2019	100.00
	2/15/2021	4.000%	1,060,000	2/15/2019	100.00
	2/15/2022	4.000%	665,000	2/15/2019	100.00
	2/15/2023	4.000%	700,000	2/15/2019	100.00
	2/15/2024	4.000%	720,000	2/15/2019	100.00
	2/15/2025	4.000%	740,000	2/15/2019	100.00
	2/15/2026	4.000%	770,000	2/15/2019	100.00
	2/15/2027	4.000%	800,000	2/15/2019	100.00
	2/15/2028	4.000%	300,000	2/15/2019	100.00
			\$ 6,780,000		
General Obligation Bonds, Series 2009					
SER2009	2/15/2020	4.000%	\$ 250,000	2/15/2019	100.00
	2/15/2021	4.000%	260,000	2/15/2019	100.00
	2/15/2022	4.000%	170,000	2/15/2019	100.00
	2/15/2023	4.000%	175,000	2/15/2019	100.00
	2/15/2024	4.000%	185,000	2/15/2019	100.00
	2/15/2025	4.125%	190,000	2/15/2019	100.00
	2/15/2026	4.300%	200,000	2/15/2019	100.00
	2/15/2027	4.375%	205,000	2/15/2019	100.00
	2/15/2028	4.500%	215,000	2/15/2019	100.00
	2/15/2029	4.500%	230,000	2/15/2019	100.00
	2/15/2030	4.600%	235,000	2/15/2019	100.00
	2/15/2031	4.700%	250,000	2/15/2019	100.00
	2/15/2032	4.700%	260,000	2/15/2019	100.00
	2/15/2033	4.800%	275,000	2/15/2019	100.00
	2/15/2034	4.800%	285,000	2/15/2019	
			\$ 3,385,000		
General Obligation Bonds, Series 2010A					
SEER2010A	2/15/2020	3.250%	205,000	2/15/2020	100.00
	2/15/2021	3.250%	215,000	2/15/2021	100.00
	2/15/2022	3.375%	105,000	2/15/2022	100.00
			\$ 525,000		
Total			\$ 13,175,000		

*Preliminary, subject to change.

APPENDIX A

GENERAL FINANCIAL INFORMATION AND DEBT INFORMATION

The City has previously issued general obligation bonds (the "Outstanding Bonds"). The following table sets forth the principal amounts of the Outstanding Bonds including the Bonds and excluding the Refunded Obligations.

Schedule 1 – Outstanding Obligations

<u>Outstanding General Obligation Debt As of October 1, 2018</u>	<u>Principal Outstanding</u>
General Obligation Bonds, Series 2009	\$ 3,625,000
General Obligation Refunding Bonds, Series 2009A	2,840,000
General Obligation Refunding Bonds, Series 2010	7,760,000
General Obligation Bonds, Series 2010A	720,000
General Obligation Bonds, Series 2011	5,520,000
General Obligation Refunding Bonds, Series 2011A	4,765,000
General Obligation Refunding Bonds, Series 2011B	6,415,000
General Obligation Refunding Bonds, Series 2012	8,025,000
General Obligation Bonds, Series 2013	4,815,000
General Obligation Bonds, Series 2014	9,200,000
General Obligation Bonds, Series 2015	6,210,000
General Obligation Refunding Bonds, Series 2016	9,425,000
General Obligation Bonds, Series 2017	32,550,000
General Obligation Bonds, Series 2017A	11,505,000
General Obligation Bonds, Series 2018	11,475,000
Total	<u>\$ 124,850,000</u>
Plus: The Bonds	\$ 12,900,000 *
Less: Refunded Obligations	<u>\$ (13,175,000) *</u>
Total	<u>\$ 124,575,000 *</u>

*Preliminary, subject to change.

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Attachment: POS Bellaire - Refunding Bonds 2018 (Draft 2) (2647 : Bond Refund)

Schedule 2 – Pro Forma Debt Service Requirements

FYE 9/30	Outstanding Debt Service	Less: Refunded Obligations	The Bonds*				Total Debt Service	Less: Transfer of Utility Revenues ^(a)	Net Debt Service
			Principal	Interest Rate ^(b)	Interest	Total			
2019	\$ 9,314,682	\$ 533,400	\$ 120,000	4.000%	\$ 376,000	\$ 496,000	\$ 9,277,282	\$ 2,090,877	\$ 7,186,404
2020	9,636,524	2,333,356	1,815,000	4.000%	474,900	2,289,900	9,593,068	2,672,273	6,920,795
2021	9,621,831	2,316,851	1,870,000	4.000%	401,200	2,271,200	9,576,180	2,656,292	6,919,888
2022	9,667,004	1,660,262	1,275,000	4.000%	338,300	1,613,300	9,620,043	2,433,967	7,186,076
2023	9,663,958	1,540,853	1,205,000	4.000%	288,700	1,493,700	9,616,805	2,407,957	7,208,848
2024	9,665,264	1,521,471	1,235,000	4.000%	239,900	1,474,900	9,618,693	2,395,097	7,223,595
2025	9,682,990	1,505,273	1,270,000	4.000%	189,800	1,459,800	9,637,518	2,387,522	7,249,995
2026	9,677,481	1,491,914	1,310,000	4.000%	138,200	1,448,200	9,633,768	2,376,096	7,257,672
2027	9,326,681	1,119,169	980,000	4.000%	92,400	1,072,400	9,279,911	2,066,982	7,212,930
2028	8,466,171	597,848	490,000	4.000%	63,000	553,000	8,421,324	1,696,963	6,724,361
2029	7,979,803	296,835	205,000	4.000%	49,100	254,100	7,937,068	1,485,090	6,451,978
2030	7,447,326	291,255	205,000	4.000%	40,900	245,900	7,401,971	1,372,730	6,029,241
2031	6,745,786	294,975	220,000	4.000%	32,400	252,400	6,703,211	1,370,527	5,332,685
2032	6,275,238	292,990	225,000	4.000%	23,500	248,500	6,230,748	1,370,191	4,860,558
2033	6,011,579	295,280	235,000	4.000%	14,300	249,300	5,965,599	1,369,848	4,595,751
2034	6,008,965	291,840	240,000	4.000%	4,800	244,800	5,961,925	1,368,965	4,592,960
2035	5,542,509	-	-	-	-	-	5,542,509	1,275,685	4,266,825
2036	5,215,531	-	-	-	-	-	5,215,531	1,224,888	3,990,643
2037	4,777,875	-	-	-	-	-	4,777,875	1,226,245	3,551,630
2038	4,777,034	-	-	-	-	-	4,777,034	1,225,383	3,551,652
2039	4,432,244	-	-	-	-	-	4,432,244	1,225,514	3,206,730
2040	3,805,881	-	-	-	-	-	3,805,881	1,223,850	2,582,032
2041	3,409,463	-	-	-	-	-	3,409,463	1,226,199	2,183,264
2042	3,406,669	-	-	-	-	-	3,406,669	1,225,087	2,181,582
2043	707,163	-	-	-	-	-	707,163	212,149	495,014
Total	\$ 171,265,651	\$ 16,383,571	\$ 12,900,000		\$ 2,767,400	\$15,667,400	\$ 170,549,480	\$ 41,586,374	\$ 128,963,106

(a) The Enterprise Fund transfers a discretionary amount to the Debt Service Fund to pay a portion of the principal and interest on the general obligation debt used to finance capital improvements used in the enterprise activities.

(b) Interest coupon shown for illustrative purposes only.

*Preliminary, subject to change.

Schedule 3 – Tax Adequacy for Estimated Debt Service

The calculations shown below assume, solely for the purpose of illustration, no change in assessed valuation over the 2018 taxable assessed valuation provided by the Appraisal District and use of tax rate adequate to service the City's total debt service requirements following the issuance of the Bonds. The potential use of surplus balances in the debt service fund, the capital projects fund, and the general fund are not reflected in the computations.

Estimated Total Debt Service ^{(a)*}

Average annual debt service requirements on the City's total outstanding indebtedness including the Bonds and excluding the Refunded Obligations . \$ 6,821,979

\$ 0.1438 Tax rate on 2018 taxable assessed valuation at 99% collection produces: \$ 6,826,661

Maximum annual debt service requirements on the City's total outstanding indebtedness including the Bonds and excluding the Refunded Obligations . \$ 9,637,518

\$ 0.2031 Tax rate on 2018 taxable assessed valuation at 99% collection produces: \$ 9,641,828

(a) Includes the Bonds and excludes the Refunded Obligations.

*Preliminary, subject to change.

Estimated Net Debt Service^{(a)*}

Average annual debt service requirements on the City's net outstanding indebtedness including the Bonds and excluding the Refunded Obligations . \$ 5,158,524

\$ 0.1087 Tax rate on 2018 taxable assessed valuation at 99% collection produces: \$ 5,160,348

Maximum annual debt service requirements on the City's net outstanding indebtedness including the Bonds and excluding the Refunded Obligations . \$ 7,257,672

\$ 0.1529 Tax rate on 2018 taxable assessed valuation at 99% collection produces: \$ 7,258,668

(a) Includes the Bonds and excludes the Refunded Obligations.

*Preliminary, subject to change.

Schedule 4 - Estimated Overlapping Debt

Expenditures of the various taxing bodies within the territory of the City may be paid out of ad valorem taxes levied by these taxing bodies on property within the City. These political taxing bodies are independent of the City and may incur borrowings to finance their expenditures. The following information on overlapping jurisdictions was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the date stated in the table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds the amount of which cannot be determined.

Taxing Jurisdictions	Gross Debt Outstanding	As of	Percent Overlapping	Amount
Harris County	\$ 2,208,674,361 ^(a)	7/31/2018	1.19%	\$ 26,283,225
Harris County Dept of Education	6,555,000 ^(a)	7/31/2018	1.19%	78,005
Harris County Flood Control District	83,075,000 ^(a)	7/31/2018	1.19%	988,593
Harris County Hospital District	59,490,000	7/31/2018	1.19%	707,931
Harris Co Toll Road	-	7/31/2018	1.19%	-
Houston Community College	580,635,000 ^(a)	7/31/2018	2.71%	15,735,209
Houston ISD	3,151,430,000 ^(a)	7/31/2018	3.01%	94,858,043
Port of Houston Authority	613,699,397 ^(a)	7/31/2018	1.19%	7,303,023
Total Overlapping	\$ 6,703,558,758			\$ 145,954,027
City of Bellaire ^{(b)*}	\$ 124,575,000	10/1/2018	100%	\$ 124,575,000
Total	\$ 6,828,133,758			\$ 270,529,027

(a) Gross debt, Some debt may be supported by other revenues and thus be considered self-supporting.

(b) Includes the Bonds and excludes the Refunded Obligations. Preliminary, subject to change.

Source: Municipal Advisory Council of Texas.

Schedule 5 – Historical Analysis of Ad Valorem Taxation

The following table sets forth the City's historical taxable assessed valuation.

Tax Year	Assessed	Tax Rate	Adjusted	Percent Collections		FYE
	Valuation ^(a)		Tax Levy	Current	Total	
2014	4,022,863,562	0.3936	15,743,170	99.70%	99.31%	2015
2015	4,492,435,794	0.3805	17,137,875	99.65%	99.40%	2016
2016	4,822,467,803	0.3874	18,682,240	98.36%	98.36%	2017
2017	4,894,809,224	0.4159	20,357,512	98.80%	99.80%	2018
2018	4,795,283,304	0.4313	20,682,057	na	na	2019

(a) Source: City of Bellaire, Texas.

Schedule 6 – Historical Analysis of the Assessed Valuation by Category

The following table sets forth the City's assessed valuation by category.

Fiscal Year	Tax Year	Real	Personal	Total ^(a)
		Property ^(a)	Property ^(a)	
2014	2013	\$ 3,490,155,153	\$ 139,263,254	\$ 3,629,418,407
2015	2014	3,905,688,782	117,174,780	4,022,863,562
2016	2015	4,393,494,108	98,941,686	4,492,435,794
2017	2016	4,716,891,547	105,576,256	4,822,467,803
2018	2017	4,827,491,110	93,291,761	4,920,782,871

(a) Values may differ from those shown elsewhere in the document.

Source: City of Bellaire.

Schedule 7 – Top Ten Taxpayers

The table below reflects the City's top ten taxpayers for 2017.

Top Ten Taxpayers ^(a)	Type of Property	2017 Taxable	Percent of 2017
		Assessed Valuation ^(a)	Taxable Assessed Valuation
Pin Oak North Parcel LL LLC	Real Estate	\$ 91,606,430	1.87%
Chevron Chemical Co.	Oil & Gas	81,900,770	1.67%
KBS Sor 6565 6575 West Loop	Real Estate	36,988,682	0.75%
BRI 1833 6330 LLC	Commerical	36,200,573	0.74%
Centerpoint Energy	Electric Utility	32,789,970	0.67%
SBC Communications	Telephone Utility	28,283,940	0.58%
CHP Houston Tx MOB Owner LLC	Real Estate	27,880,000	0.57%
CHP Houston Tx Hospital Land	Hospital	23,197,526	0.47%
Pin Oak South Parcel LL LLC	Real Estate	21,606,958	0.44%
SLS Properties	Real Estate	13,176,820	0.27%
		<u>\$ 393,631,669</u>	<u>8.02%</u>

2017 Taxable Assessed Valuation \$ 4,905,704,691

(a) Source: Municipal Advisory Council of Texas and Harris County Appraisal District.

Schedule 8 – Tax Rate Distribution

The following table sets forth the historical tax rates for the City.

Tax Rate Distribution	2018	2017	2016	2015	2014
General Fund	\$ 0.2781	\$ 0.2678	\$ 0.2551	\$ 0.2501	\$ 0.2532
Debt Service Fund	0.1532	0.1481	0.1323	0.1304	0.1404
Total	\$ 0.4313	\$ 0.4159	\$ 0.3874	\$ 0.3805	\$ 0.3936

Schedule 9 – Estimated Overlapping Taxes

Property within the City is subject to taxation by several taxing authorities in addition to the City. Under Texas law, a tax lien attaches to property to secure the payment of all taxes, penalty, and interest for the year, on January 1 of that year. The tax lien on property in favor of the City is on parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the City and such other jurisdictions, certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Taxing Jurisdiction	Tax Year 2017 Rate
Houston Independent School District	\$ 1.20670
Harris County	0.41801
Harris County Flood Control District	0.02831
Port of Houston Authority	0.01256
Harris County Hospital District	0.17110
Harris County Dept of Education	0.00520
Houston Community College District	0.10026
City of Bellaire ^(a)	0.43130

(a) City of Bellaire 2018 tax rate. Source: City of Bellaire.

Source: Harris County Appraisal District.

Schedule 10 – Municipal Sales Tax History

The City has adopted the Municipal Sales and Use Tax Act, Chapter 321, Texas Tax Code, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City. The proceeds are credited to the General Fund and are not pledged to the payment of the Bonds. State law allows the City to collect sales tax to assist in the promotion and development activities of the City.

FYE 9/30	Sales Tax Revenues ^(a)
2014	\$ 2,310,083
2015	2,391,335
2016	2,420,809
2017	2,241,860
2018 ^(b)	2,141,693

(a) Source: City of Bellaire, Texas.

(b) Collections through August 2018.

Source: Municipal Advisory Council of Texas.

Schedule 11 – Historical Operations of the Debt Service Fund

The following statement sets forth in condensed form the historical operations of the City's Debt Service Fund. Such information has been prepared based upon information obtained from the City's audited financial statements and other information provided by the City.

	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Revenues					
Property taxes	\$ 6,268,910	\$ 5,846,605	\$ 5,576,528	\$ 5,137,286	\$ 4,839,801
Investment income	4,164	6,081	3,591	2,107	2,094
Total Revenues	6,273,074	5,852,686	5,580,119	5,139,393	4,841,895
Expenditures					
General Government				-	-
Debt Service:					
Principal retirement	4,510,000	4,055,000	3,955,000	3,690,000	3,500,000
Interest & fiscal charges	3,059,476	2,772,676	2,623,526	2,341,311	2,256,878
Payment to bond escrow agent	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total Expenditures	7,569,476	6,827,676	6,578,526	6,031,311	5,756,878
Revenues Over (Under)					
Expenditures	(1,296,402)	(974,990)	(998,407)	(891,918)	(914,983)
Other Financing Sources (Uses)					
Operating transfers in	1,264,655	950,000	950,000	950,000	950,000
Proceeds from issuance of general obligation refunding bonds	9,690,000	-	-	-	-
Bonds issued		-	-	-	-
Bond premium	265,613	-	-	-	-
Payment to bond escrow agent	(9,942,235)	-	-	-	-
Other		-	-	-	-
Total Other Financing Sources(Uses)	1,278,033	950,000	950,000	950,000	950,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,369)	(24,990)	(48,407)	58,082	35,017
Fund balances - Beginning	489,135	514,125	562,532	504,450	469,433
Fund balances - Ending	\$ 470,766	\$ 489,135	\$ 514,125	\$ 562,532	\$ 504,450

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Schedule 12 – Historical Operations of the General Fund

The following statement sets forth in condensed form the historical operations of the City's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such information has been prepared based upon information obtained from the City's audited financial statements and other information provided by the City.

	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Revenues					
Property taxes	\$ 12,161,757	\$ 11,274,387	\$ 10,120,107	\$ 9,233,571	\$ 8,629,174
Sales taxes	2,241,860	2,420,809	2,391,335	2,310,083	2,590,958
Franchise fees	1,374,918	1,363,860	1,393,224	1,411,682	1,381,700
Licenses and permits	1,199,500	1,158,422	1,007,468	1,183,493	1,142,927
Charges for services	1,229,988	1,394,739	677,856	1,230,436	1,246,481
Fines and forfeitures	679,883	717,852	1,424,243	754,693	670,066
Investment income	47,017	46,454	37,373	21,967	17,121
Intergovernmental	202,324	2,325	99,511	3,455	90,362
Other	37,786	34,847	64,838	17,417	29,857
Total Revenues	19,175,033	18,413,695	17,215,955	16,166,797	15,798,646
Expenditures					
Current:					
General government	4,654,894	4,420,300	4,105,290	4,524,979	4,223,783
Public safety	8,967,042	8,014,114	7,680,331	7,025,015	6,922,293
Public works	1,054,450	1,056,541	1,100,198	1,048,380	1,038,170
Culture and recreation	4,217,423	4,030,077	3,700,341	2,643,166	2,549,648
Capital projects	-	-	-	-	-
Total Expenditures	18,893,809	17,521,032	16,586,160	15,241,540	14,733,894
Revenues Over/(Under)					
Expenditures	281,224	892,663	629,795	925,257	1,064,752
Other Financing Sources/(Uses)					
Sale of capital assets	37,184	817	1,000	12,437	21,174
Operating transfers in	624,000	624,000	500,000	500,000	500,000
Operating transfers out ^(a)	(2,057,000)	(2,306,000)	(150,000)	(1,027,485)	(950,000)
Other Financing Sources/(Uses)	(1,395,816)	(1,681,183)	351,000	(515,048)	(428,826)
Revenues & Other Financing Sources Over(Under) Expenditures and Other Financing Sources/(Uses)	(1,114,592)	(788,520)	980,795	410,209	635,926
Fund balances - Beginning	4,815,527	5,604,047	4,623,252	4,213,043	3,577,117
Fund balances - Ending	\$ 3,700,935	\$ 4,815,527	\$ 5,604,047	\$ 4,623,252	\$ 4,213,043

(a) The City transferred funds to the Capital Improvement Program ("CIP") and Vehicle, Equipment Technology ("VET") funds to reduce the unreserved and undesignated portion of the General Fund balance.

Attachment: POS Bellaire - Refunding Bonds 2018 (Draft 2) (2647 : Bond Refund)

Schedule 13 – Historical Operations of the Water and Sewer System

The following statement sets forth in condensed form the historical operations of the City's Enterprise Fund. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. System net revenues are not pledged to secure the Bonds though surplus revenues may be used for debt service at the discretion of the City Council. While transfers to the Debt Service Fund have been made in the past, and the City presently intends to continue such transfers, there is no guarantee that such transfers will not be reduced or curtailed in the future. Such information has been prepared based upon information obtained from the City's audited financial statements and other information provided by the City.

	Fiscal Year Ended September 30				
	2017	2016	2015	2014	2013
Operating Revenues					
Water services	\$ 4,009,291	\$ 3,334,192	\$ 3,263,193	\$ 3,399,947	\$ 4,065,706
Sewer services	2,355,069	2,177,649	2,184,372	2,306,693	2,433,842
Solid waste	1,687,841	1,678,377	1,430,744	1,429,484	1,436,194
Other	58,856	66,043	144,517	86,560	92,712
Total Operating Revenues	8,111,057	7,256,261	7,022,826	7,222,684	8,028,454
Operating Expenses					
Water production	480,353	487,036	450,903	458,629	497,249
Water distribution	490,076	532,118	508,291	447,978	302,018
Wastewater collection	444,980	427,405	304,666	368,665	378,755
Wastewater treatment	748,821	877,170	835,956	1,064,433	842,307
Solid waste	1,342,498	1,322,405	1,197,899	1,318,922	1,274,696
Other	436,159	337,025	327,473	252,198	232,733
Surface water conversion	1,850,669	1,766,117	1,707,622	1,846,985	1,608,262
Total Operating Expenses Before Depreciation	5,793,556	5,749,276	5,332,810	5,757,810	5,136,020
Depreciation	2,493,630	2,485,690	2,370,722	2,316,047	2,011,446
Total Operating Expenses	8,287,186	8,234,966	7,703,532	8,073,857	7,147,466
Operating Income (Loss)	(176,129)	(978,705)	(680,706)	(851,173)	880,988
Non-Operating Revenue					
Investment income	936	1,112	3,982	5,914	6,075
Other	-	-	25,294	10,115	2,115
Loss on disposal of capital assets	(28,265)	-	-	-	-
Intergovernmental revenue	102,310	-	63,000	-	-
Capital contribution	-	-	-	-	-
Total Non-Operating Revenues	74,981	1,112	92,276	16,029	8,190
Income Before Transfers	(101,148)	(977,593)	(588,430)	(835,144)	889,178
Capital contribution	8,472,490	583,618	708,380	2,595,673	876,687
Transfers (in)	-	-	125,000	-	-
Transfers (out)	(2,746,000)	(2,646,000)	(2,310,000)	(4,197,000)	(2,194,600)
Change in Net Assets	5,625,342	(3,039,975)	(1,476,620)	(2,436,471)	(428,735)
Change in Net Position	-	-	(2,065,050)	-	-
Beginning Net Position	43,581,059	46,621,034	48,686,084 ^(a)	52,041,422	52,470,157
Ending Net Position	\$ 49,206,401	\$ 43,581,059	\$ 46,621,034	\$ 49,604,951^(a)	\$ 52,041,422

(a) Restated balance in accordance with GASB Statement No. 65.

Attachment: POS Bellaire - Refunding Bonds 2018 (Draft 2) (2647 : Bond Refund)

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION

Location and Size

The City of Bellaire, Texas (the "City"), incorporated in 1918, is a political subdivision located in Harris County, Texas (the "County") operating as a home-rule city under the laws of the State of Texas and a charter approved by the voters. The City operates under the Council/Manager form of government where the mayor is elected to a two-year term and the six council members are elected for staggered four-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administrative officer. It is the duty of the City Manager to implement the policies and directives of the City Council.

The City is approximately 3.6 square miles in area and is located in the southwest quadrant of the County and is approximately seven miles southwest of the City of Houston's central business district. The City is encircled by the cities of Houston, West University Place and Southside Place. The City of Bellaire is a mature community that is almost fully developed with a network of businesses to support its citizens. Residential and commercial redevelopment is ongoing. Within the City limits there are a number of private and public schools.

(Source: City of Bellaire).

Major Employers

The following are the major employers located within the City.

Principal Employers Fiscal Year 2017

Employer	Total Employees
Worley Parsons Ltd.	500-999
Bellaire High School	100-4999
Brighton Gardens of Bellaire	100-4999
Chevron Oronite Co. LLC	100-4999
Chevron Pipeline Co.	100-4999
First Street Hospital	100-4999
First Surgical Partners	100-4999
PFM, LLC	100-4999
Pin Oak Middle School	100-4999
Randall's	100-4999

Population

The City is part of the County, the most populous of the 254 counties in the State of Texas. According to the 2010 Census of Population, the City of Houston is the nation's fourth most populous city. The City is completely contained within the City of Houston and the County. The City is a component of the six county Houston Standard Metropolitan Statistical Area (the "Houston SMSA").

Population	1980 Census	1990 Census	2000 Census	2010 Census
Harris County, Texas	2,409,457	2,818,199	3,400,578	4,092,459
City of Bellaire, Texas	14,950	13,942	15,642	16,855

Economy

The City's economy is an integral part of the Houston SMSA economy. The City's employment and economic activity are also heavily influenced by the general economic conditions of the Houston SMSA and by the Texas Medical Center, which is within four miles of Bellaire. The City's location provides easy access to the Houston central business district via U.S. Highway 59 (seven miles), the Texas Medical Center (four miles) and to the Galleria area along Loop 610 (three miles).

According to the Chamber of Commerce, the County and the City of Houston are headquarters for some of the nation's largest corporations. The City of Houston is a primary location for 45 of the world's 100 largest non-U.S. based companies.

Education

The City is within the boundaries of the Houston Independent School District, which operates Bellaire High School, one middle school and three elementary schools all located within the city limits of the City. Additionally, there are four private schools in the City. Condit Elementary School was torn down and a new building was erected in the summer of 2016. A new building is planned for the Bellaire High School, the timing of which has been subject to developer delays.

There are several colleges within the Houston area including Rice University, the University of Houston, the University of St. Thomas, Houston Baptist University and Texas Southern University. Additionally, the City is within the boundaries of the Houston Community College District, which operates several junior college campuses in the area.

HEB will update and enlarge its Bellaire location more than doubling the size of the current store as well as expanding the adjacent parking with a two story parking structure.

Construction of residential homes in Alder Circle, a new subdivision is currently under construction and will add approximately \$6.5 million to the tax rolls.

(Source: City of Bellaire).

Historical Construction Permits Within the City

Calendar Year	New Residential		Residential Remodeling		New Commercial		Commercial Remodeling		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2014	70	71,676,698	223	6,653,752	1	14,458,460	24	14,637,844	318	107,426,754
2015	95	50,686,940	370	7,259,025	2	22,115,719	74	10,471,883	541	90,533,567
2016	51	33,524,417	386	8,532,317	1	2,600,000	65	27,848,262	503	72,504,996
2017	85	52,875,027	570	10,990,792	4	32,000,000	69	14,357,913	728	110,223,732
2018 ^(a)	62	34,857,517	389	8,994,589	1	9,200,000	48	6,597,334	500	59,649,440

(a) As of May 31, 2018.

Source: City of Bellaire, Texas.

APPENDIX C**SELECTED DATA FROM COMPREHENSIVE
ANNUAL FINANCIAL REPORT,
CITY OF BELLAIRE, TEXAS,
FISCAL YEAR ENDED SEPTEMBER 30, 2016**

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

Attachment: POS Bellaire - Refunding Bonds 2018 (Draft 2) (2647 : Bond Refund)

_____, 2018

Ladies and Gentlemen:

WE HAVE ACTED as Bond Counsel for the City of Bellaire, Texas (the "City"), in connection with the issuance of the following described bonds (the "Bonds"):

"City of Bellaire, Texas General Obligation Bonds, Series 2018A, dated September 1, 2018, in the aggregate principal amount of \$_____.

The Bonds mature, bear interest, and may be transferred and exchanged as set out in the Bonds and in the ordinance of the City Council of the City authorizing the Bonds, dated August 7, 2018 (the "Bond Ordinance"). The Bonds are fully registered and are issued in multiples of \$5,000. The Bonds with a Stated Maturity on or after February 15, 2028 may be redeemed at the option of the City, in whole or in part, in integral multiples of \$5,000 principal or any other authorized denomination any time after February 15, 2027.

WE HAVE EXAMINED the Constitution and laws of the State of Texas, the Charter of the City, a transcript of original and certified proceedings of the City of Council of the City, including, without limitation, the Bond Ordinance and customary certificates of officers, agents and representatives of the City and other certificates related to the authorization and issuance of the Bonds and the expected use and investment of proceeds of the Bonds and certain other funds of the City and to certain other facts within the knowledge and control of the City. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such certificates. We have also examined a specimen bond of said series and find same to be in due form and properly executed.

WE ARE OF THE OPINION, based on the foregoing, that the proceedings authorizing the issuance of the Bonds show lawful authority for such issuance under the Constitution and laws of the State of Texas.

WE ARE OF THE OPINION that the Bonds constitute legal, valid and binding obligations of the City, except to the extent that the enforcement of the rights and remedies of any bondholder may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City, that the Bonds are payable from the levy of a direct annual ad valorem tax, within the limit prescribed by law, as provided in the Bond Ordinance.

WE ARE OF THE OPINION, based upon the foregoing that, pursuant to the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance by the City after the date hereof with the provisions of the Bond Ordinance relating to sections 141 through 150 of the Code, interest on the Bonds is excludable from the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes pursuant to section 103 of the Code, and the Bonds are not "private activity bonds" within the meaning of the Code.

WE EXPRESS NO OTHER OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, "S" corporations with "subchapter C" earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations and individuals otherwise qualified for the earned income tax credit. For the foregoing reasons, prospective purchasers should consult their tax advisors as to the consequences of investing in the Bonds.

The Bond Ordinance provides that the City reserves the right to issue additional bonds, including additional parity bonds, and, when issued and sold, said additional parity bonds will be in all respects on a parity with the Bonds.

The Bonds are obligations solely of the City and are not obligations of the State of Texas, Harris County or

any other entity.

WE ASSUME NO DUTY TO update or supplement our opinions to reflect any facts or circumstances that may come to our attention after the issuance of the Bonds or to reflect any changes in any law that may become effective after the issuance of the Bonds. The opinions expressed herein should not be construed as a guarantee or result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of the transcript of proceedings relating to the issuance of the Bonds, certain other materials, and existing law that we, in our sole discretion, deemed relevant to such opinions and in reliance upon the representations and covenants referenced above.

Very truly yours,

USCA MUNICIPAL ADVISORS, LLC

Financial Advisor to the City

Attachment: POS Bellaire - Refunding Bonds 2018 (Draft 2) (2647 : Bond Refund)

CITY OF BELLAIRE, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018
S&P “AAA”
COUNCIL MEETS 1ST & 3RD MONDAY OF THE MONTH (7:00PM)

Draft
8/22/18

Tentative Timetable of Events

SEPTEMBER						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24	25	26	27	28	29

OCTOBER						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DECEMBER						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

Complete By	Day	Event	Parties
August 22	Wednesday	Send first draft of bond documents to the working group for comments.	FA
September 7	Friday	Comments due on the first draft of the bond documents.	FA
September 12	Wednesday	Send bond documents to the City for City Council packet information.	All
September 17	Monday	City Council meeting to consider and approve the parameter ordinance for the General Obligation Refunding Bonds, Series 2018A (the "Series 2018 Refunding Bonds").	C, BC, FA
September 18	Tuesday	Send draft bond documents to Standard & Poor's Rating Service (S&P) for review. Request rating call if necessary.	FA
September 24	Friday	Send second draft of the Series 2018 Refunding Bond documents for comments.	All
Week of Sept. 24 or Oct. 1		If necessary, follow-up call with S&P including City Officials and Financial Advisor _____, _____ at _____	C, FA
September 28	Friday	Comments due on second draft of the refunding bond documents.	ALL
October 10	Wednesday	Send notice to the Texas Bond Reporter of the bond sale. Publish notice of the bond sale in the Texas Bond Reporter.	FA

Attachment: Timetable - Bellaire Refunding Bonds 2018 (2647 : Bond Refund)

October		City to publish notice of the bond sale in the local paper.	C, BC
October 5	Friday	Comments due on second draft of bond documents.	All
October 12	Friday	Receive S&P verbal rating.	FA
October 16	Tuesday	Print and mail electronic copies of the POS and Notice of Sale (ñNOSö). Send to ImageMaster, Bloomberg and the Municipal Advisory Council of Texas (ñMACö).	FA
October 16	Tuesday	Request CUSIPs for the Bonds.	FA
October 23	Tuesday	Competitive bond sale (Bids received until 10:00am).	FA, C,BC
October 23	Tuesday	Pricing Officer signs the Pricing Certificate and Bond Purchase Agreement.	C, BC, FA
October 24	Wednesday	Distribute draft of Final Official Statement (ñOSö).	FA
October 29	Monday	Comments due on draft OS.	ALL
October 30	Tuesday	Print and mail Final OS.	FA
November 21	Wednesday	Deliver Bonds.	C, BC

Legend

City of Bellaire
Johnson Petrov LLP
US Capital Advisors

Issuer (C)
Bond Counsel (BC)
Financial Advisor (FA)

Attachment: Timetable - Bellaire Refunding Bonds 2018 (2647 : Bond Refund)

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City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018

Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

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Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

SAVINGS

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018

Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/21/2018 @ 2.5595456%
09/30/2019	533,400.00	496,000.00	37,400.00	37,039.28
09/30/2020	2,333,356.25	2,289,900.00	43,456.25	41,962.98
09/30/2021	2,316,851.25	2,271,200.00	45,651.25	42,971.78
09/30/2022	1,660,261.88	1,613,300.00	46,961.88	43,095.50
09/30/2023	1,540,852.51	1,493,700.00	47,152.51	42,186.50
09/30/2024	1,521,471.26	1,474,900.00	46,571.26	40,622.71
09/30/2025	1,505,272.51	1,459,800.00	45,472.51	38,672.44
09/30/2026	1,491,913.76	1,448,200.00	43,713.76	36,249.21
09/30/2027	1,119,169.38	1,072,400.00	46,769.38	37,826.30
09/30/2028	597,847.50	553,000.00	44,847.50	35,367.12
09/30/2029	296,835.00	254,100.00	42,735.00	32,861.02
09/30/2030	291,255.00	245,900.00	45,355.00	34,017.10
09/30/2031	294,975.00	252,400.00	42,575.00	31,139.83
09/30/2032	292,990.00	248,500.00	44,490.00	31,740.09
09/30/2033	295,280.00	249,300.00	45,980.00	31,997.20
09/30/2034	291,840.00	244,800.00	47,040.00	31,930.70
	16,383,571.30	15,667,400.00	716,171.30	589,679.76

Savings Summary

Dated Date	11/01/2018
Delivery Date	11/21/2018
PV of savings from cash flow	589,679.76
Plus: Refunding funds on hand	4,192.05
Net PV Savings	593,871.81

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

SUMMARY OF REFUNDING RESULTS

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

Dated Date	11/01/2018
Delivery Date	11/21/2018
Arbitrage yield	2.559546%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	12,900,000.00
True Interest Cost	2.899164%
Net Interest Cost	3.016706%
Average Coupon	4.000000%
Average Life	5.363
Par amount of refunded bonds	13,175,000.00
Average coupon of refunded bonds	4.208284%
Average life of refunded bonds	5.530
PV of prior debt to 11/21/2018 @ 2.559546%	14,391,149.00
Net PV Savings	593,871.81
Percentage savings of refunded bonds	4.507566%
Percentage savings of refunding bonds	4.603657%

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

SUMMARY OF BONDS REFUNDED

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Refunding Bonds, Series 2009A (Remaining After 2016 Refunding), REF09ARF:					
REF09ARF	02/15/2020	3.500%	355,000.00	02/15/2019	100.000
	02/15/2021	3.700%	355,000.00	02/15/2019	100.000
	02/15/2022	3.750%	355,000.00	02/15/2019	100.000
	02/15/2023	3.875%	350,000.00	02/15/2019	100.000
	02/15/2024	4.000%	350,000.00	02/15/2019	100.000
	02/15/2025	4.100%	360,000.00	02/15/2019	100.000
	02/15/2026	4.200%	360,000.00	02/15/2019	100.000
			2,485,000.00		
General Obligation Refunding Bonds, Series 2010 After 2016 Refunding, REF10ARF:					
REF10ARF	02/15/2020	4.000%	1,025,000.00	02/15/2019	100.000
	02/15/2021	4.000%	1,060,000.00	02/15/2019	100.000
	02/15/2022	4.000%	665,000.00	02/15/2019	100.000
	02/15/2023	4.000%	700,000.00	02/15/2019	100.000
	02/15/2024	4.000%	720,000.00	02/15/2019	100.000
	02/15/2025	4.000%	740,000.00	02/15/2019	100.000
	02/15/2026	4.000%	770,000.00	02/15/2019	100.000
	02/15/2027	4.000%	800,000.00	02/15/2019	100.000
	02/15/2028	4.000%	300,000.00	02/15/2019	100.000
			6,780,000.00		
General Obligation Bonds, Series 2009 (After Refunding), SER09AR:					
SER09AR	02/15/2020	4.000%	250,000.00	02/15/2019	100.000
	02/15/2021	4.000%	260,000.00	02/15/2019	100.000
	02/15/2022	4.000%	170,000.00	02/15/2019	100.000
	02/15/2023	4.000%	175,000.00	02/15/2019	100.000
	02/15/2024	4.000%	185,000.00	02/15/2019	100.000
	02/15/2025	4.125%	190,000.00	02/15/2019	100.000
	02/15/2026	4.300%	200,000.00	02/15/2019	100.000
	02/15/2027	4.375%	205,000.00	02/15/2019	100.000
	02/15/2028	4.500%	215,000.00	02/15/2019	100.000
	02/15/2029	4.500%	230,000.00	02/15/2019	100.000
	02/15/2030	4.600%	235,000.00	02/15/2019	100.000
	02/15/2031	4.700%	250,000.00	02/15/2019	100.000
	02/15/2032	4.700%	260,000.00	02/15/2019	100.000
	02/15/2033	4.800%	275,000.00	02/15/2019	100.000
	02/15/2034	4.800%	285,000.00	02/15/2019	100.000
			3,385,000.00		
GO Bonds, Series 2010A (After Refunding), SER10AAR:					
SER1010A	02/15/2020	3.250%	205,000.00	02/15/2019	100.000
	02/15/2021	3.250%	215,000.00	02/15/2019	100.000
	02/15/2022	3.375%	105,000.00	02/15/2019	100.000
			525,000.00		
			13,175,000.00		

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

BOND PRICING

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

Bond Component	Maturity Date	# Bonds	Amount	Rate	Yield	Price	Yield to Maturity
General Obligation Refunding Bonds, Series 2018:							
	02/15/2019	24	120,000	4.000%	1.850%	100.494	
	02/15/2020	363	1,815,000	4.000%	1.950%	102.483	
	02/15/2021	374	1,870,000	4.000%	2.050%	104.233	
	02/15/2022	255	1,275,000	4.000%	2.140%	105.778	
	02/15/2023	241	1,205,000	4.000%	2.280%	106.900	
	02/15/2024	247	1,235,000	4.000%	2.440%	107.617	
	02/15/2025	254	1,270,000	4.000%	2.530%	108.424	
	02/15/2026	262	1,310,000	4.000%	2.620%	109.036	
	02/15/2027	196	980,000	4.000%	2.680%	108.623 C	2.819%
	02/15/2028	98	490,000	4.000%	2.790%	107.872 C	3.016%
	02/15/2029	41	205,000	4.000%	2.900%	107.127 C	3.178%
	02/15/2030	41	205,000	4.000%	3.010%	106.388 C	3.314%
	02/15/2031	44	220,000	4.000%	3.110%	105.721 C	3.423%
	02/15/2032	45	225,000	4.000%	3.200%	105.125 C	3.512%
	02/15/2033	47	235,000	4.000%	3.300%	104.467 C	3.596%
	02/15/2034	48	240,000	4.000%	3.350%	104.140 C	3.643%
		2,580	12,900,000				

Dated Date	11/01/2018	
Delivery Date	11/21/2018	
First Coupon	02/15/2019	
Par Amount	12,900,000.00	
Premium	796,392.05	
Production	13,696,392.05	106.173582%
Underwriter's Discount	-116,100.00	-0.900000%
Purchase Price	13,580,292.05	105.273582%
Accrued Interest		
Net Proceeds	13,580,292.05	

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

BOND SUMMARY STATISTICS

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

Dated Date	11/01/2018
Delivery Date	11/21/2018
Last Maturity	02/15/2034
Arbitrage Yield	2.559546%
True Interest Cost (TIC)	2.899164%
Net Interest Cost (NIC)	3.016706%
All-In TIC	3.109839%
Average Coupon	4.000000%
Average Life (years)	5.363
Weighted Average Maturity (years)	5.401
Duration of Issue (years)	4.803
Par Amount	12,900,000.00
Bond Proceeds	13,696,392.05
Total Interest	2,767,400.00
Net Interest	2,087,107.95
Bond Years from Dated Date	69,185,000.00
Bond Years from Delivery Date	69,185,000.00
Total Debt Service	15,667,400.00
Maximum Annual Debt Service	2,289,900.00
Average Annual Debt Service	1,028,494.53
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	9.000000
Total Underwriter's Discount	9.000000
Bid Price	105.273582

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
General Obligation Refunding Bonds, Series 2018	12,900,000.00	106.174	4.000%	5.363	5,724.85
	12,900,000.00			5.363	5,724.85

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

BOND SUMMARY STATISTICS

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018

Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

	TIC	All-In TIC	Arbitrage Yield
Par Value	12,900,000.00	12,900,000.00	12,900,000.00
+ Accrued Interest			
+ Premium (Discount)	796,392.05	796,392.05	796,392.05
- Underwriter's Discount	-116,100.00	-116,100.00	
- Cost of Issuance Expense		-134,400.00	
- Other Amounts			
Target Value	13,580,292.05	13,445,892.05	13,696,392.05
Target Date	11/21/2018	11/21/2018	11/21/2018
Yield	2.899164%	3.109839%	2.559546%

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

SOURCES AND USES OF FUNDS

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026Dated Date 11/01/2018
Delivery Date 11/21/2018

Sources:

Bond Proceeds:

Par Amount	12,900,000.00
Premium	796,392.05
	<hr/>
	13,696,392.05

Uses:

Refunding Escrow Deposits:

Cash Deposit	13,441,700.00
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Delivery Date Expenses:

Cost of Issuance	134,400.00
Underwriter's Discount	<hr/> 116,100.00
	250,500.00

Other Uses of Funds:

Deposit to project fund	4,192.05
	<hr/>
	13,696,392.05

BOND DEBT SERVICE

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2019	120,000	4.000%	376,000	496,000
09/30/2020	1,815,000	4.000%	474,900	2,289,900
09/30/2021	1,870,000	4.000%	401,200	2,271,200
09/30/2022	1,275,000	4.000%	338,300	1,613,300
09/30/2023	1,205,000	4.000%	288,700	1,493,700
09/30/2024	1,235,000	4.000%	239,900	1,474,900
09/30/2025	1,270,000	4.000%	189,800	1,459,800
09/30/2026	1,310,000	4.000%	138,200	1,448,200
09/30/2027	980,000	4.000%	92,400	1,072,400
09/30/2028	490,000	4.000%	63,000	553,000
09/30/2029	205,000	4.000%	49,100	254,100
09/30/2030	205,000	4.000%	40,900	245,900
09/30/2031	220,000	4.000%	32,400	252,400
09/30/2032	225,000	4.000%	23,500	248,500
09/30/2033	235,000	4.000%	14,300	249,300
09/30/2034	240,000	4.000%	4,800	244,800
	12,900,000		2,767,400	15,667,400

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

BOND DEBT SERVICE

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2019	120,000	4.000%	120,400	240,400	
08/15/2019			255,600	255,600	
09/30/2019					496,000
02/15/2020	1,815,000	4.000%	255,600	2,070,600	
08/15/2020			219,300	219,300	
09/30/2020					2,289,900
02/15/2021	1,870,000	4.000%	219,300	2,089,300	
08/15/2021			181,900	181,900	
09/30/2021					2,271,200
02/15/2022	1,275,000	4.000%	181,900	1,456,900	
08/15/2022			156,400	156,400	
09/30/2022					1,613,300
02/15/2023	1,205,000	4.000%	156,400	1,361,400	
08/15/2023			132,300	132,300	
09/30/2023					1,493,700
02/15/2024	1,235,000	4.000%	132,300	1,367,300	
08/15/2024			107,600	107,600	
09/30/2024					1,474,900
02/15/2025	1,270,000	4.000%	107,600	1,377,600	
08/15/2025			82,200	82,200	
09/30/2025					1,459,800
02/15/2026	1,310,000	4.000%	82,200	1,392,200	
08/15/2026			56,000	56,000	
09/30/2026					1,448,200
02/15/2027	980,000	4.000%	56,000	1,036,000	
08/15/2027			36,400	36,400	
09/30/2027					1,072,400
02/15/2028	490,000	4.000%	36,400	526,400	
08/15/2028			26,600	26,600	
09/30/2028					553,000
02/15/2029	205,000	4.000%	26,600	231,600	
08/15/2029			22,500	22,500	
09/30/2029					254,100
02/15/2030	205,000	4.000%	22,500	227,500	
08/15/2030			18,400	18,400	
09/30/2030					245,900
02/15/2031	220,000	4.000%	18,400	238,400	
08/15/2031			14,000	14,000	
09/30/2031					252,400
02/15/2032	225,000	4.000%	14,000	239,000	
08/15/2032			9,500	9,500	
09/30/2032					248,500
02/15/2033	235,000	4.000%	9,500	244,500	

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

BOND DEBT SERVICE

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018

Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/15/2033			4,800	4,800	
09/30/2033					249,300
02/15/2034	240,000	4.000%	4,800	244,800	
09/30/2034					244,800
	12,900,000		2,767,400	15,667,400	15,667,400

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

PRIOR BOND DEBT SERVICE

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018

Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2019			533,400.00	533,400.00
09/30/2020	1,835,000	** %	498,356.25	2,333,356.25
09/30/2021	1,890,000	** %	426,851.25	2,316,851.25
09/30/2022	1,295,000	** %	365,261.88	1,660,261.88
09/30/2023	1,225,000	** %	315,852.51	1,540,852.51
09/30/2024	1,255,000	4.000%	266,471.26	1,521,471.26
09/30/2025	1,290,000	** %	215,272.51	1,505,272.51
09/30/2026	1,330,000	** %	161,913.76	1,491,913.76
09/30/2027	1,005,000	** %	114,169.38	1,119,169.38
09/30/2028	515,000	** %	82,847.50	597,847.50
09/30/2029	230,000	4.500%	66,835.00	296,835.00
09/30/2030	235,000	4.600%	56,255.00	291,255.00
09/30/2031	250,000	4.700%	44,975.00	294,975.00
09/30/2032	260,000	4.700%	32,990.00	292,990.00
09/30/2033	275,000	4.800%	20,280.00	295,280.00
09/30/2034	285,000	4.800%	6,840.00	291,840.00
	13,175,000		3,208,571.30	16,383,571.30

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

UNREFUNDED BOND DEBT SERVICE

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018

Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

General Obligation Refunding Bonds, Series 2009A (Remaining After 2016 Refunding) (REF09ARF)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2019	355,000	3.500%	6,212.50	361,212.50	
09/30/2019					361,212.50
	355,000		6,212.50	361,212.50	361,212.50

UNREFUNDED BOND DEBT SERVICE

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018

Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

General Obligation Refunding Bonds, Series 2010 After 2016 Refunding (REF10ARF)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2019	980,000	4.000%	19,600	999,600	
09/30/2019					999,600
	980,000		19,600	999,600	999,600

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

UNREFUNDED BOND DEBT SERVICE

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018

Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

General Obligation Bonds, Series 2009 (After Refunding) (SER09AR)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2019	240,000	3.500%	4,200	244,200	
09/30/2019					244,200
	240,000		4,200	244,200	244,200

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

UNREFUNDED BOND DEBT SERVICE

City of Bellaire, Texas
General Obligation Refunding Bonds, Series 2018

Scale 9/10/18
S&P 'AAA'
Not BQ
Call 2026

GO Bonds, Series 2010A (After Refunding) (SER10AAR)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2019	195,000	3.500%	3,412.50	198,412.50	
09/30/2019					198,412.50
	195,000		3,412.50	198,412.50	198,412.50

Attachment: Preliminary Refunding - Bellaire Ref 2018 Refunds All Not BQ (9-10-18) (2647 : Bond Refund)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS AUTHORIZING THE ISSUANCE OF "CITY OF BELLAIRE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018"; SPECIFYING THE TERMS AND FEATURES OF SAID BONDS; ESTABLISHING CERTAIN PARAMETERS FOR THE SALE OF SAID BONDS; AND ENACTING PROVISIONS INCIDENT AND RELATED TO THE ISSUANCE, DELIVERY, PAYMENT OF, AND SECURITY FOR SUCH BONDS.

WHEREAS, the City of Bellaire, Texas (herein referred to as the "City"), has duly issued the following stated maturities of the following series of obligations (the "Refunded Bonds"), and the following principal amounts thereof presently remain outstanding:

City of Bellaire, Texas, General Obligation Refunding Bonds,
Series 2009A, maturing in the years 2020 through 2026, inclusive,
and now outstanding in the principal sum of\$ 2,485,000

City of Bellaire, Texas, General Obligation Refunding Bonds,
Series 2010, maturing in the years 2020 through 2028, inclusive,
and now outstanding in the principal sum of\$ 6,780,000

City of Bellaire, Texas, General Obligation Bonds,
Series 2009, maturing in the years 2020 through 2034, inclusive,
and now outstanding in the principal sum of\$ 3,385,000

City of Bellaire, Texas, General Obligation Bonds,
Series 2010A, maturing in the years 2020 through 2022, inclusive,
and now outstanding in the principal sum of\$ 525,000

WHEREAS, the City Council of the City (the "City Council") has determined that general obligation refunding bonds should be issued in an amount sufficient to discharge and make final payment of the principal of and interest on the Refunded Bonds in advance of their respective maturities in order to achieve a present value debt service savings; and

WHEREAS, the City is empowered by Chapter 1207, Texas Government Code, as amended to issue the refunding bonds hereinafter authorized for such purposes; and

WHEREAS, pursuant to Chapter 1207, Texas Government Code, as amended, the City Council desires to delegate the authority to affect the sale of the Bonds to a Pricing Officer, being the City Manager of the City.

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. General obligation refunding bonds of the City shall be and are hereby authorized to be issued in the

Attachment: Bond Ordinance - Refunding Series 2018 (2647 : Bond Refund)

aggregate principal amount not to exceed \$12,835,000 to be designated and bear the title "CITY OF BELLAIRE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018" (the "Bonds"), for the purpose of providing funds to refund 1) the City's outstanding General Obligations Refunding Bonds, Series 2009A, maturing in the years 2020 through 2026, inclusive (the "Series 2009A Bonds"), and now outstanding in the principal amount of \$2,485,000, 2) the City's outstanding General Obligations Refunding Bonds, Series 2010, maturing in the years 2020 through 2028, inclusive (the "Series 2010 Bonds"), and now outstanding in the principal amount of \$6,780,000; 3) the City's outstanding General Obligation Bonds, Series 2009 maturing in the years 2020 through 2034, inclusive (the "Series 2009 Bonds"), and now outstanding in the principal amount of \$3,385,000; 4) the City's outstanding General Obligation Bonds, Series 2010A maturing in the years 2020 through 2022, inclusive (the "Series 2010A Bonds"), and now outstanding in the principal amount of \$525,000; and 5) to pay costs incurred in connection with the issuance of the Bonds, pursuant to and in conformity with the Constitution and laws of the State of Texas, including particularly, but not by way of limitation, Chapter 1207, Texas Government Code, as amended. When used herein, the term "interest" includes all payments due to the United States of America pursuant to Section 18.

SECTION 2: Fully Registered Obligations - Dated Date - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated as set out in the Officer's Pricing Certificate (the "Dated Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on February 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the schedule set forth in the Officer's Pricing Certificate. Interest on the Bonds shall be payable on each February 15 and August 15, commencing February 15, 2019 (each an "Interest Payment Date"):

SECTION 3: Selling and Delivering Series 2018 Bonds. As authorized by Section 1207.007, Texas Government Code, as amended, the City Manager of the City is hereby authorized to execute an Officer's Pricing Certificate setting forth the price at which the Bonds will be sold, the issuance date and initial interest payment date for the bonds, the form in which the Bonds shall be issued (whether as current interest bonds or as any combination of current interest bonds, compound interest bonds and deferred interest bonds), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions for the Bonds, and all other matters not expressly provided in this Ordinance, relating to the issuance, sale and delivery of the Bonds, including the refunding of the Refunded Bonds, all of which shall be specified in the Officer's Pricing Certificate; provided that:

- (i) none of the Bonds shall bear interest at a rate greater than 15% per annum or in excess of the maximum rate allowed by Chapter 1204, Texas Government Code, as amended;
- (ii) the sum of the principal amounts of the Bonds, must be sufficient to provide, after all original issue discount and underwriters discount, amounts necessary to fund the costs and expenses of refunding the Refunded Bonds and the estimated costs of issuance of the Bonds; and

- (iii) the net present value savings in debt service resulting from the issuance of the Bonds shall be at least 3%, as shown by a table of calculations prepared by the City's financial advisor and attached to the Officer's Pricing Certificate.

Upon execution of the Officer's Pricing Certificate, the Mayor and City Manager, or either one of them individually, shall be authorized to execute and attest such documents as may be necessary to effectuate the intent of the Officer's Pricing Certificate.

SECTION 4: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of ZB, National Association dba Amegy Bank, Houston, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as Exhibit "A," and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Clerk are authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by the United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or the redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices in Houston, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose name appears in the Security Register at the close of business on the Record Date (the last day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment for the principal of or interest on the Bonds shall be Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal

holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 5: Redemption.

(a) Optional Redemption. The Bonds shall be subject to redemption at the option of the City as specified in the Officer's Pricing Certificate.

(b) Exercise of Redemption Option. At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the City.

(c) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the paying Agent/Register shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principle amount of such Bonds by \$5,000 and shall select the Bonds, or principal amount thereof, to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof

to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

SECTION 6: Registration - Transfer/Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bonds authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bonds authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class postage prepaid to the Holders, and, upon registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other government charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 7: Book-Entry Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4, and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representation, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event that DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bonds to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter the Bonds in definitive form shall be assigned, transferred and Exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4, and 5 hereof.

SECTION 8: Execution - Registration. The Mayor is authorized and directed to execute and the City Clerk is authorized to attest the Initial Bond in the name of Cede & Co. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Clerk. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in V.T.C.A., Government Code, Chapter 1201.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 10C, manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 10D, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed

upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 9: Initial Bond. The Bonds herein authorized shall be initially issued as one fully registered bond for each year of stated maturity, registered in the name of the Purchaser or the designee thereof, in the applicable principal amount and denomination and to be numbered consecutively from R-1 and upwards; however the initial bond shall be issued as one fully registered bond in the total principal amount of the entire series of Bonds, shall be numbered T-1 and shall be registered in the name of the Purchaser or the designee thereof (the "Initial Bond"). The Initial Bond shall be submitted to the Office of the Attorney General of Texas for approval, certified and registered by the Comptroller of Public Accounts of the State of Texas, and, upon completion (noting the date of its initial delivery) and execution of the "Registration Certificate of the Paying Agent/Registrar," delivered to the purchaser. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the purchaser, or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefore definitive bonds numbered R-1 and upwards in the authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Registered Owners named at the addresses identified therefore; all pursuant to and in accordance with such written instructions from the purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require. The Initial Bond shall be registered in the name of Cede & Co. Except as provided in Section 7 hereof, all other Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

SECTION 10: Forms.

(a) **Forms Generally.** The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) may be printed, lithographed, or engraved, typewritten, photocopied or otherwise reproduced in any similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) **Form of Definitive Bond.**

REGISTERED
NO.

REGISTERED
\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF BELLAIRE, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018

Dated Date: November 1, 2018	Interest Rate: _____*	Stated Maturity: _____*	CUSIP NO.: _____
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Registered Owner:

Principal Amount: DOLLARS

The City of Bellaire (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of a Harris, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity Date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the Delivery Date at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest accrues from the Delivery Date and is payable on February 15 and August 15 in each year, commencing February 15, 2019. Principal of this Bond is payable on its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$ _____* (herein referred to as the "Bonds") for the purpose of providing funds to refund certain of the City's outstanding obligations and to pay costs incurred in connection with the issuance of the Bonds, pursuant to and in conformity with the Constitution and laws of the State of Texas, including particularly, but not by way of limitation, Chapter 1207, Texas Government Code, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Bonds maturing on or after _____*, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on _____*, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of the Bonds to be redeemed in whole or in part, and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum to be redeemed) shall have been duly called for redemption and notice of such redemption duly given, then upon said redemption date such Bonds (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent /Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within 45 days of the redemption dated therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer and exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the Designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and the interest on the Bonds by the levy of a tax as afore stated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City as of the Dated Date.

CITY OF BELLAIRE, TEXAS

Mayor

COUNTERSIGNED:

City Clerk

(SEAL)

(c) *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	
	§	REGISTER NO.
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____, _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do Not Print on Definitive Bonds

Attachment: Bond Ordinance - Refunding Series 2018 (2647 : Bond Refund)

(d) Form of Certificate of Paying Agent/Registrar to Appear on Bonds (other than a single fully registered Initial Bond).

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar in Houston, Texas is the "Designated Payment/Transfer Office" for this Bond.

ZB, National Association, dba Amegy Bank

as Paying Agent/Registrar

Registration date: _____

By: _____
Authorized Signature

(e) Form of Assignment

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:) _____ (Social Security or other identifying number:) _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(f) The Initial Bond(s) shall be in the form set in paragraph B of this Section; except that the form of the single fully registered Initial Bond shall be modified as follows:

(i) immediately under the name of the bond the headings "Interest Rate _____" and "Stated Maturity _____" shall be omitted.

(ii) Paragraph one shall read as follows:

Registered Owner:

Principal Amount:

DOLLARS

The City of Bellaire (hereinafter referred to as the "City"), a body corporate and municipal corporation of the County of Harris, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on February 15 in each of the years and in principal installments in accordance with the following schedule:

(Information to be inserted from Officer's Pricing Certificate).

(or so much principal thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid Principal Amount hereof from the Delivery Date at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing February 15, 2019. Principal installments of this Bond are payable in the year of maturity or on a prepayment day to the registered owner hereof by ZB, National Association, dba Amegy Bank (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in Houston, Texas (the Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 11: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount is greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to to produce the Debt Service Requirements; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a "Special 2018 Refunding Bond Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

Proper officers of the City are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking

Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

SECTION 12: Mutilated-Destroyed-Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar, subject to City approval and in its discretion, may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 13: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharges and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or

waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code 1986, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds for which such moneys were deposited and are held in trust to pay, shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

The term "Government Securities", as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City and rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

SECTION 14: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City while any Bond remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interest of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal or, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

The term "Outstanding" when used in this Ordinance with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

- (a) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (b) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 13 hereof; and
- (c) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 12 hereof.

SECTION 15: Escrow Agreement. The discharge and defeasance of the Refunded Bonds shall be effectuated pursuant to the terms and provisions of an escrow agreement (the "Escrow Agreement") to be entered into by and between the City and ZB, National Association, dba Amegy Bank (the "Escrow Agent"), which shall be substantially in the form attached hereto as Exhibit "B," the terms and provisions which are hereby approved, subject to such insertions, additions, modifications as shall be necessary (a) to carry out the refunding program designed for the City by Coastal Securities, financial advisor to the City, (b) to comply with all applicable laws and regulations relating to the Refunded Bonds, and (c) to carry out the other intents and purposes of this ordinance, and the Mayor is hereby authorized to execute and deliver such Escrow Agreement on behalf of the City in multiple counterparts and the City Clerk is hereby authorized to attest thereto and affix the City's seal.

SECTION 16: Redemption of Refunded Bonds. The City hereby authorizes the following bonds of the City to be called for redemption prior to maturity on the date shown in the Officer's Pricing Certificate, at a price of par plus accrued interest to the date fixed for redemption, and authorizes and directs notice of such redemption to be given in accordance with the Ordinance authorizing the issuance of such bonds:

Bonds to be redeemed:

City of Bellaire, Texas, General Obligation Refunding Bonds,
Series 2009A, maturing in the years 2020 through 2026, inclusive,
and now outstanding in the principal sum of\$ 2,485,000

City of Bellaire, Texas, General Obligation Refunding Bonds,
Series 2010, maturing in the years 2020 through 2028, inclusive,
and now outstanding in the principal sum of\$ 6,780,000

City of Bellaire, Texas, General Obligation Bonds,
Series 2009, maturing in the years 2020 through 2034, inclusive,
and now outstanding in the principal sum of\$ 3,385,000

City of Bellaire, Texas, General Obligation Bonds,
Series 2010A, maturing in the years 2020 through 2022, inclusive,

and now outstanding in the principal sum of\$ 525,000

SECTION 17: Qualified Tax-Exempt Obligations. The City is not designating the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

SECTION 18: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"*Computation Date*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Gross Proceeds*" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"*Investment*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Nonpurpose Investment*" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"*Rebate Amount*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Regulations*" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"*Yield*" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the

foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a results of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except as may otherwise be permitted by the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action

which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury of Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate to Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Interest and Sinking Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed

to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit of a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, City Clerk, City Manager and Chief Financial Officer, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connections with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 19: Official Statement. The City hereby approves and ratifies distribution of the Preliminary Official Statement relating to the Bonds. The City further approves and authorizes distribution of the Official Statement, dated the date of the Officer's Pricing Certificate, substantially in the form of the Preliminary Official Statement but completed and modified to reflect the terms of sale of the Bonds and such other changes as the Mayor or City Manager of the City shall approve. The Mayor and City Clerk of the City are authorized and directed to execute and deliver for and on behalf of the City sufficient copies of such Official Statement, and, in the form and content manually executed by said officials of the City, the same shall be deemed approved by this City Council and constitute the Official Statement duly authorized for distribution.

SECTION 20: Control and Custody of Bonds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the Mayor, City Clerk, City Manager and Chief Financial Officer, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and the registration by the Comptroller of Public Accounts and, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond(s) to the Purchaser and the initial exchange thereof for definitive Bonds.

SECTION 21: Proceeds of Sale. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

(a) Accrued interest on the Bonds shall be deposited into the Interest and Sinking Fund.

- (b) The balance of the proceeds from the sale of the Bonds less all costs incurred in the issuance of the Bonds, together with other available funds of the City, shall be deposited directly with the Escrow Agent, in an amount sufficient to pay all principal of and interest on the Refunded Bonds due on the redemption date specified in Section 16 hereof, and all costs incurred in the refunding of the Refunded Bonds as more specifically described in the Escrow Agreement authorized in Section 15 hereof.

SECTION 22: Notices to Holders-Waiver. Whenever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provided for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 23: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 24: Legal Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Johnson Petrov LLP, Attorneys, Houston, Texas, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the global Bonds deposited with the Depository Trust Company.

SECTION 25: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 26: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying

Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 27: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 28: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 29: Application of Chapter 1208, Government Code. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the City under Section 10 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the City under Section 10 of this Ordinance is to be subject to the filing requirements of Chapter 10, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 10, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 30: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 31: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neutral gender shall be considered to include the other genders.

SECTION 32: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 33: Continuing Disclosure Undertaking.

(a) *Definitions*. As used in this Section, the following terms have the meanings ascribed to such terms below:

"EMMA" means the Electronic Municipal Market Access system.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB's EMMA system, within six months after the end of each fiscal year (beginning with the fiscal year ending September 30, 2018) financial information and operating data with respect to the City of the general type included in the final Official Statement approved by Section 20 of this Ordinance, being the information described in Exhibit "C" hereto. Financial statements to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit "C" hereto and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available at the time the financial information and operating data must be provided, then the City shall provide unaudited financial statements for the applicable fiscal year to the MSRB's EMMA system with the financial information and operating data and will file the annual audit report when and if the same becomes available.

If the City changes its fiscal year, it will notify the MSRB's EMMA system of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB's EMMA system or filed with the SEC.

(c) Material Event Notices. The City shall notify the MSRB's EMMA system, in a timely manner, and not more than ten (10) business days after the occurrence of an event, of any of the following events with the respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;

9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional Paying Agent/Registrar or the change of name of a Paying Agent/Registrar, if material.

The City shall also notify the MSRB's EMMA system, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) *Limitations, Disclaimers, and Amendments.* The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete representation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of the Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state security laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information of operating data so provided.

SECTION 34: Further Procedures. The officers and employees of the City are hereby authorized and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of and under the corporate seal of the City all such instruments, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Bonds, the Mayor, the City Manager, and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Attorney General of Texas. In the event that any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 35: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 36: Effective Date. This Ordinance shall be in force and effect from and after its passage.

PASSED AND ADOPTED, this 17th day of September, 2018.

CITY OF BELLAIRE, TEXAS

Mayor

ATTEST:

City Clerk

(City Seal)

Attachment: Bond Ordinance - Refunding Series 2018 (2647 : Bond Refund)

EXHIBIT "A"**FORM OF PAYING AGENT/REGISTRAR AGREEMENT**

[Please see Tab No. __]

Attachment: Bond Ordinance - Refunding Series 2018 (2647 : Bond Refund)

EXHIBIT "B"

FORM OF ESCROW AGREEMENT

[Please see Tab No. ____]

Attachment: Bond Ordinance - Refunding Series 2018 (2647 : Bond Refund)

EXHIBIT "C"**ANNUAL FINANCIAL INFORMATION**

The City will provide certain updated financial information and operating data to certain information vendors annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in APPENDIX B and under the schedules listed in the Official Statement in APPENDIX B. The City will update and provide this information within six months after the end of each fiscal year. The City will provide the updated information to the MSRB's EMMA system.

The City may provide updated information in full text or in such other form consistent with the agreement, or may incorporate by reference certain other publicly available documents, as permitted by Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not provided by that time, the City will provide audited financial statements when and if they become available, but if such audited financial statements are unavailable, the City will provide such financial statements on an unaudited basis within the required time. Any such financial statements will be prepared in accordance with the accounting principles described in the Official Statement in APPENDIX B or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation.

Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM
Department: Finance Administration
Category: Ordinance
Department Head: Terrence Beaman
DOC ID: 2595

SCHEDULED**ACTION ITEM (ID # 2595)****Item Title:**

Consideration of and possible action on the adoption, by record vote, of the budget of the City of Bellaire, Texas, for the fiscal year beginning October 1, 2018, and ending September 30, 2019 ("FY 2019"), and appropriating the several sums set up therein to the objects and purposes therein named - Submitted by Terrence Beaman, Chief Financial Officer.

Background/Summary:

The FY 2019 budget is presented for Council's consideration and possible adoption with a record vote. In addition, Local Government Code Chapter 102.007 requires an additional vote to ratify the tax increase reflected in the FY 2019 budget and outlined on the page in the attached budget document labeled *Budget Cover Page*.

A Public Hearing notice for the FY 2019 budget was published in the *Southwest News* on Tuesday, July 24, 2018. The FY 2019 proposed budget was also published on the City's website on Thursday, July 12, 2018, cataloged at the Bellaire City Library, and made available for the public at City Hall.

A public hearing on the budget was held on August 13, 2018 and all interested parties were given the opportunity to express their views and opinions. Two Budget Workshops were held - one on August 14, 2018 and one on August 20, 2018.

This budget will raise more revenue from property taxes than last year's budget by an amount of \$210,310, which is a 1.03 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$281,050.

Property Tax Rate Comparison

	2018-2019	2017-2018
Property Tax Rate:	\$0.4313/100	\$0.4159/100
Effective Tax Rate:	\$0.4319/100	\$0.3864/100
Effective Maintenance and Operations Tax Rate:	\$0.2781/100	\$0.2544/100
Rollback Tax Rate:	\$0.4535/100	\$0.4228/100
Debt Rate:	\$0.1532/100	\$0.1484/100

Total debt obligation for City of Bellaire secured by property taxes: \$124,850,000

Changes made since budget was filed on July 12, 2018***General Fund***

1. Fiscal year 2018 ("FY 2018") projections were revised resulting in a higher projected fund balance at the end of FY 2018 / beginning of FY 2019. Consequently, we updated the FY 2019 projected beginning fund balance as follows:

Previous Projected FY 2019 Beginning Fund Balance	Current Projected FY 2019 Beginning Fund Balance	Increase
\$4,066,196	\$4,103,255	\$37,059

The change also impacts the ending FY 2019 projected fund balance.

2. Information Technology Department expenditures were reduced by \$30,000.
3. In the General Fund, budget enhancements of \$29,320 were reduced to \$21,320, a reduction of \$8,000, due to a refined estimate of the agenda management software transition costs.
4. FY 2019 budget enhancements have been allocated to the various General Fund expenditure accounts and no longer are separated and shown as a single line item in the budget.

Department	Description	Amount	Account
City Clerk	Agenda Management Software Transition Costs	\$7,000	100-5-1011-610
Development Services	Substandard Home Demolition / Unsecured Board Up	\$8,000	100-5-3016-610
Fire	Specialized Water Rescue Certification Level I and Level II	\$6,320	100-5-4040-570

5. The above changes result in an aggregate net increase of \$75,059 in FY 2019 ending fund balance.

Enterprise Fund

1. FY 2018 projections were revised resulting in a higher projected fund balance at the end of FY 2018 / beginning of FY 2019. Consequently, we updated the FY 2019 projected beginning fund balance as follows:

Previous Projected FY 2019 Beginning Fund Balance	Current Projected FY 2019 Beginning Fund Balance	Increase
\$985,606	\$998,747	\$13,141

The change also results in a corresponding \$13,141 increase in FY 2019 ending fund balance.

Capital Improvement Funds

1. Beginning available unappropriated fund balance in the Capital Improvement Fund - General Fund Cash Projects (sometimes referred to as General Fund CIP) was refined with more earmarked funds identified.
2. In the Capital Improvement Fund - General Fund Cash Projects, the \$751,050 FY 2019 appropriation for signature corner design was eliminated. On August 20, 2018, City Council approved a FY 2018 budget amendment to appropriate these funds for use in the municipal facilities project instead of being used for signature corner design. This new FY 2018 appropriation reduces beginning available unappropriated fund balance. This causes no impact on ending FY 2019 unappropriated fund balance as the appropriation was shifted from FY 2019 to FY 2018.
3. In the Capital Improvement Fund - General Fund Cash Projects, a FY 2019 appropriation of \$126,000 to be used for the decorative standard street light pilot project on Newcastle trail was added. These funds were previously earmarked for city-wide beautification.
4. In the Capital Improvement Fund - General Fund Cash Projects, a FY 2019 appropriation of \$164,475 to be used for improvements to the Public Works interim facility was added. This is funded with flood insurance proceeds from the prior Public Works building.
5. The above changes result in the Capital Improvement Fund - General Fund Cash Projects ending FY 2019 unappropriated fund balance decreasing from \$677,308 to \$348,282, an aggregate net decrease of \$329,026.
6. For budgeting purposes, only the FY 2019 proposed capital improvements in the Capital Improvement Plan are appropriated. The remaining four years (2020 - 2023) of capital improvements are shown only as a guideline for planning. In the Capital Improvement Fund - General Fund Cash Projects, in years 2020 - 2023 several relatively small changes were incorporated.
7. In the Capital Improvement Plan schedule of Future Projects, the Signature Corner Design project was eliminated.
8. In the Capital Improvement Plan schedule of Future Projects, the estimated budget for the 9/11 World Trade Center Steel Project Construction was removed and replaced with "TBD" (to be determined). The description for this project was revised to note the funding for the project will come from non-City of Bellaire sources.

Other

1. Summary of All Funds has been updated to reflect all above changes.
2. "TBD" (to be determined) was added to the Glossary.
3. "FEMA" (Federal Emergency Management Agency) was added to the Glossary.
4. The proposed budget presented to City Council on July 16, 2018 included the FY 2018 fee schedule (Appendix C of the July 16, 2018 proposed budget) and a schedule of proposed fee changes for FY 2019 (Appendix D of the July 16, 2018 proposed budget). In the current proposed budget draft, the FY 2018 fee schedule has been replaced with a FY 2019 fee schedule (Appendix C) and the schedule of proposed fee changes has been eliminated (Appendix C).
5. The proposed fee changes included in Appendix D of the July 16, 2018 proposed budget have been incorporated into the new FY 2019 fee schedule (Appendix C), except for the following previously proposed changes which were eliminated:
 - Summer (May - September) aquatics memberships (previously proposed to replace annual aquatics memberships) were eliminated leaving the annual aquatics memberships in place. The price for an family annual aquatics membership was reduced from \$470 to \$360.
 - Senior family aquatics memberships (previously proposed to be eliminated) were left in place.
 - Rental of the gazebo, pavilion, and park picnic tables (previously proposed to be eliminated) were left in place.
 - Previously proposed \$10 increase in non-resident annual recreation center membership fee was eliminated.
6. In addition, security deposits (\$500/residents and \$750/non-residents) were added to civic center rentals on the FY 2019 fee schedule. (These were not previously proposed and were not in Appendix D of the July 16, 2018 proposed budget.)
7. The Government Finance Officers Association *Distinguished Budget Presentation Award* was added.
8. *A Budget Cover Page* was added.
9. *A Budget Overview* was added.
10. Modified the Department Service Structure chart on the Human Resources narrative to

eliminate the Director of Human Resources position.

11. Modified the Staffing Position Summary in Appendix B to eliminate the Director of Human Resources position and the Senior Human Resources Generalist position and to replace them with the Human Resources Manager position and the Human Resources Specialist position.
12. Modified the General Pay Plan in Appendix B to eliminate the Director of Human Resources position and the Senior Human Resources Generalist position and to replace them with the Human Resources Manager position and the Human Resources Specialist position.
13. Added the City's Comprehensive Financial Management Policy Statement as Appendix D.
14. Added the City's Investment Policy as Appendix E.
15. Added Council Priorities as Appendix F.

Previous Council Action Summary:

May 3, 2018 - Workshop Session (Pre-Budget Retreat)

July 16, 2018 - Budget Presentation

July 16, 2018 - Called Public Hearing

August 13, 2018 - Held Public Hearing

August 14, 2018 - Held Budget Workshop #1

August 20, 2018 - Held Budget Workshop #2

Fiscal Impact:

The proposed budget forecasts anticipated revenues and appropriates funds for proposed expenditures for FY 2019. These amounts are detailed for each fund in the attached FY 2019 proposed budget.

Recommendation:

Adopt the FY 2019 Budget as presented.

ATTACHMENTS:

- FY 2019 Budget Adoption Ordinance (DOCX)
- FY 2019 Proposed Budget (PDF)

City of Bellaire

ORDINANCE NO. 18-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, ADOPTING THE PROPOSED BUDGET FOR THE CITY OF BELLAIRE, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019 ("FY 2019"), AND APPROPRIATING THE SEVERAL SUMS SET UP THEREIN TO THE OBJECTS AND PURPOSES THEREIN NAMED BY:

1) A RECORD VOTE TO ADOPT FY 2019 BUDGET

AND TO

2) A VOTE TO RATIFY THE TAX INCREASE REFLECTED IN THE BUDGET.

WHEREAS, the proposed budget, appended hereto as "Appendix A," for the fiscal year beginning October 1, 2018, and ending September 30, 2019, (the "Budget") was duly presented to the City Council of the City of Bellaire, Texas, by the City Manager, containing estimates of resources and revenues for the fiscal year from all of the various sources, and the projects, operations, activities, and purchases proposed to be undertaken during the fiscal year, together with the estimated costs thereof, and estimated amounts of all other proposed expenditures; and

WHEREAS, a Public Hearing on the budget was duly called by the City Council of the City of Bellaire, Texas, not less than 15 days after the date of such filing with the City Clerk, and notice of said Public Hearing was caused to be given by the City Council and said notice was published in the *Southwest News* on Tuesday, July 24, 2018 and was duly held on Monday, August 13, 2018, according to said notice; **NOW, THEREFORE**,

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

1. **THAT** the Budget was duly prepared, filed with the City Clerk more than 30 days prior to the tax levy of the City of Bellaire, Texas, and is thereby available for inspection by any taxpayer.

2. **THAT** a Public Hearing on the Budget was duly called by the City Council of the City of Bellaire, Texas, not less than 15 days after the date of such filing with the City Clerk, and prior to the time the City Council of the City of Bellaire, Texas, levied taxes for such fiscal year (2019) and notice of said Public Hearing was caused to be given by the City Council and said notice was published in the *Southwest News* on Tuesday, July 24, 2018 and was duly held on Monday, August 13, 2018, according to said notice and as required by law.

3. **THAT** all parties desiring to participate and be heard at said Public Hearing having been heard until no more evidence was offered, and such Public Hearing having been concluded.

4. **THAT** the Budget is hereby, in all respects, finally approved and adopted by record vote and a vote made to ratify the tax increase in the attached document is hereby filed with the City Clerk of the City of Bellaire, Texas.

5. **THAT** the several amounts specified for the several purposes named in said Budget be, and they are hereby, appropriated to and for such purposes.

6. **THAT** the City Clerk of the City of Bellaire, Texas, shall file copies of this Ordinance and the Budget with the County Clerk of Harris County, Texas.

PASSED, APPROVED and ADOPTED by a _____ vote of the City Council of the City of Bellaire, Texas, this, the 17th day of September, 2018.

(SEAL)

Andrew S. Friedberg, Mayor
City of Bellaire, Texas

ATTEST:

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

APPROVED AS TO FORM:

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

Attachment: FY 2019 Budget Adoption Ordinance (2595 : Adopt FY 2019 Budget)

City of Bellaire



Proposed Budget
For the fiscal year ending
SEPTEMBER 30, 2019 (FY 2019)



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Bellaire
Texas**

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Bellaire, Texas, for its Annual Budget for the fiscal year beginning October 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

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City of Bellaire

FY 2019

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City of Bellaire
FY 2019

City of Bellaire
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City of Bellaire

Fiscal Year 2018-2019
Budget Cover Page
Budget Proposed September 17, 2018

This budget will raise more revenue from property taxes than last year's budget by an amount of \$210,310, which is a 1.03 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$281,050.

Property Tax Rate Comparison

	2017-2018	2017-2018
Property Tax Rate:	\$0.4313/100	\$0.4159/100
Effective Tax Rate:	\$0.4319/100	\$0.3864/100
Effective Maintenance & Operations Tax Rate:	\$0.2781/100	\$0.2544/100
Rollback Tax Rate:	\$0.4535/100	\$0.4228/100
Debt Rate:	\$0.1532/100	\$0.1481/100

Total debt obligation for City of Bellaire secured by property taxes:
\$124,850,000



Andrew S. Friedberg, Mayor

City Council

Neil Verma

Trisha S. Pollard

Gus E. Pappas, Mayor Pro Tem

Pat McLaughlan

Michael Fife

David R. Montague

Paul A. Hofmann

City Manager

Terrence Beaman

Chief Financial Officer

Budget Proposed September 17, 2018

The City Council of the City of Bellaire, Texas,

IS DEDICATED TO:

RESIDENTIAL/COMMERCIAL SAFETY FOCUS AREA:

Providing a safe and secure community, as well as to enhance the quality of life, for its residents and corporate citizens.

PUBLIC INFRASTRUCTURE AND FACILITIES FOCUS AREA:

Ensuring that the existing public infrastructure and facilities are reviewed, evaluated, and maintained to the highest possible standard for its residents and corporate citizens and that the acquisition of new public infrastructure and facilities, if appropriate, will be considered with the best interests of Bellaire's residents and corporate citizens in mind.

BUDGET AND FINANCE FOCUS AREA:

Ensuring the continued development of sound fiscal policies and effective budget oversight.

COMMERCIAL REDEVELOPMENT FOCUS AREA:

Proactively seeking ways to enhance economic viability of the Bellaire business community in concert with the Comprehensive Plan.

COMMUNITY IMAGE FOCUS AREA:

Developing, presenting, and implementing a consistent and repeatable reflection of the City's image, quality of life, and high standard of professional service delivery.

City of Bellaire

City Manager's Office

To: Honorable Mayor and Members of the City Council

From: Paul A. Hofmann, City Manager

Date: July 16, 2018

Subject: Fiscal Year 2019 Budget: Bellaire is still Bellaire

Best Laid Plans

We talk a lot about planning at the City of Bellaire. At public presentations we display our strategic planning model, consistently sending the message that everything we do is the result of a thoughtful and appropriately resourced plan.

Reality has a way of rattling the foundation of plans. This time last year, no one predicted:

- The worst storm in the country's recorded history would park itself on top of Bellaire for a couple of days
- 2000 homes damaged by flood waters
- Volunteers managing construction permits
- The Flood Hazard Mitigation Task Force having a record breaking flood as a case study
- A Bellaire Brave fundraising effort
- A Dennis Quaid party and concert
- The establishment of Kolter North
- The resignation or retirement of an Assistant Police Chief, Fire Chief, Harvey Resource Recovery Manager, Assistant City Manager, Human Resource Director, and the Solid Waste Superintendent becoming a patrol officer.

Thankfully, good planning isn't about predicting the future. Thankfully, our planning foundation is strong.

We cannot promise the citizens of Bellaire they will never be the victim of flooding, or any other form of disaster. We can say that we were well prepared for the last one, and will be more prepared for the next one. We can provide that assurance, even though several important inhabitants of the Emergency Operations Center during the last storm won't be there for the next one.

We can also say Bellaire is well on the way to a complete recovery. We say it, but we don't take credit for it. This recovery has come at the price of much hardship on the part of many of our citizens. It's those citizens who have created the recovery. *Bellaire is still Bellaire.*

Bellaire is still Bellaire is a meaningful phrase for people choosing to live here in the future. Bellaire homebuilders and realtors are generally optimistic. Brays improvements are real and meaningful. The Houston area economy is strong and Bellaire offers an extremely attractive location.

Bellaire is still Bellaire is a powerful and comforting phrase for current residents; people who suffered from Harvey, people who are still engaged in recovery. Bellaire property values remain strong. Bellaire floodplain requirements work. Bellaire's standard for in-line detention (which predates Harvey) will capture storm water from a 100-year event, metering the discharge into storm drainage pipes after flood waters recede, increasing the chances of keeping water out of people's homes. Significant repairs have been, and continue to be made to storm sewer systems. The Flood Hazard Mitigation Task Force is full of intelligent and committed people who will be given every opportunity to monitor our flood plain management efforts moving forward.

Bellaire is still Bellaire is a proud descriptor of the City organization. We understand and respect the Comprehensive Plan. We understand the resource limitations. We understand Council Priorities. We know our jobs and why we do them. This knowledge is increasingly part of our culture, and it is bigger than any of us.

Strategic planning is purposefully and simultaneously optimistic and realistic. We plan for the future while not forgetting our history. We plan so that the inevitable surprises rattle but don't break our foundation, because we at no time forget who we are and why we exist.

Council Priorities

The keystone of our strategic planning is the annual review of the five-year focused Council Priorities. An overview of the current version of the priorities, and how those priorities influence the proposed budget, follows:

Residential and Commercial Safety

What we've done:

- New emergency management notification system
- Fire pumper replacement
- Filled Fire Chief Position
- Kept positions filled in Police and Fire Departments
- Began community pathways plan development, received significant community input
- Continued and improved the Bellaire Citizens Academy
- Enforced the floodplain regulations, while at the same time waived flood permit fees, assisted flood permit applicants
- Began streetscape enhancement efforts in the Urban Village District
- Celebrated 100 years of policing in Bellaire

What we'll do in FY 2019

- Increase rescue and high-water training (enhancement)
- Continue to replace critical vehicles
- Continue to work with the Flood Hazard Mitigation Task Force
- Maintain compensation competitiveness
- Open a new police and courts building
- Follow Council direction on the Community Pathways Plan

Public Infrastructure and Facilities

What we've done:

- Implement the Bonds for Better Bellaire 2016 (“BBB16”) Program
- Managed the schedule and budget of the Municipal Facilities Project
- Partnered with local, state, federal entities on funding future flood improvements
- Strengthened relationships with Parks Board and PATRONS For Bellaire Parks toward implementation of the parks master plan
- Created the Flood Hazard Mitigation Task Force
- Began Americans with Disabilities Act assessment
- Completed water meter change out
- Recent on-call contracts for pavement repairs and utility line improvements

What we'll do in FY 2019:

- Plan the next bond program
- Conduct the next phase of studies on significant flood control improvements (in capital budget)
- Continue to work with Texas Department of Emergency Management
- Retain the Public Works Building, Library, and Evergreen Park in the capital plan

Budget and Finance

What we've done:

- Maintain competitiveness as an overall employer
- Improved budgeting and reporting
- Improved internal services
- Maintained a AAA bond rating
- Implemented a partial self - funding plan for employee benefits

What we'll do in FY 2019:

- Implement the improved vehicle acquisition and maintenance program
- Implement work management/asset management systems
- Fill important positions relative to the provision of internal services
- Improve the agenda management system (enhancement)

Commercial Redevelopment

What we've done:

- Developed design for streetscape improvements in the UVD zoning district (Spruce/Fifth) in accordance with the Comprehensive Plan
- Improved communication with local realtors, homebuilders

What we'll do in FY 2019:

- Develop a community redevelopment strategy and communication plan for Council consideration

Community Image

What we've done:

- Developed a brand identity
- Enacted small cell tower ordinance
- Implemented a Community Relations position in the City Manager's Office

What we'll do in FY 2019:

- Keep our promises regarding the implementation of the brand identity
- Aggressively enforce code requirements (enhancement)
- No new beautification initiatives

Fiscal 2019 Focus Areas

Recovery

The City Council direction provided at the May 3 pre-budget planning session was clear. The FY 2019 budget, and the five - year capital plan, need to reflect the community's expectations. Those expectations are dominated by the storm. The City needs to be focused on flood mitigation. The City needs to be sensitive to the financial burden now on the shoulders of many residents because of Hurricane Harvey.

The proposed budget includes no new property tax revenues from existing property, the intent being to maintain the effective tax rate.

The proposed budget includes no water and wastewater rate increase, despite the need for continued rate increases as indicated in our five-year forecast, and even though Bellaire water rates are comparatively low relative to other Texas cities in our population range.

We are able to hold the line on property tax and utility rate revenues because this budget includes:

- Very few enhancements
- Reduced contributions to capital projects
- Reduced contributions to vehicle replacement
- Reduced vehicle maintenance costs
- No General Fund contribution to paving management

The capital budget includes very little spending on parks improvements. In fact, funds previously planned for parks improvements are now allocated to fund drainage studies.

Those drainage studies are the necessary next step toward improving the major North/South drainage systems, which according to the 2016 drainage study completed by the City Engineer are significantly undersized for the over 700 - acre drainage system they serve. The plan is to upgrade these systems to protect structures to a 100 - year level of service. The FY 2019 capital budget includes \$315,000 to study alternatives and create cost estimates for these improvements. The study would provide the basis for determining appropriate project participation amounts from other entities.

During the course of FY 2019, and beginning in September, the City Council will be asked to make decisions about the timing and size of the next bond program. The FY 2019 – 2023 Capital Plan as currently recommended doubles the planned spending on street and drainage improvements. Whereas the BBB16 program provided \$20 million in bond authority, to be issued over three years, the three-year total for a currently envisioned 2019 bond program for streets and drainage would be \$40 million. Fiscal forecast projections for debt service would not be impacted as a result of the increase to street and drainage projects, as the current plan defers funding for the 2019 bond referendum for Evergreen Park, Library, and Public Works Building projects.

Community Relations

FY 2019 will be the first full year of a “Community Relations” function in the City Manager’s Office. There is no new funding request associated with this initiative. We will concentrate on:

- Building the relationship with former Bellaire Citizens Academy graduates, utilizing them as a core group of volunteers and communicators
- Rolling out and informing citizens on PrepareBellaire, our new emergency notification system
- The next citizen survey
- Broadening the information provided at neighborhood meetings
- Maintaining relationships with local realtors and builders
- The ongoing work of the Flood Hazard Mitigation Task Force
- Market and promote new utility meter portal called AquaHawk

Organizational Stability

I’ve made important personnel decisions recently, and over the next few weeks will make more. Losing Tillie Wiedemann, Darryl Anderson, Diane White, Yolanda Howze, and Shadae Martin over the course of several days is significant. We’re losing important contributors, individual sources of accountability, and 100 percent of the Human Resources staff.

What we’re not losing are the contributions themselves. Nor are we losing the impact on organizational culture. And, we’ll keep the wheels on the Human Resources function.

We’ll keep the wheels on because some hard-working people will work harder, at least until positions are permanently filled. Those hard-working people are equipped and willing to fill in because we’re a team.

That said, a consequence of the departure of current Human Resources staff, I am not recommending that we pursue the outcome based wellness plan previously discussed with the City Council.

I am recommending that this budget include funding for:

- An across the board cost of living adjustment increase of 1.5%
- Step increases for eligible employees of the planned 3.5%
- Continued funding of the existing health benefits plan, at a projected increase of 15%

These increases are in line with the 5% annual increase in total compensation costs consistently shown in the fiscal forecast.

The City of Bellaire organization has, and will continue, to grow in responsiveness, customer service, and competence. FY 2019 initiatives that will be taken on by current staffing resources include the development of a community redevelopment strategy, the development of updated building codes, and potentially a 2019 bond program.

Acknowledgements

The very top element of the Bellaire Strategic Planning Model is the annual budget. When the process works, the presentation of the annual budget should include no surprises, as it reflects decisions and direction previously provided by the City Council. The process works well in Bellaire because the City Council works to achieve consensus on the important matters facing this community. That consensus is reflected in your updated priorities, and the discussion you held during the pre-budget planning session on affordability assumptions and the capital plan. Thank you for your serious approach to strategic thinking.

We have made great progress in how we develop, present, and report on the city budget. Diane White envisioned those improvements years ago, and has been a central part of getting us to where we are. Diane's willingness and ability to fill in for me on May 3 will forever be appreciated, and is a strong indicator of how far we have come.

Each department was asked to look for ways to reduce their budgets without impacting service delivery. Department Directors took that direction seriously. The fact that we weren't able to come up with much is also an indicator of how far we have come. Diane White and her teams' work on the vehicle replacement plan helped us achieve our affordability objectives.

Terrence Beaman and Jim Harrison put in many evening and weekend hours preparing this document, and deserve a great deal of credit and thanks for creating a new standard of financial clarity.

CITY PROFILE

Mission Statement

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

Location

The City of Bellaire, Texas (the "City" or "Bellaire") is located in southwest Harris County, Texas and is surrounded by the city of Houston. The City encompasses approximately 3.6 square miles.

Form of Government

The City was founded in 1908 and incorporated under the laws of the State of Texas on June 24, 1918. Since 1949, the City has operated 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 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 Manager is appointed by 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.

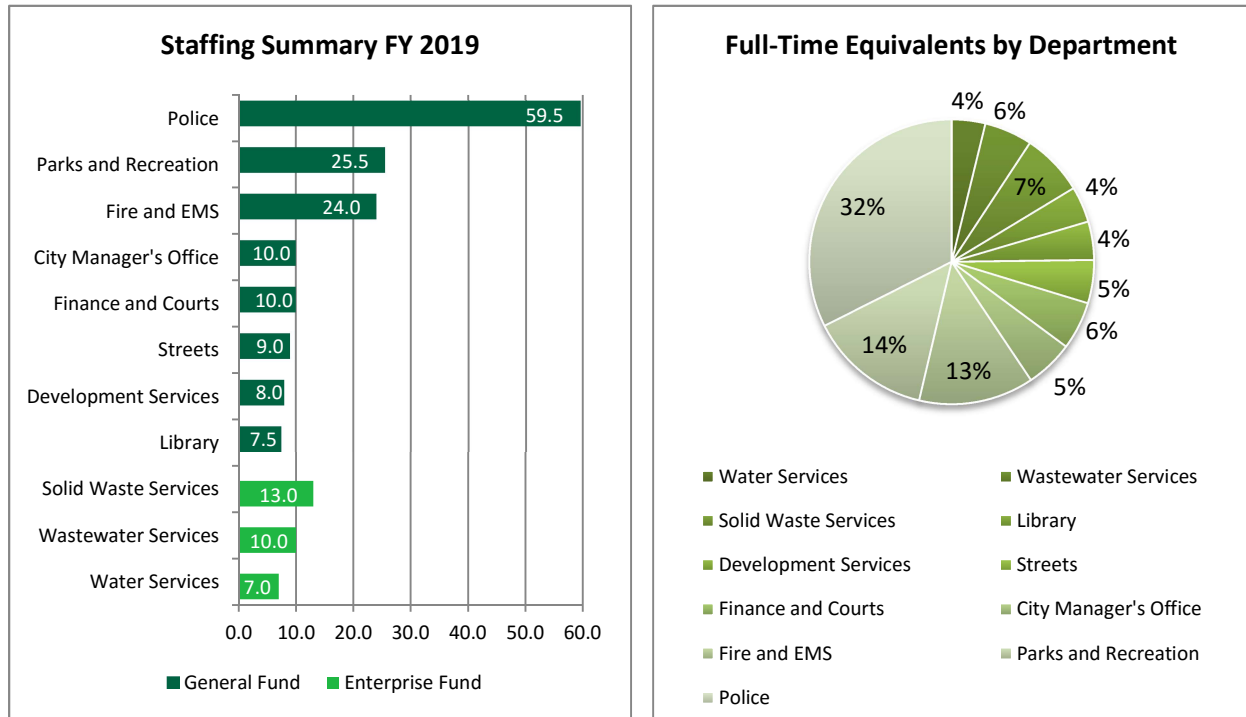
Services Provided

The City provides the following services: public safety including police, fire, and emergency medical services; streets and drainage; sanitation including solid waste and recycling; water and sewer services; parks and recreation, including facilities maintenance; library services; public improvements; planning and zoning; and general administration including municipal courts.

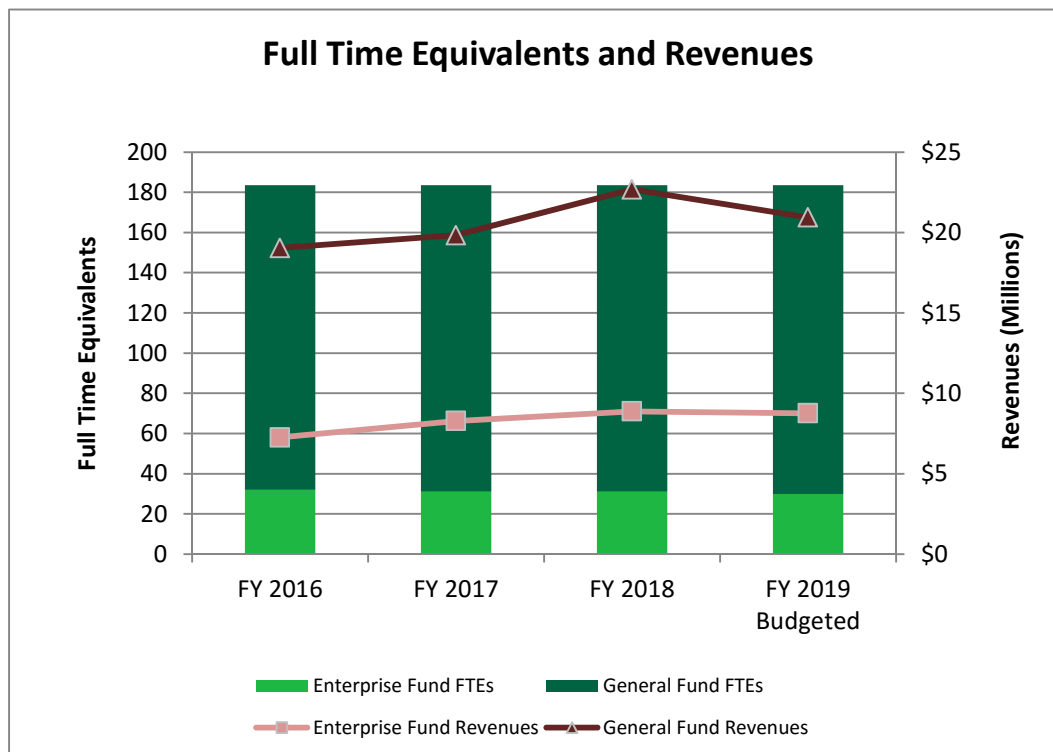
Staffing (excludes seasonal employees)

The City has 183.5 full-time equivalents (FTEs), including 153.5 FTEs in the General Fund and 30.0 FTEs in the Enterprise Fund. The Police Department has the largest number of FTEs

(32%) followed by the Parks, Recreation, and Facilities Department (14%), and the Fire Department (13%).



The same number of FTE positions overall are budgeted for fiscal year ("FY") 2019 as FY 2018. As the chart below illustrates, FTEs have remained constant despite increasing revenues.



COMMUNITY OVERVIEW

Bellaire is a relatively affluent community. Median household income is nearly three times that of Harris County. Since the level of education and the age of the population are factors in employability and income potential, it is not surprising that Bellaire has a much higher percentage of residents with post-high school degrees than Harris County and Bellaire has a much higher percentage of residents in their prime earning years than Harris County.

Population

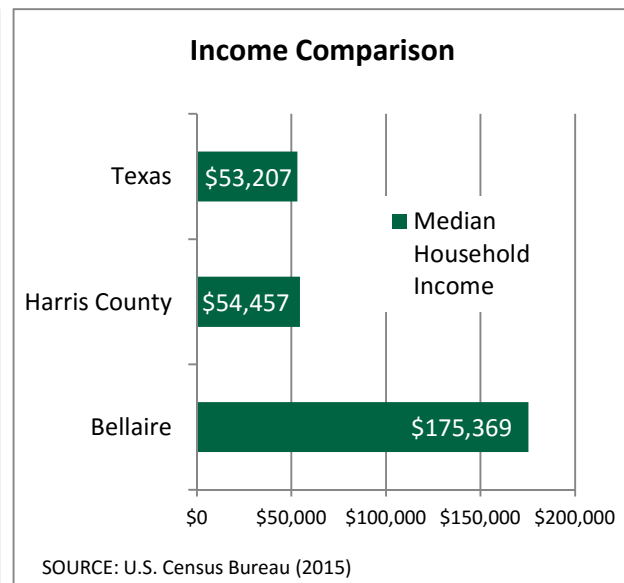
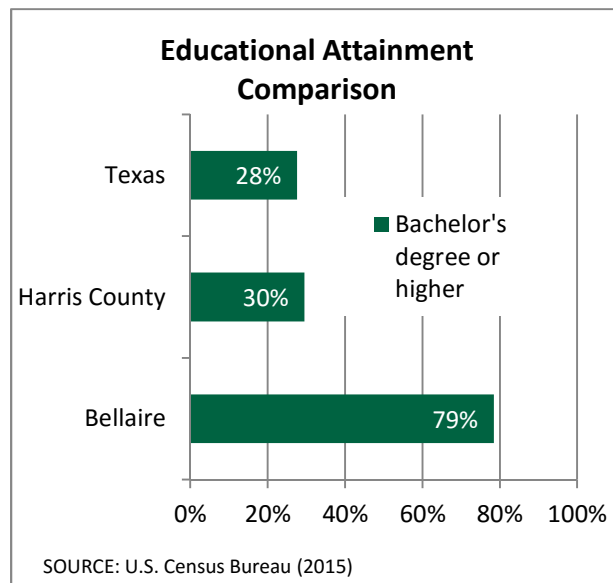
The 2000 census estimated Bellaire's population as 15,642, and the 2010 census estimated Bellaire's population as 16,855. The most recent U.S. Census Bureau estimate of population in Bellaire is 18,593, which was as of July 2016. The Texas Demographic Center had a similar estimate of 18,584 at January 2016. The continuing growth trend since 2000 reflects ongoing residential redevelopment activity, as well as the renewed presence of younger families in Bellaire, with the average household size increasing from 2.58 persons in 2000 to 2.78 in 2010 to 2.86 in 2015. A recent available Regional Growth Forecast from the Houston-Galveston Area Council, as of fourth quarter 2014, projects Bellaire surpassing the 19,000 population mark by 2040. Under any forecast scenario, Bellaire will remain a small city (less than 50,000). Given its enclave status and the extent of developed land in Bellaire, any significant growth would have to come through higher density housing, replacement of former commercial sites with residential development, and/or a higher rate of family formation or increase in average household size—which could also reflect some seniors moving in with their families or others.

Year	Population
2000	15,642
2010	16,855
2016	18,593

SOURCE: U.S. CENSUS BUREAU

Education and Earnings

Bellaire residents have attained far greater education overall in comparison to Harris County and the State of Texas, as illustrated in the *Educational Attainment Comparison* chart below.

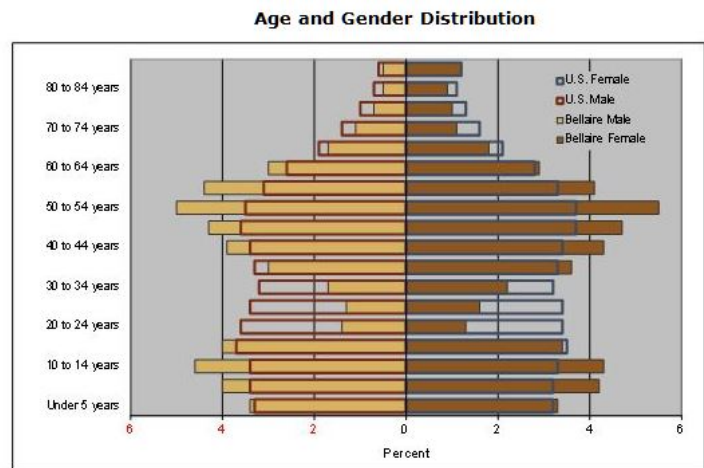


Over three-quarters of all residents in Bellaire have a bachelor's degree or better which is significantly higher than the State of Texas (26.3 percent) and Harris County (28.1 percent) averages of residents with a bachelor's degree or higher.

Level of education, skills, and transportation access all factor into the “employability” of individuals, which, in turn, determines one’s income earning potential. The median household and per capita income levels of Bellaire residents based on U.S. Census Bureau estimates through 2014 relative to Harris County and the State of Texas are shown in the *Income Comparison* chart above. Bellaire’s median household income (\$175,369) far exceeds the county, state, and national amounts (\$53,889).

Age Distribution

The age distribution of the local population is another key factor that shapes an area’s labor force, as well as the particular outlook and service needs of residents. The age distribution in Bellaire as of Census 2010 indicated a significantly older population (median age of 41.6 years) than the rest of Texas (33.6 years). Most evident from *Age and Gender Distribution* chart at right, are the relatively low percentages of individuals in the young adult years from ages 20 to 34 as well as those in



SOURCE: U.S. Census Bureau (2010)

the age 65-84 cohorts. On the other hand, the proportion of Bellaire’s population in their prime earning years, including age cohorts between 40 and 64 years, exceeded national rates as of Census 2010. Similarly, the percentage of children in age cohorts 14 years and younger is also greater in Bellaire compared to national rates. With Bellaire’s ongoing residential redevelopment activity, ready access to professional employment, and quality of local schools, the community particularly draws families with young children.

Employment Profile

The distribution displayed in the *Employment of Bellaire Residents by Industry Type* chart (below right), confirms that educational services, health care, and social assistance (28 percent); professional, scientific, management, administrative, and waste management services (23 percent); and finance and insurance, real estate, and rental and leasing services (11 percent) offered the most significant employment opportunities to local residents among all industry types based on U.S. Census Bureau estimates through 2012. Of the 13 industry sectors considered in the census data, these three constituted 62 percent of the total employment of the local population.

Other occupational data from the Census Bureau shows that 72 percent of these positions were management, business, science and arts occupations while another 19 percent were sales and office. Taken together, these occupation types accounted for just over 90 percent of the workforce.

Most working Bellaire residents commute to employment centers in the central Houston area where professional occupations are prominent. This has fueled ongoing discussion of the respective need for—and appropriate type and extent of—business development within Bellaire. This is partly a land use and community character issue. But, it also involves tax base considerations since City property taxes are a factor in the affordability of residential living in Bellaire as the City works to maintain and upgrade infrastructure and also offer its citizens a range of amenities.

Culture

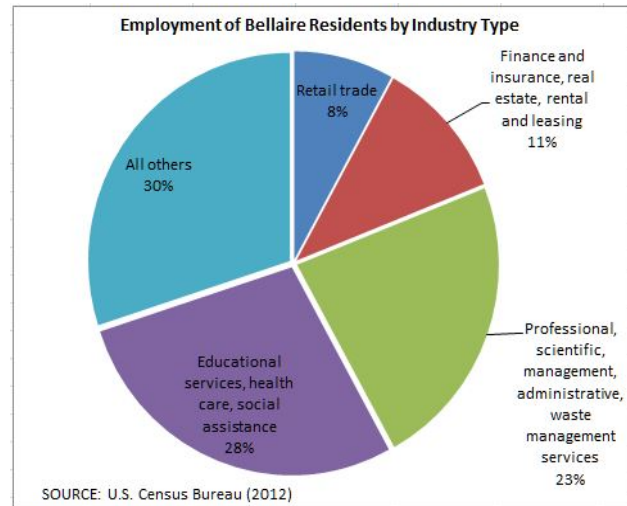
While Bellaire has a small town feel, its residents have access to all the cultural opportunities of Houston – the most populous city in Texas and the fourth-most populous city in the United States with a census-estimated 2014 population of 2.239 million. Bellaire residents have access to the Houston museums, performing arts, professional sporting events (including baseball, football, and basketball), and numerous festivals and annual events, including the largest annual livestock show and rodeo in the world – the Houston Livestock Show and Rodeo, the Houston Greek Festival, the Houston International Festival, the Art Car Parade, the Houston Auto Show, and the Bayou City Art Festival to name a few.

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.

The Houston metropolitan area's economy is based on petrochemicals, shipping, refining, chemicals, space exploration, manufacturing, education, medical, and tourism. Beginning around April 2015, Houston experienced increased unemployment and an economic slowdown due to a decrease 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 is expected to continue its historic growth pattern, but not at the pace experienced back in 2014. Most economic factors such as employment, oil prices, travel, and



others are projected to either stabilize or grow as the greater Houston area is still one of the most sought after places to do business.

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 and Houston's medical center.

Bellaire 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 2015 and 2017. Large mature oak trees cascade over many 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 approved two separate bond referenda totaling \$50.00 million to be spent over a ten-year period on infrastructure and facility improvements. With an additional obligation of \$5.00 million in pay-as-you-go funding, the City's "Rebuild Bellaire" capital improvement program totaled \$55.00 million. The program provided for \$43.50 million in funding for major street and drainage improvements throughout the City and \$11.50 million for facilities replacement and renovation. The facilities included the new Bellaire Family Aquatic Center, Bellaire Fire Station, and renovations to the Bellaire Library and City Hall. The City has this debt in stages including the final issuance of \$1.56 million in fiscal year 2017 for facilities.

In November 2013, voters approved three bond referenda totaling \$16.50 million. \$11.00 million was approved for improvements to City Hall, Civic Center, Police Station, and Municipal Court facilities. An additional \$5.00 million was approved for capital improvements to Evelyn's Park and an additional \$0.50 million was approved for ground and facilities improvements to the Nature Discovery Center in Russ Pitman Park. The City authorized issuance \$5.50 million in 2014 for construction of Evelyn's Park and improvements to the Nature Discovery Center in Russ Pitman Park. The remaining authority of \$11.00 million for facilities was issued in fiscal year 2017.

In November 2016, voters approved three separate bond propositions collectively referred to as "Bonds for Better Bellaire 2016". Proposition 1 provides \$24.00 million for design and construction of streets and drainage systems and sidewalks. Proposition 2 provides \$5.60 million for new municipal buildings. These funds are in addition to the \$1.56 million authorized in November 2005 and the \$11.00 million authorized in November 2013 for a total project budget of \$18.16 million for construction of a new city hall/civic center and police/municipal

court facility. Proposition 3 provides \$24.38 million for water and wastewater improvements, including \$11.00 million for design and construction of water lines, \$0.58 million for design and construction of wastewater lines, and \$12.80 million for new water meter installation and improvements to the wastewater treatment plant. The City is issuing this debt in stages. Fiscal year 2017 included issuances totaling \$32.48 million for (a) streets, drainage, and sidewalks (\$10.00 million), (b) Municipal facilities (\$5.60 million) and (c) water and wastewater improvements (\$16.88 million). Fiscal year 2018 included issuances totaling \$11.5 million for (a) streets, drainage, and sidewalks (\$8.00 million) and (b) water improvements (\$3.5 million). There remains authority of \$6.00 million for streets, drainage, and sidewalks, and \$4.00 million for water and wastewater improvements, which we project to issue in fiscal year 2019.

Community Developments

Evelyn's Park opened on Earth Day, April 22, 2017. The five-acre property broke ground in June 2015. Evelyn's Park is a tranquil and beautifully landscaped park with walking trails, a children's garden and play area, a butterfly garden, a café, an events facility, and an event lawn.

With the support of Bellaire City Council and its Planning and Zoning Commission, H-E-B has re-invested in the community by building a newly designed store at its current location, 5130 Cedar. City Council approved a release of right of way and easement to facilitate the replacement of the previous H-E-B grocery with a store that more than doubled the size of the previous store. Shoppers enjoy expanded parking in the two-story garage equipped with elevators and "travelators" for easy transfer of purchases to a vehicle. This project is reflective of the City's efforts over the last several years to encourage commercial redevelopment through targeted changes in the zoning code, to attract new and renewed businesses that will improve Bellaire's commercial areas and better serve the needs of residents. The new store opened in June 2018.

Construction of residential homes in a new residential subdivision, Alder Circle, is expected to be complete in fiscal year 2019. Alder Circle is expected to add an estimated \$6.5 million to the tax rolls.

Bellaire High School and Condit Elementary School were included in the Houston Independent School District's ("HISD") 2012 \$1.89 billion bond program approved by the voters November 6, 2012. The old Condit Elementary school was torn down and a new building was erected in the summer of 2016. A new building for Bellaire High School is planned that will incorporate the recently completed science classroom and laboratory wing and add a parking garage. Bellaire High School is currently located on a 17-acre site in a residential area of Bellaire. The school has attendance in excess of 3,500 students and the parking is inadequate for a school of its size. As noted earlier, voters approved bonds in 2012 for HISD to rebuild the school and add a parking garage, but numerous delays have prevented the rebuilding. In September 2017, the Bellaire City Council approved a special use permit for HISD paving the way for the rebuilding in the near future.

In July 2016 Chevron, the City's top employer and property tax payer, announced it would be vacating its Bellaire facility and consolidating its operations into its downtown Houston offices. This opened up redevelopment possibilities for a contiguous, rectangular area of approximately 30 acres in the City. Long-established neighborhoods of single-family detached homes border the site to the North and South, and Interstate 610 borders the site to the East. The site

presents a unique redevelopment opportunity that could accommodate a range of desirable potential uses. Since the 1940's the site has been zoned as a Technical Research Park, which corresponded to use as a business park in the Land Use and Character Map within the City's Comprehensive Plan. The Comprehensive Plan serves as a framework for guiding future development, redevelopment, and community enhancement. Sensing the opportunity for redevelopment of the Chevron property into something with more community benefit than a business park, the City amended its Comprehensive Plan in April 2017 identifying the area as the North Bellaire Special Development Area on the Future Land Use and Character Map within the Comprehensive Plan. This re-designation within the Comprehensive Plan indicates the City's openness to alternative uses for the site such as traditional single-family homes, lifecycle housing, and non-residential and mixed-use development. In September 2018, it was revealed that the Chevron property is under contract to be sold to SLS Properties, LLC, a Houston based commercial real estate development company.

Long-Term Financial Planning

The City employs a comprehensive five-year capital improvement plan that is integrated into the five-year fiscal forecast. Both are updated annually. Debt management is a major component of the financial planning process which incorporates financing needs for infrastructure development that is consistent with the revenue stream, while at the same time measuring and assessing the cost and timing of each debt issuance.

The City approved an increase of \$0.0285 in the total property tax rate for FY 2018 (tax year 2017). The increase was split with an increase of \$0.0127 from the General rate and an increase of \$0.0158 from the Debt Service rate. Tax rates for the past and current fiscal years were apportioned as follows (*tax rates are the amount of tax levied for each \$100 of assessed valuation*):

Fund	FY 2016	Change	FY 2017	Change	FY 2018
General	\$0.2501	\$0.0050	\$0.2551	\$0.0127	\$0.2678
Debt Service	0.1304	0.0019	0.1323	0.0158	0.1481
Total Tax Rate	\$0.3805	\$0.0069	\$0.3874	\$0.0285	\$0.4159

Excluding bond refundings, payments for bond principal and interest, which include associated fees, totaled \$6,823,026 and \$7,554,315 in FY 2016 and FY 2017, respectively and are projected to be approximately \$8,885,000 in FY 2018. Property tax revenues are the main source of resources available for debt service, however, in addition, the Enterprise Fund annually transfers funds to the Debt Service Fund to cover debt service requirements on bond proceeds used for enterprise infrastructure.

Debt Limitations

The City's Charter contains no limit on the amount of debt the City may incur. The amount of ad valorem tax-supported debt that the City may incur is limited by the Constitution of the State of Texas (the "State"). The State Constitution provides that the ad valorem taxes levied by the City for general purposes and for the purpose of paying the principal and interest on the City's indebtedness must not exceed \$2.50 for each \$100 of assessed valuation of taxable property. There is no constitutional or statutory limitation with the \$2.50 rate for debt payments; however, the Texas Attorney General has adopted an administrative policy that

prohibits the issuance of debt by a municipality, such as Bellaire, if its issuance produces debt service requirements exceeding that which can be paid from \$1.50 of the foregoing \$2.50 maximum tax rate calculated at 90% collections.

The City's proposed debt service tax rate for FY 2018 of \$0.1484 for each \$100 of assessed value is below the aforementioned limit of \$1.50 for each \$100 of assessed value.

STRATEGIC PLANNING

The City's strategic planning process has multiple components. At the base, is the City's long-term *Comprehensive Plan* developed in 2009 and revised in 2015 and 2017. It has a 20-year planning horizon focusing on land use, infrastructure, and quality of life. The City's *Comprehensive Plan* is available online at: www.bellairetx.gov/comp.

Elements of the *Comprehensive Plan* feed into the development of *City Council Priorities*. *City Council Priorities* have a 5-year planning horizon focusing on safety, infrastructure and facilities, residential and recreational, budget and finance, and commercial redevelopment.

Elements of *City Council Priorities* feed into the development of the *Capital Improvement Plan*. The *Capital Improvement Plan* has a 5-year planning horizon focusing on capital improvement projects. The *Capital Improvement Plan* is included at page 140.

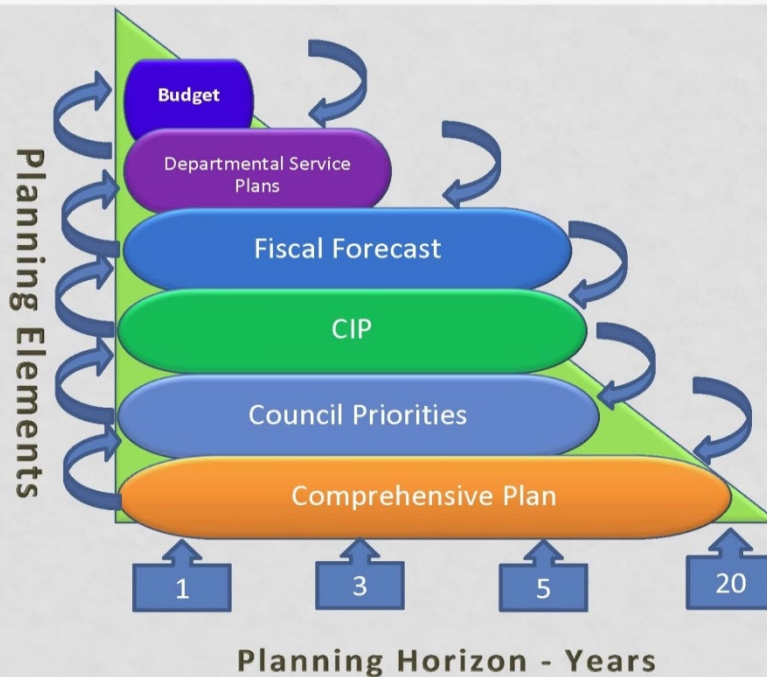
Elements of *City Council Priorities* and the *Capital Improvement Plan* feed into the development of the *Fiscal Forecast*. The *Fiscal Forecast* has a 5-year planning horizon focusing on major assumptions and overall forecasting of cash flows.

Elements of *City Council Priorities* and the *Fiscal Forecast* feed into the development of the department level *Service Plans*. Department level *Service Plans* have a 3-year planning horizon focusing on why the department exists, what the department is responsible for, what the department does, who the department serves, what service level the department provides, a high level analysis of the department budget and fiscal forecast, an analysis of the environment in which the department operates, consideration of available assets, identification of potential future service enhancements, and development of future strategic goals. The City's departmental *Service Plans* are available online at: www.bellairetx.gov/serviceplans.

Elements of the *Fiscal Forecast* and the departmental level *Service Plans* feed into the development of the annual budget.

While the longer-term strategic planning elements generally drive the development of the shorter term strategic planning elements, there can be components of the shorter term planning elements identified which in turn are used in the updating or revising of the longer term planning elements, making the development a two-way street.

CITY OF BELLAIRE STRATEGIC PLANNING MODEL



FUNDS

Unlike for-profit businesses, which focus financial reporting on how much profit was earned, local governments like Bellaire focus financial reporting on ensuring revenues are used for appropriate expenditures. Like many local governments, Bellaire uses the fund method of accounting to achieve this purpose. Fund accounting is a method of accounting and presentation whereby resources are grouped according to the purpose for which they are to be used. Simply stated, a fund is a distinct self-balancing accounting entity within the City which tracks the application of specific public resources. Each fund has its own revenues and expenditures, as well as its own assets, liabilities, and fund balance or fund equity. Each fund is reported on separate income statements and balance sheets. In this way each fund is similar to a separate company within the City. The City is made up of a collection of funds, each having a distinct purpose. For example, the Metro Fund was established to keep track of the use of METRO Mobility funds. The budget for the Metro Fund will include the anticipated METRO Mobility funds to be received by the City and the budgeted expenditure of those funds for the year. Within a fund there may be one or more departments which further describe a component of Bellaire's organization. Most people are particularly interested in the General Fund which is comprised of most of the City's operations like Police, Fire, and Parks, Recreation, and Facilities.

Bellaire's funds are broadly classified in two categories - governmental and proprietary.

Governmental Funds

Governmental activities, services principally supported by taxes and intergovernmental revenues, are reported in governmental funds. The City maintains seven individual governmental funds: the General Fund, Debt Service Fund, Special Revenue Fund, Capital Improvement Fund, Capital Bond Fund, Metro Fund, and Vehicle and Equipment Replacement Fund.

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 property taxes, sales taxes, franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general administration, public safety, public works, and culture and recreation.

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 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 capital projects funds are used to account for expenditures 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, which includes those projects funded with METRO Mobility funds; and the Vehicle and Equipment Replacement Fund, which includes projects funded with revenue from other governmental sources.

Proprietary Funds

The City maintains one type of proprietary fund – an enterprise fund which is used to report business-type activities to external customers.

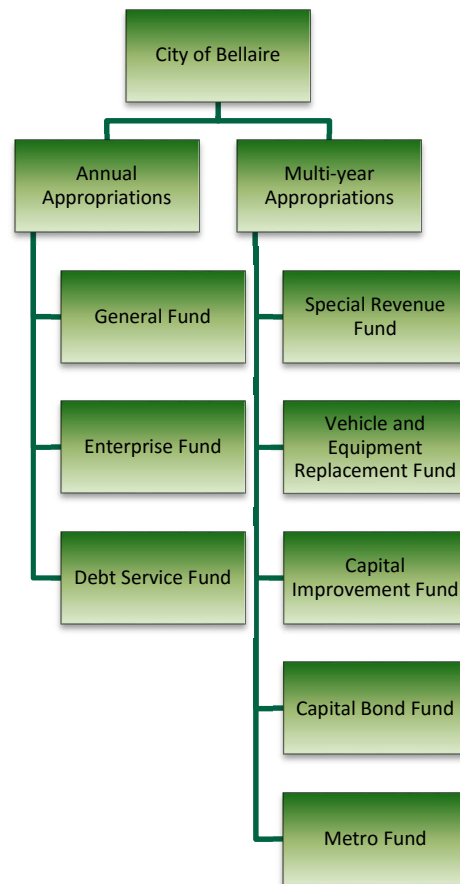
The Enterprise Fund is used to account for the operations that produce and distribute surface water, collect and treat wastewater, and provide solid waste services. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that 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.

BASIS OF BUDGETING

The General Fund, Enterprise Fund, and Debt Service Fund are primarily funded through tax revenues and charges for services. Annual appropriations for these funds lapse at fiscal year-end.

The remaining five funds (Special Revenue Fund, Vehicle and Equipment Replacement Fund, Capital Improvement Fund, Capital Bond Fund, and Metro Fund) are primarily funded by (1) annually appropriated transfers from the General Fund and Enterprise Fund, (2) proceeds

from voter approved bond issuances, and (3) restricted revenue sources such as donations, grants, METRO Mobility funds, and municipal court fees. Appropriations for these funds are project/program length appropriations and do not lapse at fiscal year-end.



Audited financial statements for the City's governmental fund types are prepared on the modified accrual basis of accounting which focuses on measuring the flow of current financial resources. Under this method revenues are recognized when they are measurable and available and expenditures are recognized when goods or services are received and the liabilities are incurred, except for principal and interest on long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources. Governmental fund types are also budgeted on the modified accrual basis of accounting except that governmental fund budgets do not include mark-to-market adjustments for investments.

Audited financial statements for the City's proprietary fund types are prepared on the accrual basis of accounting which focuses on measuring the flow of total economic resources. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. Proprietary fund types are also budgeted on the accrual basis of accounting except that proprietary fund budgets do not include (1) depreciation of fixed assets, (2) mark-to-market adjustments for investments, (3) changes in pension liability or deferred inflows of resources and deferred outflows or resources related to pensions, and (4) changes in other post-employment benefit liabilities or deferred inflows of resources and deferred outflows or resources related to other post-employment benefits.

This budget book includes a Consolidated Financial Schedule which summarizes the individual funds and includes a consolidated total for all funds. This Consolidated Financial Schedule is not presented on the same basis as the government-wide financial statements presented in the City's Comprehensive Annual Financial Report which are prepared using the accrual basis of accounting.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Comprehensive Financial Management Policies

The City has adopted a *Comprehensive Financial Management Policy Statement* which assembles all of the City's major financial policies in one statement. It provides guidelines for operational and long-range planning, ensuring the City is financially able to meet its immediate and long-term service objectives. It guides the City's fiscal management.

Internal Controls

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 controls are designed to provide reasonable, but not absolute, assurance that these objectives are met.

Budgetary Controls

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. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the total approved budget for each department. The City Manager may transfer appropriations within a department without seeking the approval of City Council.

Encumbrances

The City utilizes encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting permits a continuous measure of the unencumbered resources that can be freely used to accomplish the City's objectives and it limits the potential that actual expenditures might exceed appropriated amounts.

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.

Audit Finance Board

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

Public Accountability

The annual budget, the comprehensive annual financial report (“CAFR”), and monthly financial updates are all made available to the public. Two public hearings are held each year in connection with the development of the budget. Monthly and quarterly financial updates are given at public City Council meetings.

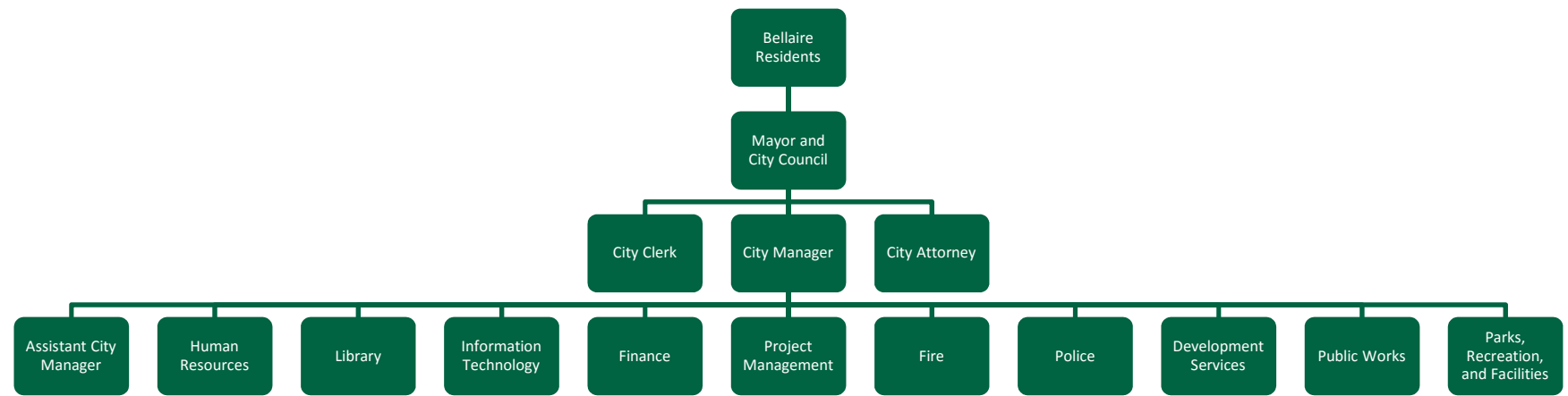
Budget Award

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Bellaire, Texas, for its Annual Budget for the fiscal year beginning October 1, 2017 and ending September 30, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our FY 2019 budget will conform to program requirements, and we plan to submit it to GFOA to determine eligibility for another award.

City of Bellaire
FY 2019

City Organizational Chart



Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

Budget Process

The City of Bellaire's budget book will serve four primary purposes:

1. It will serve as a Policy Tool – The budget process allows City Council, City Manager, and all department Directors to comprehensively review the direction of the City and to redirect its activities by means of allocating financial resources to achieve its goals. The budget process will also facilitate the evaluation of City programs to determine effectiveness and reallocate resources to those programs that require additional support.
2. It will serve as an Operational Guide – The budget provides financial control by setting forth both legislative and administrative guidance to City employees regarding the character and scope of their activities in both summary and detail form in the various products of the budget process.
3. It will serve as a Financial Plan – The budget outlines the manner in which the financial resources of the City are managed during the budget period. This allocation of resources is based on an understanding of both the current year's needs and the long-term view of the development of City programs. The budget takes into account unforeseen contingencies and provides a process for periodic adjustments.
4. It will serve as a Communication Medium – The budget book provides City management, City Council, and readers of the budget book a comprehensive tabulation of information regarding both the character and scope of City activities. The budget book seeks to communicate a clear policy at a usable level of detail to City employees, to communicate significant policy issues and options in a form that can be acted upon by City officials, and to communicate the plans of the City to its constituents in a manner which affords them an opportunity to provide meaningful comments to elected officials.

Budget Planning Process

A staff retreat is held in the spring to plan for the following fiscal year budget. The purpose of this retreat is to review departmental service plans, discuss upcoming challenges as they relate to economic factors, and legislative impacts.

In April, a budget kick-off meeting is held, which is attended by department heads and key personnel from each department. At the budget kick-off meeting a budget manual is distributed to all department Directors. The budget manual outlines goals for the upcoming budget year, key dates, the budget process, and includes technical instructions for entering the budget into the financial system. Each department receives target allocation numbers for non-personnel expenditures.

In May, a pre-budget workshop is held with City Council and City management. During this workshop, which is open to the public, City Council develops guidance for the City Manager to ensure the budget supports *City Council Priorities*.

Each department is responsible for budgeting the revenues they produce based on the current revenue policy, observed trends, and anticipated events. Finance budgets non-departmental revenues such as property taxes, sales taxes, and franchise fees. Finance's revenue estimates are based on current revenue policy, observed trends, and anticipated events.

Each department budgets their non-personnel expenditures in accordance with the instructions in the budget manual, and based on observed trends, and anticipated events. Finance and Human resources work collaboratively to develop personnel expenditure budgets based on approved FTE positions, current employee salaries and benefits, and anticipated changes.

In addition to preparing their department budget, department Directors are asked to prepare or update their respective department summary page(s), which includes narratives, service plans and performance information.

The Finance Department receives all department budgets and department summary pages. The proposed budget, which includes all funds and departments, is then assembled and presented by the City Manager to City Council in July during a regular City Council meeting. A public hearing and two public budget workshops are held in August. The budget is normally adopted in September to be effective on October 1.

Implementation, Monitoring, and Amendment

After the budget has been adopted, the Finance Department inputs all budget values into the City's financial program to record and monitor its progress for the intended fiscal year. During the active year, budgets and actual results are monitored weekly and monthly by the Finance Department and reports are issued by Finance to the City's Core Management Team. Financial updates are given to City Council on a regular basis during regular City Council sessions. Likewise, all departments have access to the financial program and monitor their department actual versus budget expenditures in real time.

The budget, at the fund level, can be amended at any time with the approval of the City Manager and City Council action. The City Manager can approve department requests for reallocation. City Council can authorize all changes to the budget at departmental and/or fund level.

FY 2019 Budget Calendar:

April 12	Budget Kick-Off Meeting with Departments
May 3	Council Pre-Budget Workshop
May 10	Budget Packets Due
July 13	File Budget With City Clerk
July 17	Call Public Hearing
July 17	Present Proposed Budget to City Council
August 1	Notice of Public Hearing Published
August 13	Hold Public Hearing
August 14	Budget Workshop #1
August 20	Budget Workshop #2
September 17	Present Proposed Budget to City Council
September 17	Adopt Budget

City of Bellaire

FY 2019

Budget Overview

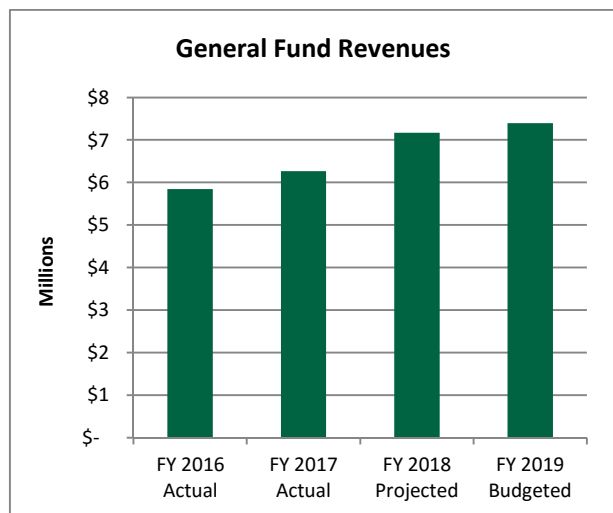
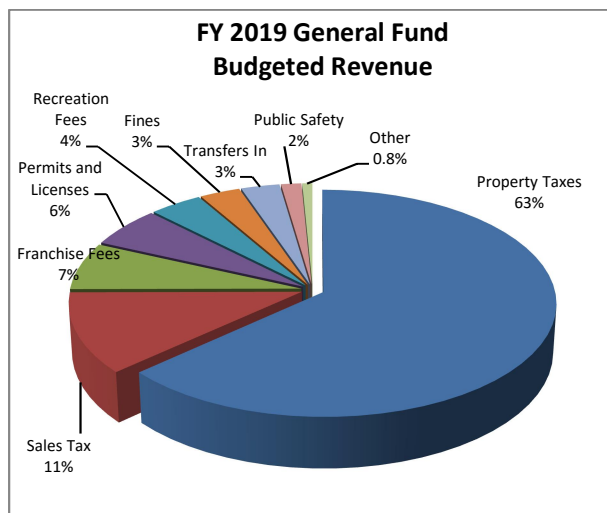
Budget Comparison - Revenues

The following table presents the budgeted revenues for the General Fund, Enterprise Fund, and Debt Service Fund for FY 2016 through FY 2019. The General Fund revenues include transfers from the Enterprise Fund of \$624,000 in each fiscal year presented. The Debt Service Fund revenues include transfers from the Enterprise Fund of \$950,000 in FY 2016 and FY 2017, \$1,750,436 in FY 2018, and \$1,965,267 in FY 2019.

<i>Amounts shown in millions.</i>	General	Enterprise	Debt Service
FY 2019 Proposed Budget	\$20.94	\$8.76	\$9.37
FY 2018 Adopted Budget	\$20.78	\$8.93	\$8.99
FY 2017 Adopted Budget	\$20.31	\$8.35	\$7.31
FY 2016 Adopted Budget	\$19.05	\$7.75	\$6.84

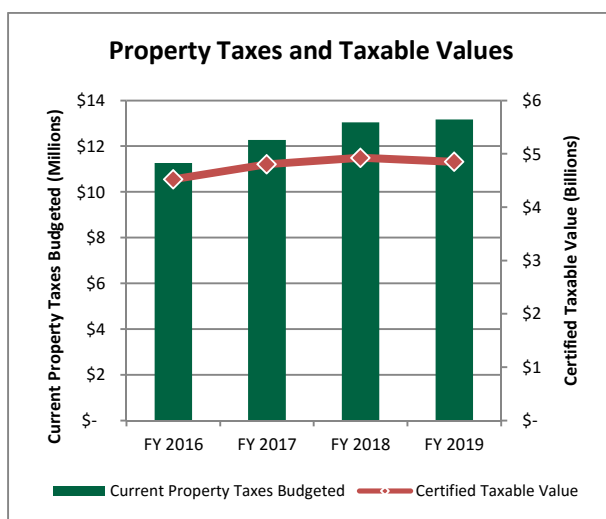
General Fund Proposed Budgeted Revenue - \$20.94 Million

Property tax is the General Fund's largest revenue source (63%), followed by sales tax (11%), and franchise fees (7%), and permits (6%).



General Fund revenues have been increasing for several years. The FY 2019 budgeted revenue of \$20.94 million is lower than the FY 2018 projected revenue of \$22.56 million due to \$2.08 million of anticipated insurance and Federal Emergency Management Agency (“FEMA”) reimbursements of losses and disaster-related expenditures related to Hurricane Harvey. Excluding these disaster-related reimbursements, FY 2018’s projected revenue is approximately \$20.48 million.

Increasing property tax revenue has been the principal driver of the overall annual increases in revenues. Property tax revenue has increased in recent years primarily as a result in increasing taxable values of real property. FY 2019 taxable values are down approximately 2.03% primarily as a result of damage caused by Hurricane Harvey, and the resulting over-supply of residential property inventory for sale. We anticipate the trend in rising property values will resume barring another natural disaster.



The City’s budget anticipates an increase of \$0.0103 in the General (operations and maintenance) property tax rate for FY 2019 (tax year 2018), increasing the General property tax rate to \$0.2781 in FY 2019. *(Tax rates are the amount of tax levied for each \$100 of assessed valuation.)* This anticipated 3.8% rate increase combined with an approximate 2.03% decrease in assessed taxable values results in an increase in budgeted current property taxes in the General Fund to \$13.17 million in FY 2019, an increase of \$0.12 million, or 0.9%, over FY 2018.

Annually, the Enterprise fund makes a transfer to the General Fund to reimburse the General Fund for overhead expenses. Since FY 2016, the amount of the annual transfer has been \$0.62 million which is also the amount budgeted for FY 2019.

Property tax revenues are estimated for FY 2019 based on the certified tax roll, the anticipated property tax rate, and the City’s historical collection rate. Other General Fund

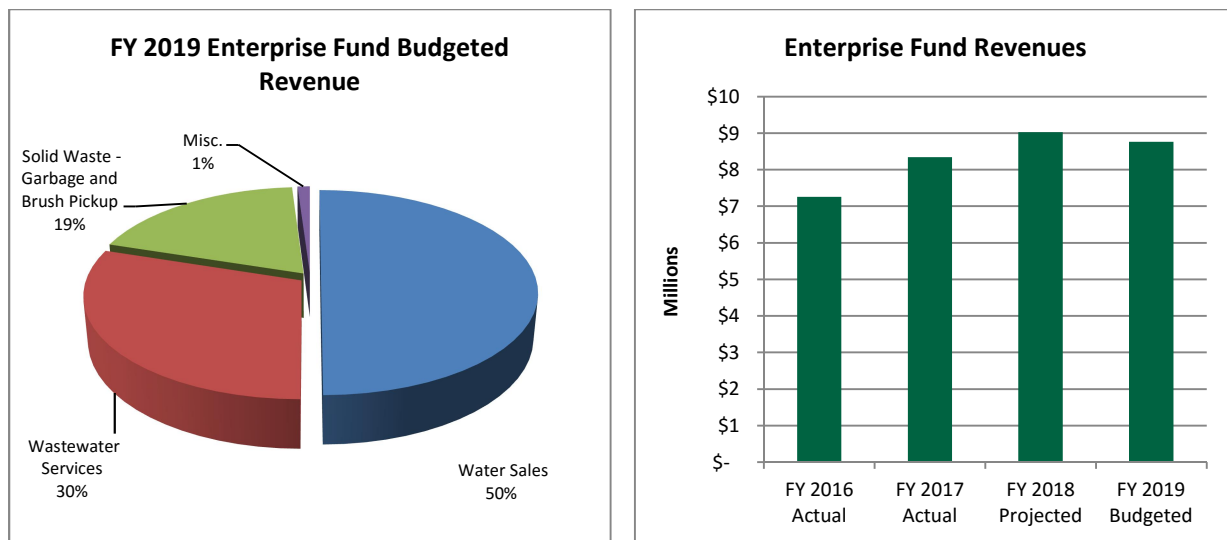
revenue sources are estimated based on historical trends. The revenue estimate for sales taxes takes into account current collection trends.

Enterprise Fund Proposed Budgeted Revenue - \$8.76 Million

Water sales are the Enterprise Fund's largest revenue source (50%), followed by wastewater sales (30%), and solid waste fees (19%).

An extended period of increasing costs without corresponding increases in utility rates was eroding fund balance and the City took action in FY 2017 to phase in fairly significant water and sewer rate increases beginning in FY 2017 and expected to continue through FY 2021. Rates were increased 13.5% in FY 2017 and 17.5% in FY 2018, with planned further increase rates by approximately 7% in each of years FYs 2019, 2020, and 2021. Hurricane Harvey hit the Bellaire area in August 2017 and had a substantial impact. In order to give affected residents some relief, it was decided there would be not water or sewer rate increases for FY 2019. Future year rate increases will be reviewed and considered annually by City Council in connection with the adoption of the annual budget.

Enterprise Fund total revenues are budgeted to decrease from \$8.93 million in FY 2018 to \$8.76 million in FY 2019.



Enterprise Fund revenues have been increasing since the utility rate increases began in FY 2017. The FY 2019 budgeted revenue of \$8.76 million is lower than the FY 2018 projected revenue of \$9.02 million due to \$0.45 million of anticipated insurance and FEMA reimbursements of losses and disaster-related expenditures related to Hurricane Harvey. Excluding these disaster-related reimbursements, FY 2018's projected revenue is approximately \$8.58 million.

Enterprise Fund revenue sources are estimated based on historical trends.

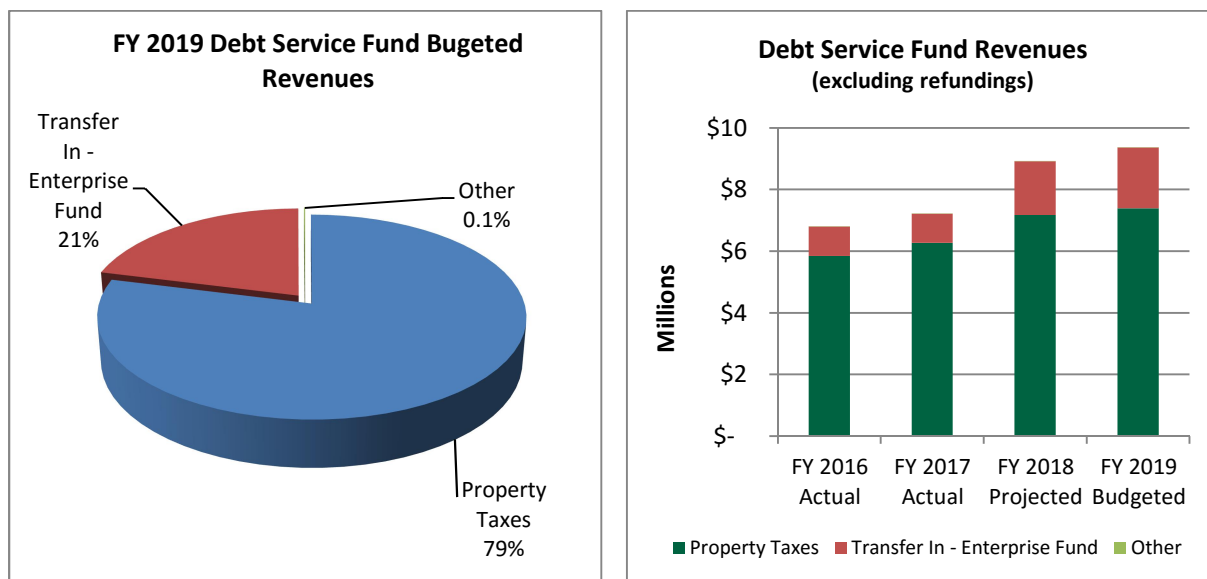
Debt Service Fund Proposed Budgeted Revenue - \$8.98 Million

Property tax revenues are the main source of resources available for debt service, however, in addition, the Enterprise Fund makes an annual transfer to the Debt Service Fund to cover debt service requirements on bond proceeds used for enterprise infrastructure.

The City's budget anticipates an increase of \$0.0051 in the total Debt Service property tax rate for FY 2019 (tax year 2018), increasing the Debt Service property tax rate to \$0.1532 in FY 2019. *(Tax rates are the amount of tax levied for each \$100 of assessed valuation.)* This anticipated 3.4% rate increase combined with an approximate 2.03% decrease in assessed taxable values results in an increase in budgeted current property taxes in the Debt Service Fund to \$7.38 million in FY 2019, an increase of \$0.16 million, or 2.2%, over FY 2018.

The transfer from the Enterprise Fund is budgeted for \$1.97 million in FY 2019, which is \$0.22 million higher than FY 2018. The increase in the transfer from the Enterprise Fund is required to fund principal and interest payments on the portion of newly issued debt associated with Enterprise Fund-related capital projects.

Property tax revenues are estimated for FY 2019 based on the certified tax roll, the anticipated property tax rate, and the City's historical collection rate.



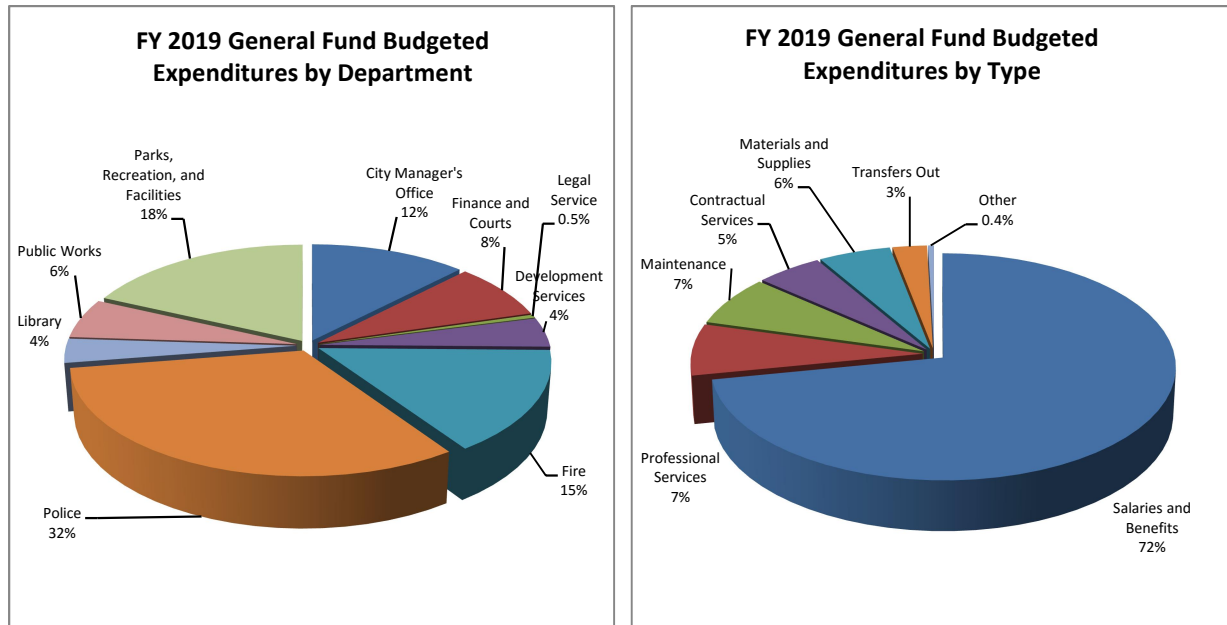
Budget Comparison – Expenditures – Operating Funds

The following table presents the total budgeted operating expenditures for the General Fund, Enterprise Fund, and Debt Service Fund for FY 2016 through FY 2019. Amounts shown exclude transfers except the Enterprise Fund expenses include transfers to the General Fund of \$624,000 in FY 2016 through FY 2018 as these transfers are considered operating expenses.

<i>Amounts shown in millions.</i>	General	Enterprise	Debt Service
FY 2019 Proposed Budget	\$20.80	\$6.73	\$9.38
FY 2018 Adopted Budget	\$19.87	\$6.76	\$8.98
FY 2017 Adopted Budget	\$19.47	\$6.95	\$7.31
FY 2016 Adopted Budget	\$18.04	\$6.70	\$6.84

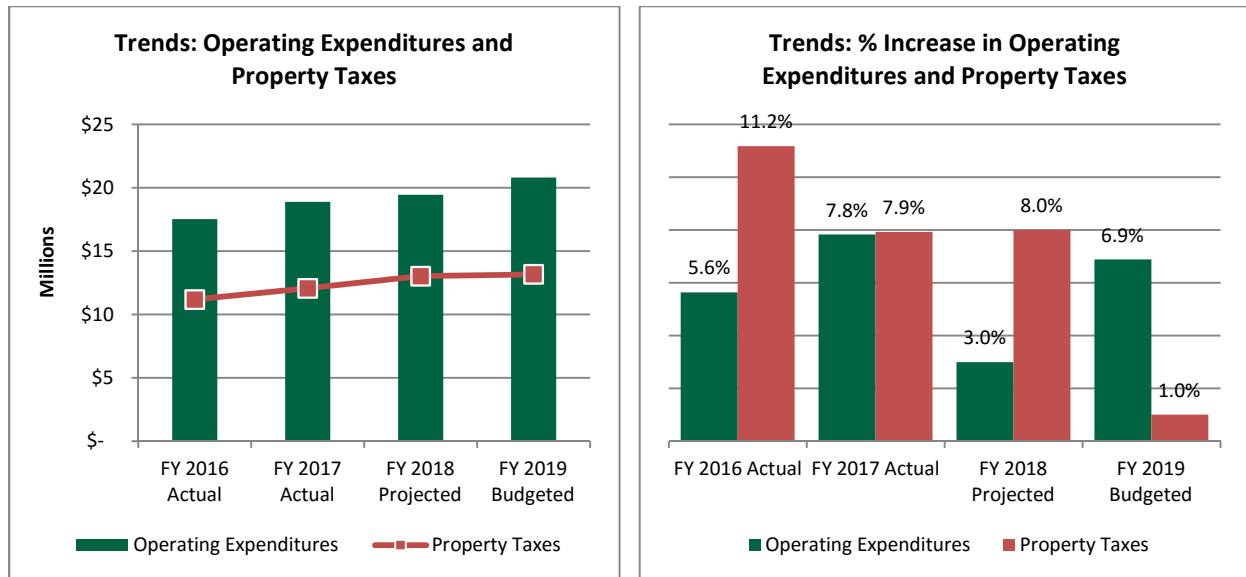
General Fund Proposed Operating Budget - \$20.80 Million

The adopted FY 2019 General Fund proposed budget presents operating expenditures of \$20.8 million allocated as follows:



The City's General Fund provides for Police, Fire, Parks, Recreation and Facilities, General Administration, Streets and Traffic, Library, and Development Services. Salaries and benefits make up the largest portion of the City's General Fund operating budget at 72%.

Historically there has been a correlation between increasing property tax revenues, the General Fund's primary revenue source, and increasing operating expenditures. The trend and the relationship are illustrated in the following charts. FY 2019 bucks this trend a bit, as the City held FY 2019 property tax revenue essentially flat in order to provide residents affected by Hurricane Harvey some relief. Despite holding the line on property taxes, the General Fund maintains a structurally balanced budget (operating revenues meet or exceed operating expenditures).



Proposed increases to the base and enhancements of the General Fund service levels beyond last year which are incorporated in the FY 2019 budget include:

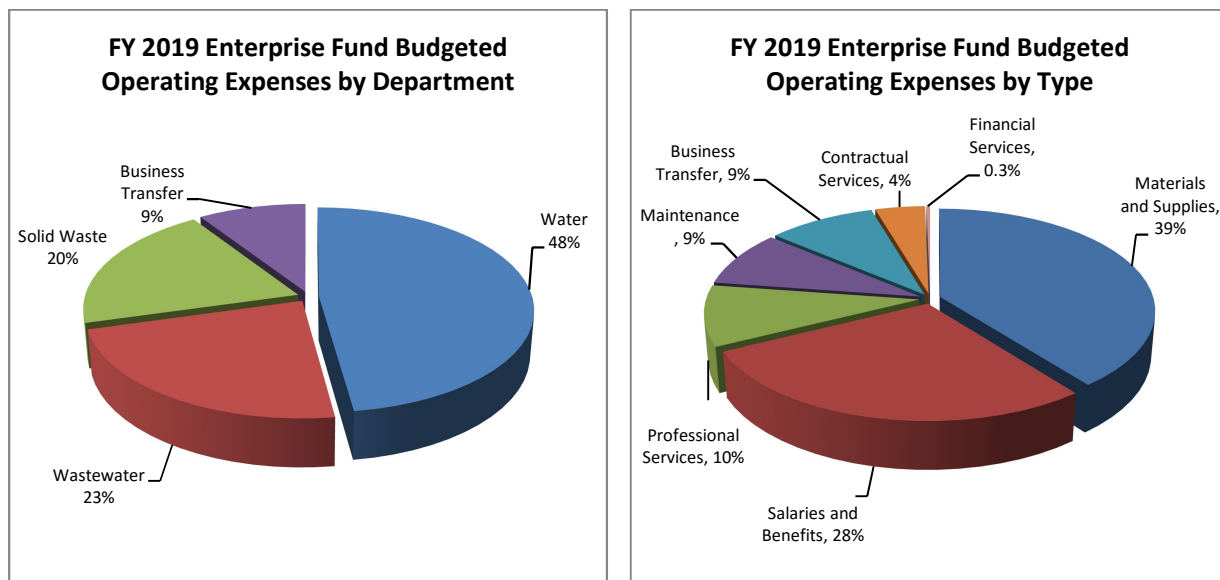
- 1) Salary adjustments. - \$443,314
- 2) Health insurance cost increase. - \$179,863
- 3) Audio/Visual requirements for city hall. - \$30,000
- 4) Radio dispatch consoles. - \$12,000
- 5) Police Department server replacement. - \$10,000
- 6) Credit card fees for new payment options in Development Services. - \$10,000
- 7) Health inspections 3rd party contractor. - \$9,000
- 8) Substandard home demolition / unsecured home board up. - \$8,000
- 9) Electronic patient care record software. - \$7,492
- 10) Agenda management software transition costs. - \$7,000
- 11) Specialized water rescue certification level II and III training. - \$6,320
- 12) Four Police Department body cameras. - \$6,000
- 13) Increased HVAC equipment maintenance costs at new police station. - \$5,700
- 14) Two ruggedized laptops for electronic patient care record software. - \$5,400
- 15) Police overtime associated with move to new building. - \$5,000
- 16) Computer/printer replacements in Police Department. - \$5,000
- 17) Increased elevator equipment maintenance costs at new police station. - \$3,700
- 18) Two laptops for Parks, Recreation, and Facilities Department. - \$2,800
- 19) Electronic building plan submittal and review subscription for Development Services Department. - \$2,541

- 20) Expanded continuing education for Library. - \$2,500
- 21) Three replacement phones for the emergency communications center. - \$2,200
- 22) Enhanced/ facilitated police applicant background investigations. - \$2,000
- 23) Portable Wi-Fi hot spot service for field personnel. - \$960
- 24) Lease for parking in CenterPoint right-of-way at Mulberry Park. - \$828

The City's CIP (see separate section related to current year CIP projects later in this document) includes projects that will affect the FY 2019 budgeted operating expenditures in the General Fund. Some projects will increase maintenance costs because of additional structures to maintain. Consideration of the foregoing matters has been taken into account when developing the budget.

Enterprise Fund Proposed Operating Budget - \$6.73 Million

The adopted FY 2019 Enterprise Fund budget presents operating expenses of \$6.73 million allocated as follows:

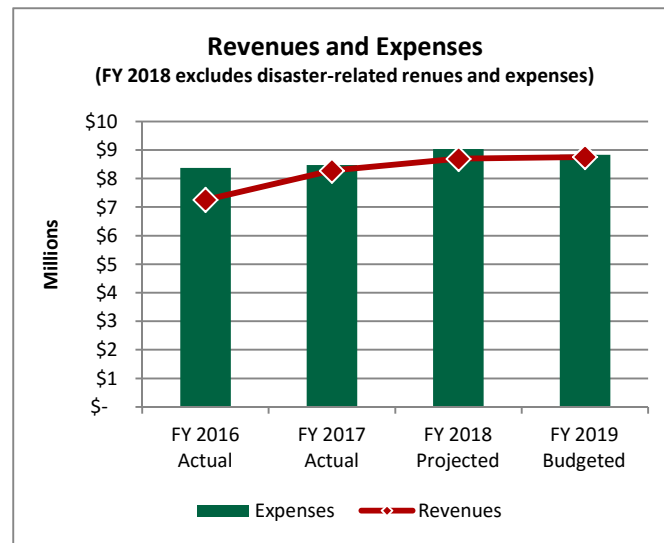


The City's Enterprise Fund provides for the City's water production and distribution, wastewater collection and treatment, garbage and brush pick up, and curbside recycling services. All services provided by this fund are fee based and are paid by users. The business transfer out reflected in the preceding charts is reimbursement of overhead costs to the General Fund. The largest expense in the Enterprise Fund is the purchase of water from the City of Houston (included in the *Materials and Supplies* category). The City of Houston imposes annual price increases based on the U.S. Producers Price Index for all commodities as reported annually by the Bureau of Labor Statistics.

FY 2019 Enterprise Fund operating expenses are budgeted at \$6.73 million, which are less than budgeted revenues of \$8.76 million; however, the Enterprise Fund also has budgeted transfers

out of \$2.10 million resulting in total FY 2019 budgeted expenses of \$8.83 million. As discussed in the *Enterprise Fund Proposed Budgeted Revenue - \$8.76 Million* section above, water and sewer rates have not kept up with rising expenses. Also discussed previously is the City's plan to implement rate increases staggered over five years beginning in FY 2017, and decision to suspend the rate increases in FY 2019 to provide relief to residents recovering from Hurricane Harvey.

The following *Revenues and Expenses* chart illustrates the trend in both revenues and expenses (including transfers) from FY 2016 through the FY 2019 proposed budget.



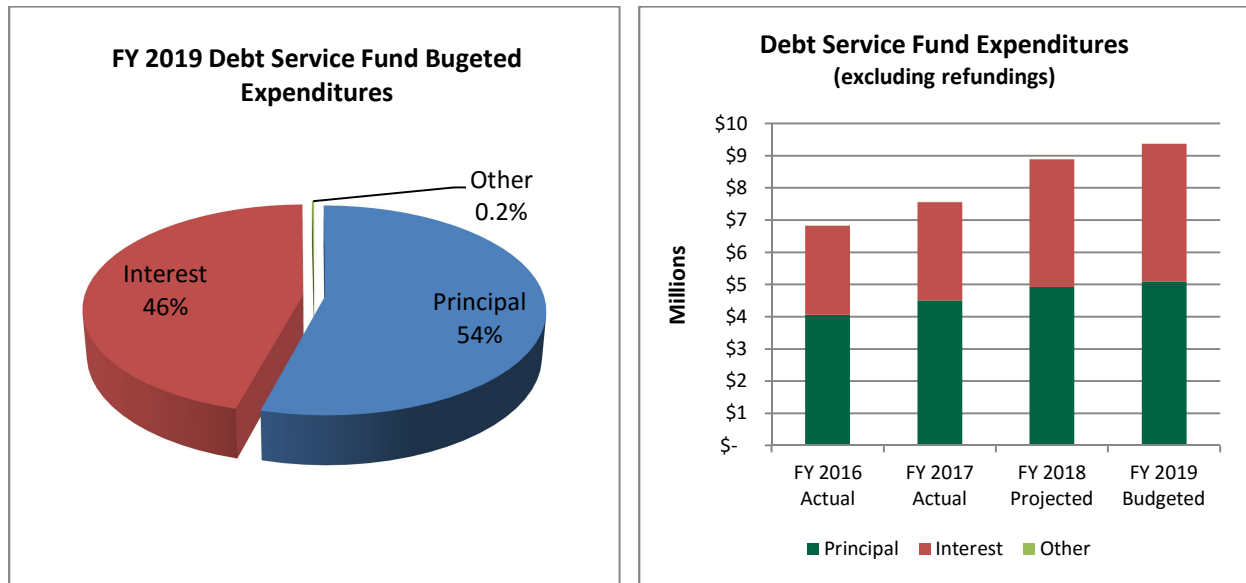
Increases to the base and enhancements of the Enterprise Fund service levels beyond last year include:

- 1) Salary adjustments. - \$57,499
- 2) Health insurance cost increase. - \$36,914
- 3) Sanitary sewer inspection camera system. - \$8,018
- 4) Credit card fees for new payment options in Utility Billing. - \$7,000
- 5) Supplemental trash pumps to aid in cleaning the aeration basin at the wastewater treatment plant. - \$3,460

The City's Capital Improvement Plan (see separate section related to current year CIP projects later in this document) includes projects that will affect the FY 2019 budgeted operating expenses in the Enterprise Fund. Some projects are expected to result in lower maintenance costs or operational efficiencies. For example, new water meters with automated metering will reduce the cost of gathering meter readings. Improvements to the wastewater treatment plant are expected to result in lower maintenance costs and lower electricity usage, but increased chemicals usage. Consideration of the foregoing matters has been taken into account when developing the budget.

Debt Service Fund Proposed Operating Budget - \$9.38 Million

Payments for bond principal and interest, which include associated fees, totaled \$6.82 million, \$7.55 million (excluding refundings), and \$8.89 million in FY 2016, FY 2017, and FY 2018 (projected) respectively, and are budgeted to be approximately \$9.36 in FY 2019.



Budget Comparison – Proposed Expenditures - CIP

The table below presents the total budgeted appropriations for the Capital Improvement Fund, Capital Bond Fund, and Metro Fund for FY 2016 - FY 2019.

<i>Amounts shown in millions.</i>	Capital Improvement Fund	Capital Bond Fund	Metro Fund	Total
FY 2019 Proposed Budget	\$0.91	\$10.00	\$1.47	\$12.38
FY 2018 Adopted Budget	\$0.64	\$12.50	\$1.30	\$14.44
FY 2017 Adopted Budget	\$1.95	\$43.61	\$1.20	\$46.76
FY 2016 Adopted Budget	\$2.51	\$12.94	\$1.52	\$16.65

Capital Improvement Plan (CIP) Projects - \$12.38 Million

The FY 2019 budget proposes appropriations of \$12.38 million in capital improvements including streets and drainage, water and wastewater line improvements, sidewalks, improvements to water well infrastructure, and parks. These projects are funded by many resources including current revenues, debt, and METRO Mobility funds.

Capital improvement projects can be long-term in nature and frequently span over fiscal year periods. Appropriations made in any given year for a project do not lapse at the end of the fiscal year as they do in the General Fund, the Enterprise Fund, and the Debt Service Fund. Instead, the appropriations are valid for the life of the project. The FY 2019 proposed CIP budgeted expenditures do not include amounts appropriated in prior years that are yet to be expended. The proposed CIP budget reflects new funds appropriated for projects. The amounts appropriated may be expended over FY 2019 and future years depending on the length of the projects.

FY 2018 and FY 2019 CIP appropriations in the Capital Improvement Fund are significantly lower than recent prior years. In FY 2017, the General Fund transferred \$0.80 million to the Capital Improvement Fund for pavement maintenance. In order to conserve funds for unanticipated costs in the General Fund related to Hurricane Harvey recovery efforts and to manage the ending fund balance, the annual transfer from the General Fund to the Capital Improvement Fund for pavement maintenance was suspended beginning FY 2018. The suspension caused a corresponding decrease in the CIP budget for pavement maintenance. In the FY 2019 budget process, the City committed to keeping General Fund property tax revenue essentially flat in order to provide some relief for residents recovering from Hurricane Harvey. As a result of that decision, and the need to manage ending General Fund balance, the suspension of the General Fund contribution to pavement maintenance was extended into FY 2019's budget.

Projects with FY 2019 proposed appropriations are summarized below by fund.

Capital Improvement Fund (funded with current revenues)

Study - North / South Drainage Systems and Cypress Ditch - \$315,000 - Determine partners, study alternatives, and develop cost estimates for improvements to increase capacity of the north/south drainage systems and Cypress Ditch. Study would include development of a model of Cypress Ditch, which would form the framework for later studies as well. Recommended improvement projects to interior systems, trunk systems, and interior detention ponds would be evaluated. Evaluation of structure buy-outs options and building code standards would also be included.

Decorative Standards for Streetlights Pilot Project - \$126,000 - This project will provide better lighting and a decorative standard for major streets throughout the City. The initial project will focus on Newcastle Street and trail, and future phases may focus on other major streets and high-traffic areas. The funding identified for this work represents what the City of Bellaire would pay for the purchase and installation of the lights by CenterPoint Energy. CenterPoint would maintain the lights on behalf of the City in perpetuity.

Central Well Pumps - \$105,977 - Replace all three booster pumps and motors, which have been rebuilt multiple times and are past their life expectancy. Increased energy efficiency and reduced repairs will provide a return on investment.

Park Improvements After Municipal Facilities Project - \$100,000 - Site Improvements to improve circulation and cohesiveness after completion of construction.

Supplement to Offset Impound Lot Project - \$100,000 - Improvements to Public Works facility to accommodate Police Department impound needs related to the construction of the new police/court building have already been constructed. This funding would reimburse the Capital Bond Fund that was originally used to fund these improvements.

Capital Bond Fund (funded with debt)

Streets, Drainage, and Sidewalks - \$6,000,000 - The program will continue the City's practice to design and construct streets and upgrade storm sewers concurrently in one project with sidewalks installed on at least one side of the street.

Water and Wastewater Line Improvements - \$4,000,000 - This program was created from prior utility condition assessments to replace identified water lines that are failing to provide the desired level of service due to the deterioration of aging lines.

Metro Fund (funded with METRO Mobility funds)

Pavement Management Program - \$1,466,775 - The City of Bellaire's Pavement Management Program was created from the City Engineer's Infrastructure Report in 2015 to improve the overall quality of the street and sidewalk systems by repairing or replacing asphalt and concrete pavement.

City of Bellaire
FY 2019

Consolidated Financial Schedule

Description

In order to provide an overview of the total resources budgeted by the City, the following Consolidated Financial Schedule presents a summary of major revenues and expenditures, as well as other financing sources and uses for each fund and a consolidated total for all funds for FY 2019. For comparative purposes, it also presents consolidated totals for FY 2018 projected amounts and FY 2017 actual amounts.

Audited financial statements for the City's governmental fund types are prepared on the modified accrual basis of accounting which focuses on measuring the flow of current financial resources. Under this method revenues are recognized when they are measurable and available and expenditures are recognized when goods or services are received and the liabilities are incurred, except for principal and interest on long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources. Governmental fund types are also budgeted on the modified accrual basis of accounting except that governmental fund budgets do not include mark-to-market adjustments for investments.

Audited financial statements for the City's proprietary fund types are prepared on the accrual basis of accounting which focuses on measuring the flow of total economic resources. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. Proprietary fund types are also budgeted on the accrual basis of accounting except that proprietary fund budgets do not include (1) depreciation of fixed assets, (2) mark-to-market adjustments for investments, (3) changes in pension liability or deferred inflows of resources and deferred outflows or resources related to pensions, and (4) changes in other post-employment benefit liabilities or deferred inflows of resources and deferred outflows or resources related to other post-employment benefits.

This budget document includes a Consolidated Financial Schedule, which summarizes the individual funds and includes a consolidated total for all funds. This Consolidated Financial Schedule is not presented on the same basis as the government-wide financial statements presented in the City's Comprehensive Annual Financial Report, which are prepared using the accrual basis of accounting.

In addition to the differences in accounting used in preparing the budget as compared to the Audited financial statements as noted above, the Consolidated Financial Schedule presents the beginning fund balance differently for the Capital Improvement Fund, the Capital Bond Fund, and the Metro Fund. The fund balance in the Comprehensive Annual Financial Report ("CAFR") includes all resources which have not been expended. However, the budget is focused on *current year* capital projects, therefore unspent amounts encumbered in prior years for ongoing capital projects are not included in the beginning fund balance. Likewise expected current year expenditures of amounts encumbered in prior

years on capital projects in the Capital Improvement Fund, the Capital Bond Fund, and the Metro Fund are not reflected as current year budgeted expenditures. Instead the beginning fund balance of those funds includes only unencumbered available resources, which together with current year revenues result in total available resources for new capital projects, and the current year budgeted expenditures are for the totality of the related projects, not just for the amounts expected to be expended in the fiscal year.

Similarly, the Consolidated Financial Schedule presents the beginning fund balance differently for the Enterprise Fund. The fund balance in the CAFR includes all resources which have not been expended. However, the budget is focused on Enterprise Fund *current year* resources and obligations and therefore presents beginning and ending working capital.

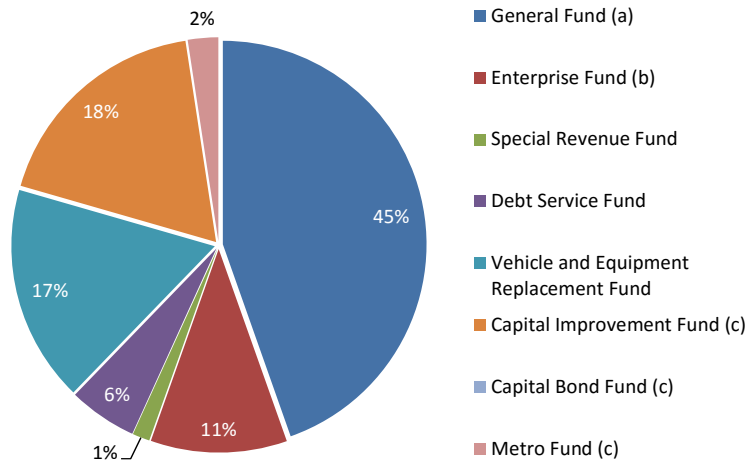
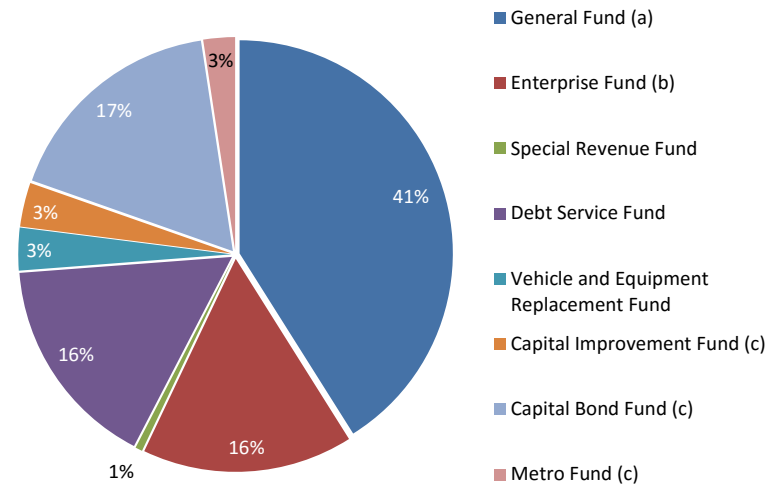
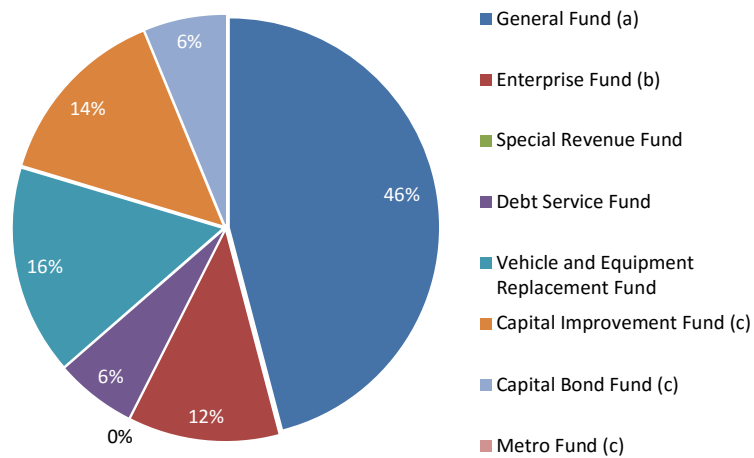
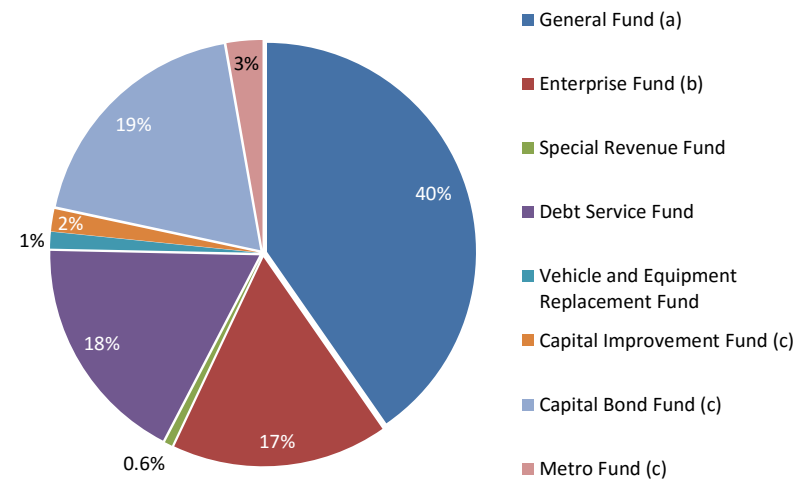
CONSOLIDATED FINANCIAL SCHEDULE												
FY 2019 Proposed										FY 2018 Projected	FY 2018 Adopted	FY 2017 Actuals
	General Fund (a)	Enterprise Fund (b)	Special Revenue Fund	Debt Service Fund	Vehicle and Equipment Replacement Fund	Capital Improvement Fund (c)	Capital Bond Fund (c)	Metro Fund (c)	CONSOLIDATED TOTAL ALL FUNDS	CONSOLIDATED TOTAL ALL FUNDS	CONSOLIDATED TOTAL ALL FUNDS	CONSOLIDATED TOTAL ALL FUNDS
Beginning Fund Balance	\$ 4,103,255	\$ 998,747	\$ 125,348	\$ 501,620	\$ 1,584,058	\$ 1,669,335	\$ -	\$ 222,025	\$ 9,204,386	\$ 12,788,669	\$ 8,317,499	\$ 10,841,580
Property Taxes	13,271,040	-	-	7,395,051	-	-	-	-	20,666,091	20,320,018	20,347,531	18,430,667
Franchise Fees	1,422,000	-	55,000	-	-	-	-	-	1,477,000	1,456,020	1,489,734	1,438,824
Sales Taxes	2,419,500	-	-	-	-	-	-	-	2,419,500	2,372,041	2,348,555	2,241,860
Permits and Licenses	1,210,400	-	-	-	-	-	-	-	1,210,400	1,141,367	1,143,400	1,127,934
Fines and Forfeitures	653,500	-	41,000	-	-	-	-	-	694,500	667,750	771,000	741,848
Charges for Services	1,177,500	8,666,500	-	-	-	-	-	-	9,844,000	9,590,092	10,168,518	9,308,572
Investment Income	130,000	1,000	-	9,000	-	-	500,000	35,000	675,000	675,962	41,000	289,488
Intergovernmental Revenue	-	-	50,000	-	-	-	-	1,209,750	1,259,750	1,186,021	1,050,000	1,160,774
Other	32,700	93,000	50,460	-	-	-	-	-	176,160	2,749,177	165,060	878,169
Total Revenues	20,316,640	8,760,500	196,460	7,404,051	-	-	500,000	1,244,750	38,422,401	40,158,448	37,524,798	35,618,136
Transfers From Other Funds	624,000	-	-	1,965,267	385,000	380,000	-	-	3,354,267	3,353,362	3,344,362	5,117,655
Capital Lease Proceeds	-	-	-	-	-	-	-	-	-	-	-	787,666
Bonds Proceeds	-	-	-	-	-	-	10,000,000	-	10,000,000	12,500,000	12,500,000	55,309,617
Total Resources	25,043,895	9,759,247	321,808	9,870,938	1,969,058	2,049,335	10,500,000	1,466,775	60,981,054	68,800,478	61,686,659	107,674,655
General Government	5,289,058	-	49,000	-	228,800	-	-	-	5,566,858	5,082,628	5,354,191	4,567,011
Public Safety	9,887,751	-	55,350	-	338,360	-	-	-	10,281,461	9,295,531	9,792,656	8,986,251
Public Works	1,212,715	-	-	-	87,600	-	-	-	1,300,315	1,071,308	1,073,839	1,054,448
Culture and Recreation	4,539,374	-	216,760	-	13,440	-	-	-	4,769,574	4,726,087	4,574,919	4,294,081
Utilities	-	6,729,708	-	-	12,000	-	-	-	6,741,708	6,680,939	7,053,351	6,248,184
Capital Projects	-	-	-	-	-	912,452	10,000,000	1,466,775	12,379,227	16,388,787	14,435,000	47,622,598
Debt Service	-	-	-	9,377,530	-	-	-	-	9,377,530	8,898,500	8,984,341	17,511,713
Contingency	(130,000)	-	-	-	-	-	-	-	(130,000)	-	-	-
Total Expenditures	20,798,898	6,729,708	321,110	9,377,530	680,200	912,452	10,000,000	1,466,775	50,286,673	52,143,780	51,268,297	90,284,286
Transfers Out	555,000	2,100,267	-	-	-	-	-	-	2,655,267	2,720,362	2,720,362	4,601,851
Total Uses	21,353,898	8,829,975	321,110	9,377,530	680,200	912,452	10,000,000	1,466,775	52,941,940	54,864,142	53,988,659	94,886,137
Change in Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-	-	479
Ending Fund Balance	\$ 3,689,997	\$ 929,272	\$ 698	\$ 493,408	\$ 1,288,858	\$ 1,136,883	\$ 500,000	\$ -	\$ 8,039,115	\$ 13,936,336	\$ 7,698,000	\$ 12,788,039

(a) Fund balance represents unassigned fund balance.

(b) Fund balance represents working capital.

(c) Fund balances of the Capital Improvement Fund, Capital Bond Fund, and Metro Fund represents unappropriated available resources.

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

FY 2019 Beginning Balance by Fund**FY 2019 Resources by Fund****FY 2019 Ending Balance by Fund****FY 2019 Uses by Fund**

(a) Fund balance represents unassigned fund balance.

(b) Fund balance represents working capital.

(c) Fund balance represents unappropriated available resources. Uses reflect current year appropriations and exclude expenditures appropriated in prior year budgets.

City of Bellaire

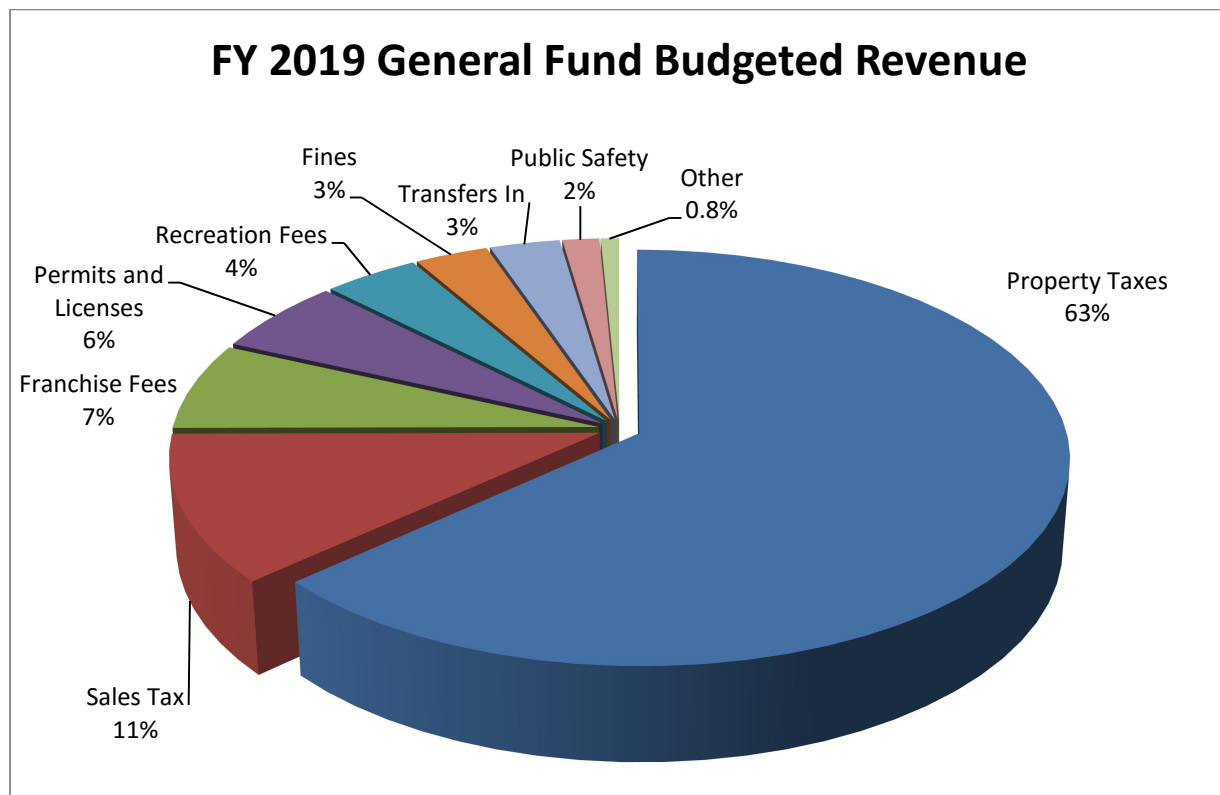
FY 2019

General Fund

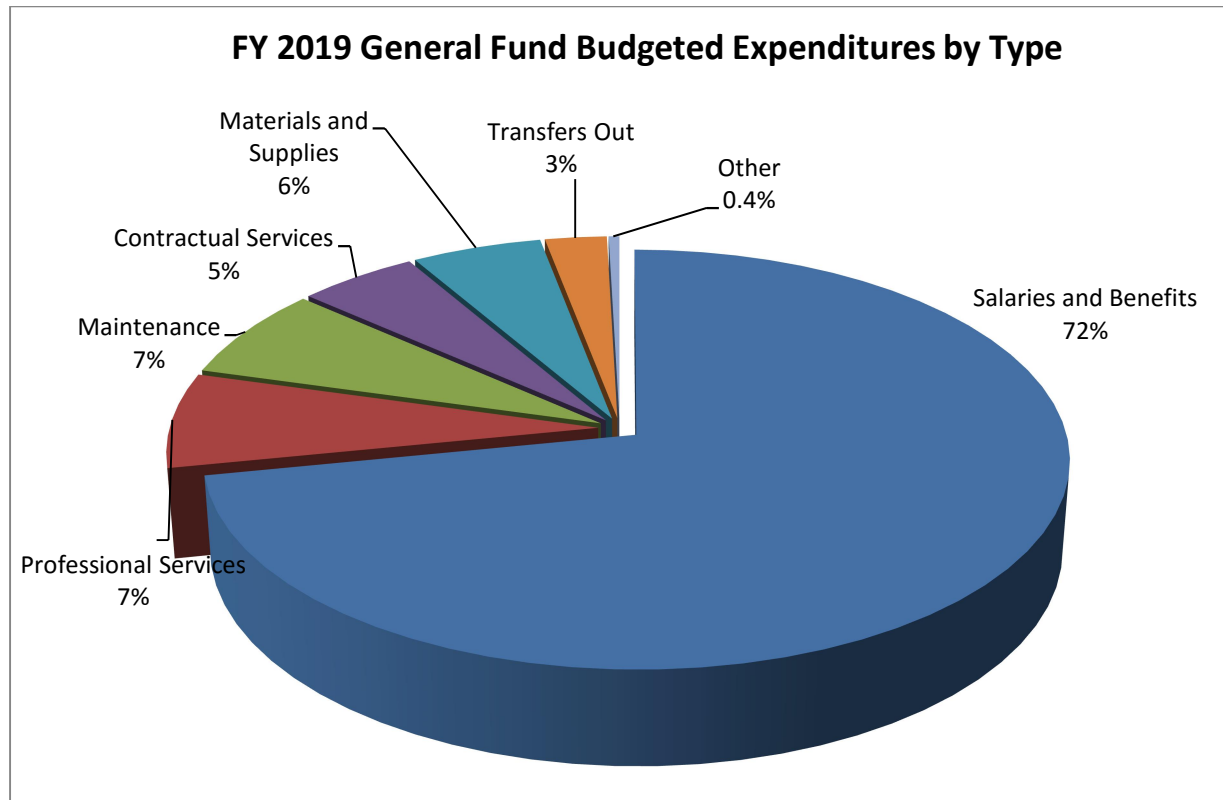
Description

The General Fund is the accounting entity for the City's basic municipal services, which include: City Manager's Office, Finance and Courts, Development Services, Fire, Police, Parks, Recreation, and Facilities, Library, and Public Works. The proposed FY 2019 General Fund operating budget is \$21,353,898.

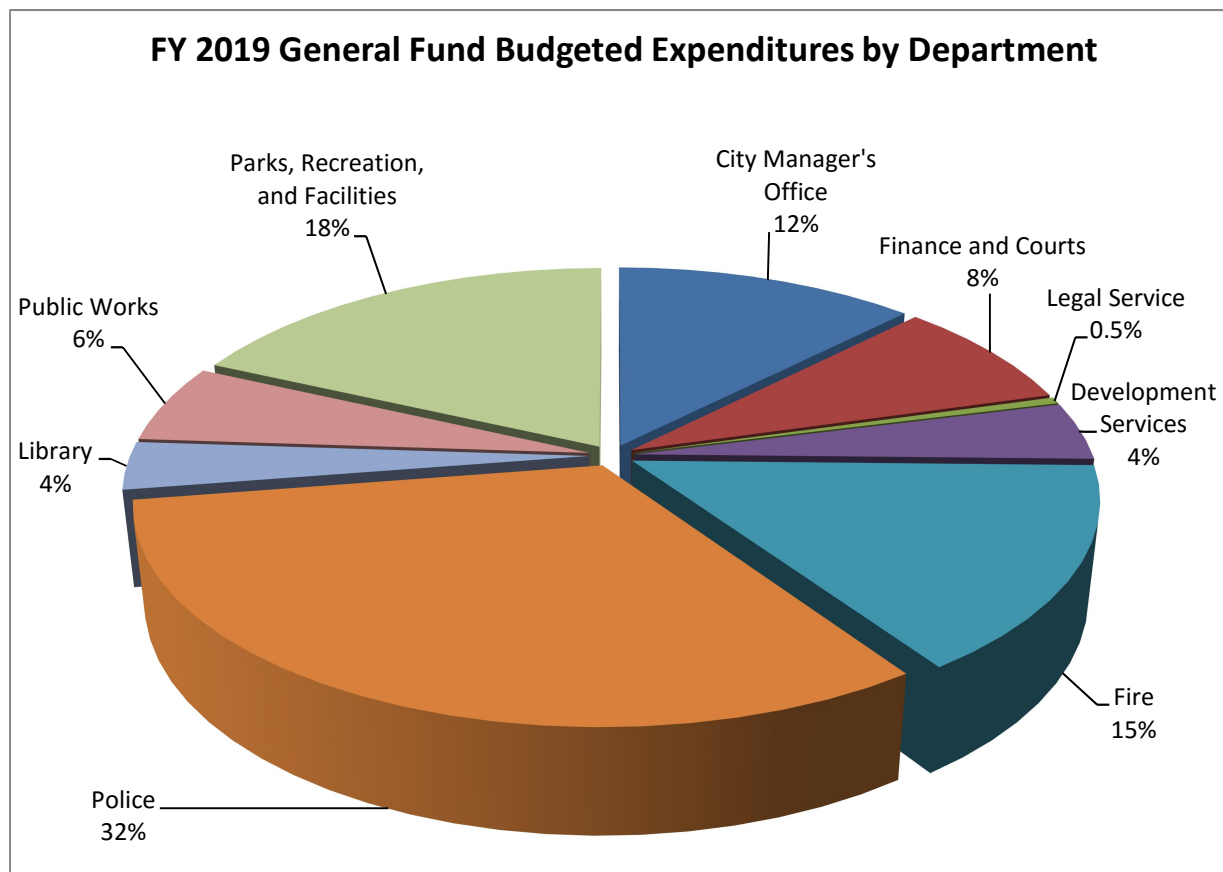
Property tax is the General Fund's largest revenue source, followed by sales tax, and franchise fees. Total proposed budgeted revenue for FY 2019 is \$20,940,640.



Salaries and benefits are the General Fund's largest expenditure constituting 72% of all budgeted expenditures. The next largest expenditure is for professional services totaling 7% of total budgeted expenditures, followed by maintenance at 7% of total budgeted expenditures. Budgeted transfers to other funds include \$275,000 to the Vehicle and Equipment Replacement Fund and \$280,000 to the Capital Improvement Fund.



Public safety accounts for nearly half of all budgeted expenditures with Police at 32% of total budgeted expenditures and Fire at 15% of all budgeted expenditures. Community enrichment, including the Library and Parks, Recreation, and Facilities accounts for 22% of total budgeted expenditures.



GENERAL FUND SUMMARY

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Beginning Unassigned Fund Balance	\$ 4,814,376	\$ 3,387,437	\$ 3,699,304	\$ 4,103,255
Revenues				
Current Property Taxes	12,068,350	13,042,646	13,033,818	13,165,040
Delinquent Taxes	19,725	15,000	40,000	30,000
Penalty and Interest, Other	73,681	61,000	76,000	76,000
Franchise Fees	1,374,917	1,424,734	1,401,020	1,422,000
Sales Tax	2,241,860	2,348,555	2,372,041	2,419,500
Permits and Licenses	1,127,934	1,143,400	1,141,367	1,210,400
Fines	702,119	730,000	631,500	653,500
Recreation Fees	908,443	887,400	799,415	851,000
Investment Income	47,016	35,000	85,000	130,000
Public Safety	372,777	439,500	352,500	326,500
Miscellaneous	275,389	32,600	2,003,426	32,700
Business Enterprise Transfer	624,000	624,000	624,000	624,000
Total Revenues	19,836,211	20,783,835	22,560,087	20,940,640
Total Available Resources	24,650,587	24,171,272	26,259,391	25,043,895
Expenditures				
City Manager's Office	2,373,675	2,584,143	2,627,940	2,579,288
Finance and Courts	1,279,591	1,421,207	1,397,019	1,708,356
Legal Service	107,664	100,000	140,000	100,000
Development Services	784,466	860,018	785,746	901,414
Fire	2,983,110	3,114,328	3,173,267	3,170,865
Police	5,983,932	6,235,668	6,117,516	6,716,886
Library	654,089	704,626	660,327	739,594
Public Works	1,054,448	1,073,839	1,071,308	1,212,715
Parks, Recreation, and Facilities	3,563,332	3,773,093	3,647,870	3,799,780
Non-Departmental: Disaster Recovery	109,497	-	2,042,217	-
Non-Departmental: Contingency	-	-	-	(130,000)
Total Expenditures	18,893,804	19,866,922	21,663,210	20,798,898
Transfers Out				
Pavement Maintenance Program	800,000	-	-	-
Capital Improvement Program	250,000	42,426	42,426	280,000
Vehicle and Equipment Replacement Fund	1,007,000	450,500	450,500	275,000
Total Transfers Out	2,057,000	492,926	492,926	555,000
Total Expenditures and Transfers Out	20,950,804	20,359,848	22,156,136	21,353,898
Change in nonspendable fund balance	479	-	-	-
Ending Unassigned Fund Balance	\$ 3,699,304	\$ 3,811,424	\$ 4,103,255	\$ 3,689,997
60 Day Fund Balance Requirement	\$ 3,148,967	\$ 3,311,154	\$ 3,610,535	\$ 3,466,483
Over/(Under) 60 Day Requirement	\$ 550,337	\$ 500,270	\$ 492,720	\$ 223,514

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

GENERAL FUND COMBINED REVENUE DETAIL

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Property Taxes	\$ 12,068,350	\$ 13,042,646	\$ 13,033,818	\$ 13,165,040
Delinquent Taxes	19,725	15,000	40,000	30,000
Penalty and Interest	69,365	55,000	70,000	70,000
Taxes - Other	4,317	6,000	6,000	6,000
Total Property Taxes	12,161,756	13,118,646	13,149,818	13,271,040
Electricity Franchise Fees	823,888	824,698	821,520	835,000
Gas Franchise Fees	128,135	170,000	189,500	210,000
Telephone Franchise Fees	103,487	103,572	100,000	97,000
Cable Television Franchise Fees	319,408	326,464	290,000	280,000
Total Franchise Fees	1,374,917	1,424,734	1,401,020	1,422,000
Sales Tax	2,241,860	2,348,555	2,372,041	2,419,500
Food Dealer Permits	19,195	20,000	20,000	20,000
Plumbing and Gas Permits	98,944	100,000	105,967	108,000
Electrical Permits	60,300	60,000	70,000	75,000
Building Permits	468,695	480,000	450,000	500,000
Air and Heat Permits	43,832	45,000	45,000	45,000
Moving/Demolition Permits	18,215	16,000	16,000	16,000
Sign Permits	12,919	12,500	12,500	12,500
Garage Sale Permits	1,990	1,800	1,800	1,800
Curb Cut Permits	7,933	6,000	6,000	6,000
Elevator Permits	496	-	-	-
Tree Removal Permits	36,971	30,000	30,000	30,000
Total Permits	769,490	771,300	757,267	814,300
Appeal/Public Hearing Fees	13,468	8,000	8,000	8,000
Contract Registration Fees	83,563	100,000	92,000	84,000
Residential Inspection Fees	14,560	11,000	11,000	11,000
Commercial Inspection Fees	5,630	8,000	8,000	8,000
Other Fees	11	-	-	-
Drainage Review Fees	13,550	12,000	12,000	12,000
Plan Check Fees	222,790	230,000	250,000	270,000
Dumpster Sign Fees	300	200	200	200
Total Fees	353,872	369,200	381,200	393,200
Liquor and Beer Licenses	4,433	2,600	2,600	2,600
Itinerant Merchant Licenses	140	300	300	300
Total Licenses	4,573	2,900	2,900	2,900
SE Regional Advisory Council Fire (SETRAC) Grant	4,723	5,500	5,500	4,000

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

GENERAL FUND COMBINED REVENUE DETAIL

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Rentals - Gym	\$ 9,927	\$ 8,500	\$ 6,000	\$ 6,000
Rentals - Civic Center	1,170	-	-	-
Rentals - Tennis Court	7,730	7,700	7,700	7,700
Rentals - Aquatic Center	1,700	2,000	2,000	2,000
Rentals - Park Facilities	1,167	1,200	2,300	2,000
Total Rentals	21,694	19,400	18,000	17,700
Admission - Evergreen Pool	25,977	25,000	21,000	25,000
Admission - Bellaire Pool	111,676	130,000	115,000	130,000
Swim Lessons	55,103	40,000	35,000	30,000
Pool Rentals	25,314	25,000	20,000	15,000
Swim Team	37,640	35,000	34,415	33,000
Annual Swim Passes	87,432	80,000	65,000	80,000
Aquatics Vending	532	1,500	1,500	1,500
Total Aquatics Fees	343,675	336,500	291,915	314,500
Programs - Leisure Classes	138,813	125,000	112,000	125,000
Programs - Teen	5,711	5,000	5,000	4,000
Programs - Special Events	17,059	13,000	20,000	16,000
Programs - L.I.F.E.	6,131	6,000	4,000	19,000
Total Program Fees	167,713	149,000	141,000	164,000
Athletics - Leagues	76,772	70,000	75,000	73,000
Athletics - Organization Fees	-	5,000	-	5,000
Athletics - Camps	272,528	280,000	240,000	250,000
Athletics - Tennis/Golf	10,746	10,000	12,000	9,000
Total Athletics Fees	360,045	365,000	327,000	337,000
Recreation Center	911	1,000	1,000	800
Recreation Memberships	12,625	15,000	19,000	15,500
Recreation Center Vending	1,780	1,500	1,500	1,500
Parks Other Fees	15,315	17,500	21,500	17,800
Total Recreation Fees	908,443	887,400	799,415	851,000
Permits - Alarm	19,630	15,000	15,000	19,000
Permits - False Alarm	2,750	3,000	3,000	2,500
Fees - Wrecker	31,050	31,000	31,000	31,000
Ambulance Fees	271,688	350,000	250,000	225,000
Rescue Billing - MVA	22,501	15,000	28,000	25,000
Police Child Safety Program	20,435	20,000	20,000	20,000
Total Public Safety Fees	368,054	434,000	347,000	322,500
Copy Fees	2,819	2,400	2,400	2,800

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

GENERAL FUND COMBINED REVENUE DETAIL

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Municipal Court Fines	\$ 679,883	\$ 703,500	\$ 605,000	\$ 630,000
Library Fines	22,236	26,500	26,500	23,500
Total Fines	702,119	730,000	631,500	653,500
Interest On Investments	63,004	35,000	85,000	130,000
Gain/(Loss) On Investments	(15,987)	-	-	-
Service Fee Credit Card	5,329	4,500	4,500	4,500
Total Investment Revenue	52,345	39,500	89,500	134,500
Miscellaneous Revenue	10,637	8,700	64,612	8,700
Insurance Reimbursements	20,465	10,000	92,709	10,000
Animal Impoundment Fees	1,200	1,500	1,500	1,200
Return Check Fees	125	500	500	500
FEMA Reimbursements	197,601	-	1,832,205	-
Total Miscellaneous Revenue	230,028	20,700	1,991,526	20,400
Surplus Equipment Sales	37,214	5,000	5,000	5,000
Business Enterprise Transfers	624,000	624,000	624,000	624,000
Total Other Financing Sources	661,214	629,000	629,000	629,000
Total General Fund Revenue	\$ 19,836,211	\$ 20,783,835	\$ 22,560,087	\$ 20,940,640

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

GENERAL FUND COMBINED EXPENDITURE DETAIL

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 8,782,442	\$ 9,381,296	\$ 9,124,527	\$ 9,831,246
105	Incentive Pay	234,049	312,437	312,437	297,207
110	Part Time Employees	753,970	766,228	738,810	825,793
120	Overtime	443,312	152,060	242,964	160,060
125	Call Out Pay	1,727	2,000	2,000	1,000
130	Longevity	62,444	59,276	61,363	62,448
140	Sick Leave Buy Back	60,098	46,991	65,387	42,885
150	Car Allowance	5,400	5,400	5,400	5,400
	Total Salaries	10,343,442	10,725,688	10,552,888	11,226,039
Benefits					
210	Group Health Insurance	1,050,178	1,205,174	1,160,911	1,390,488
211	Health Savings Account	73,450	91,067	91,292	95,798
215	Group Dental Insurance	22,810	23,801	23,801	28,174
217	Group Life Insurance	34,835	39,213	39,213	39,711
220	Disability Insurance	20,556	23,040	23,040	23,353
230	Medicare/Social Security	177,610	198,569	198,569	208,772
240	Retirement Contributions	2,036,833	2,067,513	2,033,047	2,170,486
260	Workers Compensation	118,432	121,750	121,740	175,629
	Total Benefits	3,535,571	3,770,127	3,691,613	4,132,411
	Total Salaries and Benefits	13,879,013	14,495,815	14,244,501	15,358,450
Professional Services					
310	Tax Assessing/Collection	149,873	158,500	158,500	158,500
311	Juror Costs	600	600	600	600
312	Election Services	39,919	38,585	38,617	25,009
313	Employee Screening	11,446	13,000	13,000	16,000
320	Instructor Pay	117,572	126,500	94,000	111,500
321	Legal and Audit	128,169	130,625	130,625	130,625
322	Medical Aid	190	2,690	2,900	3,770
323	Engineers, Architects, Arborists, Planners	269,860	266,000	273,000	274,500
324	Other Professional	86,788	132,540	151,038	127,163
325	Judges and Prosecutors	149,800	200,600	200,600	200,600
340	Information Technology Contracts	398,940	415,282	410,762	444,394
342	Trash Hauls	9,269	9,900	9,900	9,900
343	Other Technical Services	29,972	46,500	46,500	31,276
344	Contract Labor	83,356	43,000	114,500	43,000
	Total Professional Services	1,475,754	1,584,322	1,644,542	1,576,837

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

GENERAL FUND COMBINED EXPENDITURE DETAIL

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Maintenance					
410	Information Technology Maintenance	\$ 3,572	\$ 5,000	\$ 5,000	\$ 35,000
411	Vehicle Maintenance	131,223	135,806	132,210	118,570
412	Communication Maintenance	10,262	19,072	19,072	19,388
413	Machinery and Equipment Maintenance	33,587	39,919	35,820	41,030
420	Building Maintenance	317,423	343,762	328,762	343,462
421	HVAC Maintenance	116,125	110,068	125,000	110,768
422	Ground Maintenance	118,116	130,000	130,000	133,000
424	Pool Maintenance	113,235	109,600	109,600	104,600
425	Park Maintenance	421,750	515,684	480,684	505,684
426	Firing Range Maintenance	2,196	2,000	2,000	1,500
430	Paving Maintenance	19,216	33,000	33,000	28,995
431	Storm Sewer Maintenance	838	8,000	8,500	8,000
438	Traffic Signal Maintenance	46,621	35,000	46,000	35,000
461	Rental of Equipment	23,550	32,619	31,259	31,934
	Total Maintenance	1,357,714	1,519,530	1,486,907	1,516,931
Contractual Services					
510	Risk Management	173,268	190,437	190,437	195,000
520	Communications	354,778	276,570	276,250	318,206
522	Postage	8,504	16,395	15,520	15,270
530	Advertisements and Official Notices	10,969	10,435	9,610	10,385
540	Programs - Special Events	119,516	138,000	138,000	144,000
541	Programs - Senior Activities	10,846	12,000	12,000	24,000
542	Programs - Athletics	48,112	48,800	48,000	48,800
543	Programs - Library	1,998	2,500	2,500	2,000
544	Programs - Recreation	8,311	9,500	10,500	9,500
545	Programs - Wellness	4,104	5,000	5,000	4,000
550	Dues and Fees	17,578	30,063	29,110	31,105
551	Permits and Licenses	15,728	29,599	28,775	29,395
552	Rental - Facilities	-	470	-	1,298
560	Travel Mileage Allowance	9,981	19,600	22,356	19,600
570	Education and Training	170,363	217,220	209,257	227,565
	Total Contractual Services	954,056	1,006,589	997,315	1,080,124
Materials and Supplies					
600	Office Supplies	32,009	41,435	42,785	41,995
601	Information Technology Supplies	40,208	40,600	40,794	60,700
602	Small Tools and Minor Equipment	41,513	63,585	61,385	62,920
603	Janitorial and Cleaning Supplies	7,401	10,200	7,500	10,200
604	First Aid Supplies	2,076	3,220	2,920	3,220
605	Vehicles Supplies	3,469	3,650	3,650	3,950
606	Community Education Supplies	4,802	4,500	4,500	5,000
610	Operating Supplies	152,799	155,845	150,654	161,971
612	Chemicals	59,698	49,000	55,311	50,100

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

GENERAL FUND COMBINED EXPENDITURE DETAIL

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
613	Traffic Signs and Street Markers	\$ 13,407	\$ 15,000	\$ 15,000	\$ 15,000
614	EMS - Medical Supplies	26,737	27,854	27,854	31,350
620	Natural Gas	20,614	35,030	33,700	35,030
621	Electricity	333,825	339,300	336,300	339,300
625	Fuel	114,630	130,500	126,500	173,450
640	Adult/Reference Books	20,571	25,200	25,000	23,760
641	Children's/Youth Books	21,768	22,320	22,320	22,997
642	Periodicals	4,062	4,100	4,500	4,300
643	Audio-Visual	10,835	8,500	8,500	7,450
644	Subscriptions	1,218	3,885	3,885	5,654
650	Uniforms/Wearing Apparel	92,589	103,092	102,820	103,084
651	Prisoner Support	4,185	5,125	5,125	4,000
652	Dog Pound	497	3,000	3,000	2,500
660	Elected Officials Activities	2,461	1,200	1,200	1,200
661	Council Meeting Meals	1,529	1,500	1,500	1,500
699	Disaster Related Expenses	109,497	-	2,042,217	-
	Total Materials and Supplies	1,122,400	1,097,641	3,128,920	1,170,631
	Hardware and Software				
623	Hardware and Software	58,511	115,000	115,000	137,900
	Total Hardware and Software	58,511	115,000	115,000	137,900
	Financial Services				
710	Banking Charges	7,281	7,025	7,025	37,025
711	Credit Card Fees	39,075	41,000	39,000	51,000
	Total Financial Services	46,356	48,025	46,025	88,025
	General Fund Sub Totals	18,893,804	19,866,922	21,663,210	20,928,898
740	Transfers Out	2,057,000	492,926	492,926	555,000
745	Contingency	-	-	-	(130,000)
	Total General Fund Expenditures	\$ 20,950,804	\$ 20,359,848	\$ 22,156,136	\$ 21,353,898

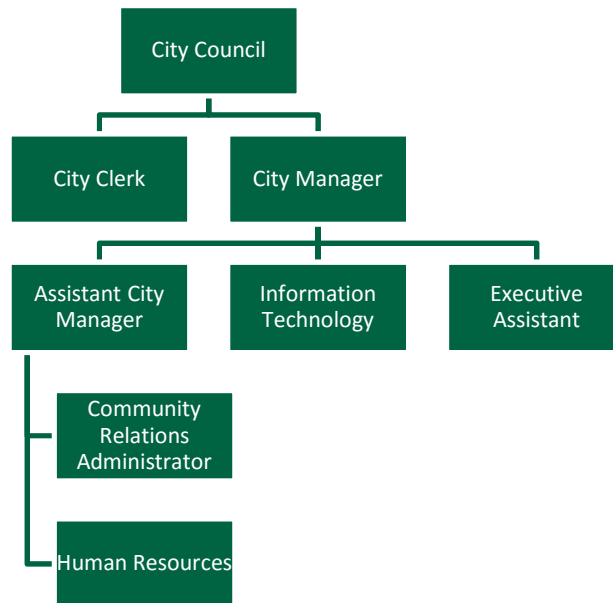
Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

City Manager's Office (Combined)

Department Service Structure



For budgeting purposes, the City Manager's Office consists of the centralized administrative functions of the City Manager's Office, including Human Resources, the City Clerk, Information Technology, and Internal Services.

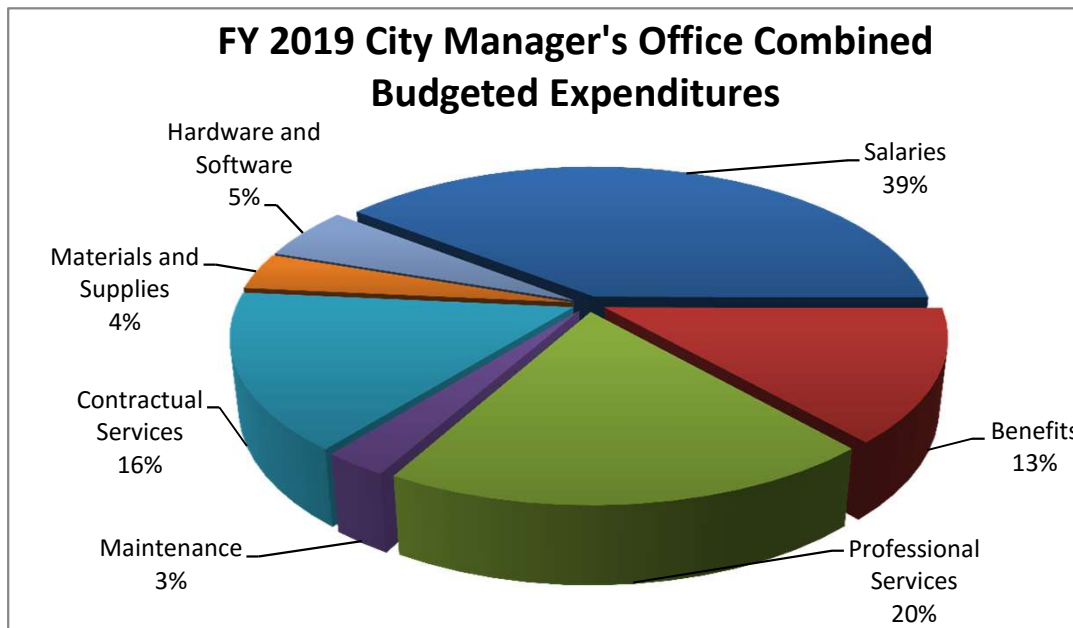
Base Level Services

- Facilitate and execute policy decisions of City Council
- Provide leadership and management support to the City organization
- Provide project management support, management, monitoring and reporting, customer resources/citizen contact and relations, strategic planning, and agenda coordination
- Provide emergency incident command and planning operations function
- Develop, execute, and administer the City's annual budget in conjunction with the Finance Department
- Develop Capital Improvement Plan and manage capital improvement projects in conjunction with other departments
- Develop special project work plans and schedules based upon the project/study goals and objectives
- Maintain and provide accessibility to legal records of official City documents as well as supervision of City elections
- Public information coordination
- Administer the City's Community and Public Relations
- Provide services to the City and its employees through human resource programs such as compensation, wellness and benefits, safety, employee relations, and full and part-time staffing
- Provide all the information technology systems for the City

- Overall planning, organizing, and execution of all technology functions for the City, including directing all technology operations to meet customer requirements as well as the support and maintenance of existing applications and development of new technology solutions

CITY MANAGER'S OFFICE COMBINED EXPENDITURES
(City Manager, Human Resources, City Clerk, Information Technology)

Expenditure Summary	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 921,490	\$ 1,050,813	\$ 1,093,436	\$ 1,019,055
Benefits	295,722	353,416	354,208	344,426
Professional Services	468,947	465,992	466,024	509,061
Maintenance	25,678	34,614	34,614	67,014
Contractual Services	549,453	495,678	496,028	406,412
Materials and Supplies	53,874	68,630	68,630	95,420
Hardware and Software	58,511	115,000	115,000	137,900
Total Expenditures	\$ 2,373,675	\$ 2,584,143	\$ 2,627,940	\$ 2,579,288



Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

CITY MANAGER'S OFFICE COMBINED EXPENDITURES
(City Manager, Human Resources, City Clerk, Information Technology)

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 903,054	\$ 1,022,037	\$ 1,052,668	\$ 972,143
110	Part Time Employees	3,170	14,500	23,610	29,200
120	Overtime	804	-	1,000	2,000
130	Longevity	4,012	3,996	4,581	5,012
140	Sick Leave Buy Back	5,050	4,880	6,177	5,300
150	Car Allowance	5,400	5,400	5,400	5,400
	Total Salaries	921,490	1,050,813	1,093,436	1,019,055
Benefits					
210	Group Health Insurance	70,669	97,898	91,777	97,461
211	Health Savings Account	6,500	7,800	8,025	8,450
215	Group dental Insurance	1,646	1,768	1,768	1,585
217	Group Life Insurance	3,178	4,017	4,017	3,651
220	disability Insurance	1,920	2,395	2,395	2,224
230	Medicare/Social Security	13,147	16,058	16,058	16,509
240	Retirement Contributions	196,749	221,430	228,128	211,678
260	Workers Compensation	1,913	2,050	2,040	2,868
	Total Benefits	295,722	353,416	354,208	344,426
Professional Services					
312	Election Services	39,919	38,585	38,617	25,009
313	Employee Screening	11,446	13,000	13,000	13,000
324	Other Professional	49,373	38,270	38,270	62,803
340	Information Technology Contracts	368,209	376,137	376,137	408,249
	Total Professional Services	468,947	465,992	466,024	509,061
Maintenance					
410	Information Technology Maintenance	3,572	5,000	5,000	35,000
412	Communication Maintenance	7,682	10,000	10,000	10,000
461	Rental of Equipment	14,424	19,614	19,614	22,014
	Total Maintenance	25,678	34,614	34,614	67,014

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

CITY MANAGER'S OFFICE COMBINED EXPENDITURES
(City Manager, Human Resources, City Clerk, Information Technology)

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Contractual Services					
510	Risk Management	\$ 173,268	\$ 190,437	\$ 190,437	\$ -
520	Communications	336,812	250,850	250,850	292,046
522	Postage	522	250	600	450
530	Advertisements and Official Notices	7,564	4,700	4,700	5,700
540	Programs - Special Events	-	-	-	61,000
545	Programs - Wellness	4,104	5,000	5,000	4,000
550	Dues and Fees	7,833	9,536	9,536	10,186
551	Permits and Licenses	100	-	-	-
560	Travel Mileage Allowance	-	300	300	300
570	Education and Training	19,250	34,605	34,605	32,730
Total Contractual Services		549,453	495,678	496,028	406,412
Materials and Supplies					
600	Office Supplies	3,457	10,170	10,170	10,450
601	Information Technology Supplies	22,740	20,000	20,000	40,000
610	Operating Supplies	23,687	33,950	33,950	40,450
644	Subscriptions	-	1,160	1,160	1,170
650	Uniforms/Wearing Apparel	-	650	650	650
660	Elected Officials Activities	2,461	1,200	1,200	1,200
661	Council Meeting Meals	1,529	1,500	1,500	1,500
Total Materials ang Supplies		53,874	68,630	68,630	95,420
Hardware and Software					
623	Hardware and Software	58,511	115,000	115,000	137,900
Total Hardware and Software		58,511	115,000	115,000	137,900
Department Total		\$ 2,373,675	\$ 2,584,143	\$ 2,627,940	\$ 2,579,288

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

City Manager's Office

Department Service Structure



The City Manager's Office is responsible for the centralized administrative functions of the City Manager's Office, including Human Resources, the City Clerk, Information Technology, and Community Relations. Human Resources, the City Clerk, and Information Technology each has its own department code and has separate detailed budgeting which is presented later in this package. The remaining functions of the City Manager's Office are budgeted for as a singular department and are presented here.

Base Level Services

- Facilitate and execute policy decisions of City Council
- Provide leadership and management support to the City organization
- Provide project management support, management, monitoring and reporting, customer resources/citizen contact and relations, strategic planning, and agenda coordination
- Provide emergency incident command and planning operations function
- Develop, execute, and administer the City's annual budget in conjunction with the Finance Department
- Develop Capital Improvement Plan and manage capital improvement projects in conjunction with other departments
- Develop special project work plans and schedules based upon the project/study goals and objectives
- Administer the City's Community and Public Relations

CITY MANAGER'S OFFICE - 1010

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 487,934	\$ 573,421	\$ 591,128	\$ 504,113
110	Part Time Employees	-	10,000	8,500	10,000
120	Overtime	673	-	1,000	1,000
130	Longevity	1,876	2,380	2,973	3,164
140	Sick Leave Buy Back	2,558	4,880	6,177	4,700
150	Car Allowance	5,400	5,400	5,400	5,400
	Total Salaries	498,441	596,081	615,178	528,377
Benefits					
210	Group Health Insurance	33,625	52,035	45,303	45,737
211	Health Savings Account	3,250	3,250	3,475	3,900
215	Group Dental Insurance	691	813	813	606
217	Group Life Insurance	1,486	2,005	2,005	1,667
220	Disability Insurance	936	1,224	1,224	1,053
230	Medicare/Social Security	6,922	9,185	9,185	8,203
240	Retirement Contributions	109,910	128,592	132,646	114,541
260	Workers Compensation	976	1,000	990	1,274
	Total Benefits	157,796	198,104	195,641	176,981
Professional Services					
312	Election Services	33	-	32	-
324	Other Professional	17,043	24,800	24,800	49,800
340	Information Technology Contracts	215	-	-	-
	Total Professional Services	17,291	24,800	24,832	49,800
Maintenance					
461	Rental of Equipment	2,013	2,014	2,014	2,014
	Total Maintenance	2,013	2,014	2,014	2,014
Contractual Services					
520	Communications	3,170	10,140	10,140	10,140
522	Postage	483	250	600	250
540	Programs - Special Events	-	-	-	61,000
550	Dues and Fees	7,009	7,726	7,726	8,226
570	Education and Training	7,362	10,805	10,805	13,805
	Total Contractual Services	18,024	28,921	29,271	93,421
Materials and Supplies					
600	Office Supplies	882	1,500	1,500	1,500
610	Operating Supplies	6,759	9,600	9,600	9,600
644	Subscriptions	-	500	500	500
650	Uniforms/Wearing Apparel	-	500	500	500
660	Elected Officials Activities	2,461	1,200	1,200	1,200
661	Council Meeting Meals	1,529	1,500	1,500	1,500
	Total Materials and Supplies	11,631	14,800	14,800	14,800
Department Total		\$ 705,196	\$ 864,720	\$ 881,736	\$ 865,393

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

Human Resources

Why Statement

The Human Resources department supports the City of Bellaire's total operation in meeting its goals through its most valuable resource—its PEOPLE. Human Resources serves as a strategic partner to develop, implement and support programs and processes that add value to the City of Bellaire and its employees, leading to improved welfare, empowerment, growth and retention, while committed to the City of Bellaire's management and prosperity for its citizens, employees and stakeholders, and in support of the City's following key tenets: Responsiveness, Customer Service, Competence, Safety Awareness, Positive Environment, and Teamwork.

Department Service Structure



Base Level Services

Talent Management/Full Cycle Recruiting

- Talent acquisition
- New hire processing and onboarding
- Internal horizontal and vertical staffing
- Performance management
- Employee relations
- Employee retention
- Employee recognition – events, awards, programs, and activities

Salary and Benefits Administration

- Compensation/salary administration
- Medical/dental/vision and other ancillary benefits administration

Organizational Development

- Organizational Training
- Succession Planning

Health and Wellness

- Health and wellness programming and activities

Organizational Support

- Organization-wide policies and procedures
- Employee communications
- Employee recognition programming
- Policies and procedures administration and records management
- Leave administration – short term disability, long term disability, family medical leave, shared leave, workers compensation, administrative leave
- Assist departments with training and development opportunities and activities

Risk Management

- Workers compensation
- Safety and loss prevention
- Safety training
- Drug and alcohol testing
- Motor vehicle record checks

HUMAN RESOURCES - 1011

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 162,437	\$ 162,920	\$ 172,540	\$ 169,704
120	Overtime	131	-	-	-
130	Longevity	410	392	392	488
	Total Salaries	162,978	163,312	172,932	170,192
Benefits					
210	Group Health Insurance	12,999	14,592	16,615	16,759
211	Health Savings Account	1,300	1,300	1,300	1,300
215	Group Dental Insurance	420	437	437	448
217	Group Life Insurance	665	741	741	734
220	Disability Insurance	386	431	431	431
230	Medicare/Social Security	2,306	2,368	2,368	2,468
240	Retirement Contributions	33,415	33,675	35,643	35,064
260	Workers Compensation	362	400	400	411
	Total Benefits	51,853	53,944	57,935	57,615
Professional Services					
313	Employee Screening	11,446	13,000	13,000	13,000
324	Other Professional	25,657	8,470	8,470	8,470
340	Information Technology Contracts	26,445	21,237	21,237	21,237
	Total Professional Services	63,548	42,707	42,707	42,707
Contractual Services					
520	Communications	960	960	960	960
530	Advertisements and Official Notices	445	-	-	-
545	Programs - Wellness	4,104	5,000	5,000	4,000
550	Dues and Fees	458	900	900	900
570	Education and Training	5,400	5,000	5,000	5,450
	Total Contractual Services	11,367	11,860	11,860	11,310
Materials and Supplies					
600	Office Supplies	106	400	400	400
610	Operating Supplies	16,245	18,000	18,000	17,500
644	Subscriptions	-	375	375	375
650	Uniforms/Wearing Apparel	-	150	150	150
	Total Materials and Supplies	16,351	18,925	18,925	18,425
Department Total		\$ 306,097	\$ 290,748	\$ 304,359	\$ 300,249

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

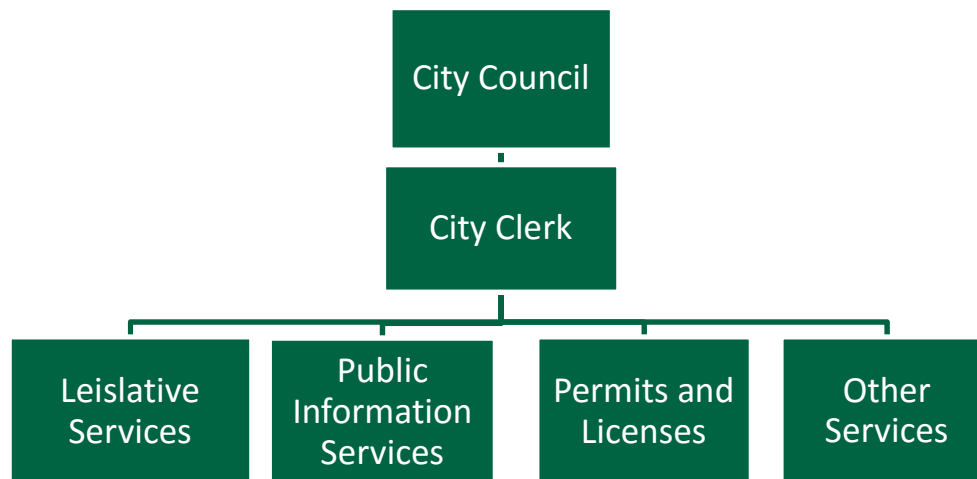
FY 2019

City Clerk

Why Statement

The City Clerk's Office is dedicated to preparing, maintaining, and safeguarding the official records of the City Council of the City of Bellaire, Texas, and to responding to requests related to the City's official records in an efficient, effective, and timely manner so as to better serve the City of Bellaire.

Department Service Structure



The City Clerk is appointed by the City Council.

Base Level Services

Legislative Services

- Preparation and processing of legal notices to inform the public of business under consideration by the City Council and various boards, committees, and commissions, as well as bidding notices, and election notices
- Preparation and processing of agendas and minutes for meetings of the City Council
- Preparation, for City Attorney approval, of routine ordinances and resolutions considered by City Council
- Responsible for administering all City elections
- Coordinates the recruitment, application, and appointment process for Boards and Commissions

Public Information Services

- Manages public information requests, including collection, assembly, and dissemination of the requested information pursuant to the *Texas Public Information Act*

Permits and Licenses

- Responsible for preparing solicitation permits for individuals and entities desiring to sell a product or service door-to-door within the city limits of Bellaire.
- Responsible for providing city licensing to establishments located within the city limits of Bellaire in accordance with the *Texas Alcohol Beverage Code* and the *City Code*

Other Services

- Records management, including records storage, training of departments for records retention, storage, and destruction, electronic data management
- Proclamations and Certificates of Recognition
- Provides assistance and support to other City departments and consultants in the bid process through the preparation of notices to bidders, requests for proposals, and requests for qualifications, as well as the publication of related notices in a newspaper of general circulation in accordance with state law and the City Charter

CITY CLERK - 1012

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 125,971	\$ 126,500	\$ 129,601	\$ 132,500
110	Part Time Employees	3,170	4,500	15,110	19,200
130	Longevity	952	1,000	1,000	1,048
140	Sick Leave Buy Back	2,492	-	-	600
	Total Salaries	132,585	132,000	145,711	153,348
Benefits					
210	Group Health Insurance	6,544	7,296	7,160	8,347
211	Health Savings Account	650	650	650	650
215	Group Dental Insurance	170	165	165	169
217	Group Life Insurance	436	475	475	471
220	Disability Insurance	254	277	277	277
230	Medicare/Social Security	2,148	2,193	2,193	3,414
240	Retirement Contributions	27,267	26,291	26,925	27,638
260	Workers Compensation	240	300	300	780
	Total Benefits	37,709	37,647	38,145	41,746
Professional Services					
312	Election Services	39,886	38,585	38,585	25,009
324	Other Professional	6,673	5,000	5,000	4,533
	Total Professional Services	46,559	43,585	43,585	29,542
Contractual Services					
510	Risk Management	173,268	190,437	190,437	-
520	Communications	200	-	-	-
522	Postage	39	-	-	200
530	Advertisements and Official Notices	7,119	4,700	4,700	5,700
550	Dues and Fees	366	760	760	910
560	Travel Mileage Allowance	-	300	300	300
570	Education and Training	3,566	7,800	7,800	8,475
	Total Contractual Services	184,558	203,997	203,997	15,585
Materials and Supplies					
600	Office Supplies	2,469	8,270	8,270	8,550
601	Information Technology Supplies	4,725	-	-	-
610	Operating Supplies	683	6,350	6,350	13,350
644	Subscriptions	-	285	285	295
	Total Materials and Supplies	7,877	14,905	14,905	22,195
Department Total		\$ 409,288	\$ 432,134	\$ 446,343	\$ 262,416

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

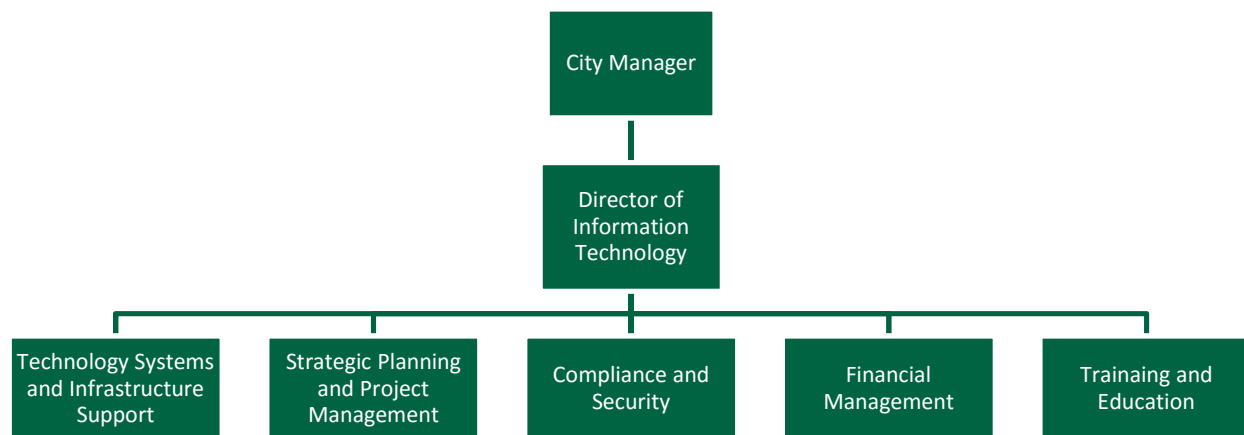
FY 2019

Information Technology

Why Statement

The Information Technology (IT) department provides a secure and stable environment to both support and enhance the City of Bellaire (City) business processes.

Department Service Structure



Base Level Services

The Information Technology department is an internal services department providing support and leadership throughout the organization in support of the IT service delivery.

Technology systems and infrastructure support

- Ensures service availability; support for standard software applications; disaster recovery/business continuity projects; maintenance of technological assets including audio/visual
- Works collaboratively with City's Police Information Services in support of shared network services, security and applications
- When the Emergency Operation Center (EOC) is operational, IT is responsible for ensuring the technology that support the teams' activities are ready and working. The IT Director also serves as backup as needed for the incident command team.

Strategic Planning and Project Management

- Leads one standing Management Project team, Network and Information Management, and participates as team member of MP 1802 – Mass Notifications
- Takes part in ad hoc committees for CSET
- Serves on the core team for the new Municipal Facilities project

Compliance and security

- Accomplishes compliance initiatives which include regulatory, vendor and security upgrades; operating system and software version implementations; legal and operational regulations support; and internal and external audit requirements
- Assists with Open Records requests

Financial Management

- Practices sound fiscal management to properly use allocated funds by minimizing expenses and maximizing value
- Exploit economies of scale for purchases for both City and Police technologies

Training and Education

- Maintains competence in technological topics and issues through education and training efforts; collaboration with governance groups and strategic partnerships; and participations with a wide range of colleague institutions and professional organizations

INFORMATION TECHNOLOGY - 1013

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 126,712	\$ 159,196	\$ 159,399	\$ 165,826
120	Overtime	-	-	-	1,000
130	Longevity	774	224	216	312
	Total Salaries	127,486	159,420	159,615	167,138
Benefits					
210	Group Health Insurance	17,501	23,975	22,699	26,618
211	Health Savings Account	1,300	2,600	2,600	2,600
215	Group Dental Insurance	365	353	353	362
217	Group Life Insurance	591	796	796	779
220	Disability Insurance	344	463	463	463
230	Medicare/Social Security	1,771	2,312	2,312	2,424
240	Retirement Contributions	26,157	32,872	32,914	34,435
260	Workers Compensation	335	350	350	403
	Total Benefits	48,364	63,721	62,487	68,084
Professional Services					
340	Information Technology Contracts	341,549	354,900	354,900	387,012
	Total Professional Services	341,549	354,900	354,900	387,012
Maintenance					
410	Information Technology Maintenance	3,572	5,000	5,000	35,000
412	Communication Maintenance	7,682	10,000	10,000	10,000
461	Rental of Equipment	12,411	17,600	17,600	20,000
	Total Maintenance	23,665	32,600	32,600	65,000
Contractual Services					
520	Communications	332,482	239,750	239,750	280,946
550	Dues and Fees	-	150	150	150
570	Education and Training	2,922	11,000	11,000	5,000
	Total Contractual Services	335,504	250,900	250,900	286,096
Materials and Supplies					
601	Information Technology Supplies	18,015	20,000	20,000	40,000
	Total Materials and Supplies	18,015	20,000	20,000	40,000
Hardware and Software					
623	Hardware and Software	58,511	115,000	115,000	137,900
	Total Hardware and Software	58,511	115,000	115,000	137,900
Department Total		\$ 953,094	\$ 996,541	\$ 995,502	\$ 1,151,230

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

Legal

Department Service Structure

City Council

City Attorney

The City Attorney is appointed by City Council and is outsourced to Alan Petrov of Johnson Petrov, LLP.

Base Level Services

- Attends all regular City Council meetings and other statutory board meetings
- Prepares or reviews all ordinances, resolutions, and legal documents
- Provides legal advice to the City on an on-going basis, as required, including advice necessary for compliance with all statutory requirements applicable to the City, such as the Texas Open Meetings Act, Public Information Act, the Local Government Code, and zoning laws
- Prepares or reviews various City contracts
- Prepares deeds, easements, and various other documents necessary for day to day business of the City
- Provides bond counsel services (Bond counsel services are not covered under the general retainer and are billed separately and are recorded as debt issuance costs in the Capital Bond Fund.)

LEGAL - 1414

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Professional Services					
321	Legal and Audit	\$ 88,279	\$ 90,000	\$ 90,000	\$ 90,000
324	Other Professional	19,385	10,000	50,000	10,000
Total Professional Services		107,664	100,000	140,000	100,000
Department Total		\$ 107,664	\$ 100,000	\$ 140,000	\$ 100,000

City of Bellaire

FY 2019

Finance and Courts

Why Statement

The Finance Department is responsible for ensuring the integrity of the City's finances through accurate planning and recording of financial transactions. The Finance Department provides stewardship of the City's finances through Finance Administration and Accounting. It is the function of the department to make sure the revenues and expenses are tracked and utilized according to local, State, and Federal laws and the goals of the City Council.

The Finance Department also oversees the Municipal Court. The Municipal Court has jurisdiction of Class C misdemeanors and ensures fair and equal adjudication of all cases.

Department Service Structure



Base Level Services

Finance Administration

- Maintain a high level of public confidence and sense of fairness through efficient and courteous public service
- Record and maintain records and report all financial transaction in compliance with City policy, laws, and regulations
- Preparation of the Comprehensive Annual Financial Report in a timely manner
- Coordination and assistance for independent auditors for annual financial audit
- Maintain current service levels while further automating and improving processes
- Safeguard city funds through implementing internal controls and financial policies
- Assist in the issuance of City bonds
- Oversee debt service payments
- Monitor cash flow and purchase investments as cash becomes available
- Prepare quarterly investment reports on a timely basis
- Prepare monthly financial reports on a timely basis
- Prepare timely long-range forecasts

Accounting

- Ensure all financial transactions are in compliance with City policies and laws to ensure accurate reporting of the City's financial position
- Monitor all purchase transactions for compliance with budget through review and approval of requisitions
- Accurately, timely, and in compliance with laws and City policies disburse payments to City employees for payroll and vendors for purchase of goods and services
- Maintain records of financial transactions as required by law and policies
- Reconcile general ledger accounts to ensure transactions are posted correctly

Budget Development

- Develop, execute, and administer the City's annual budget in conjunction with the City Manager's Office

Risk Management

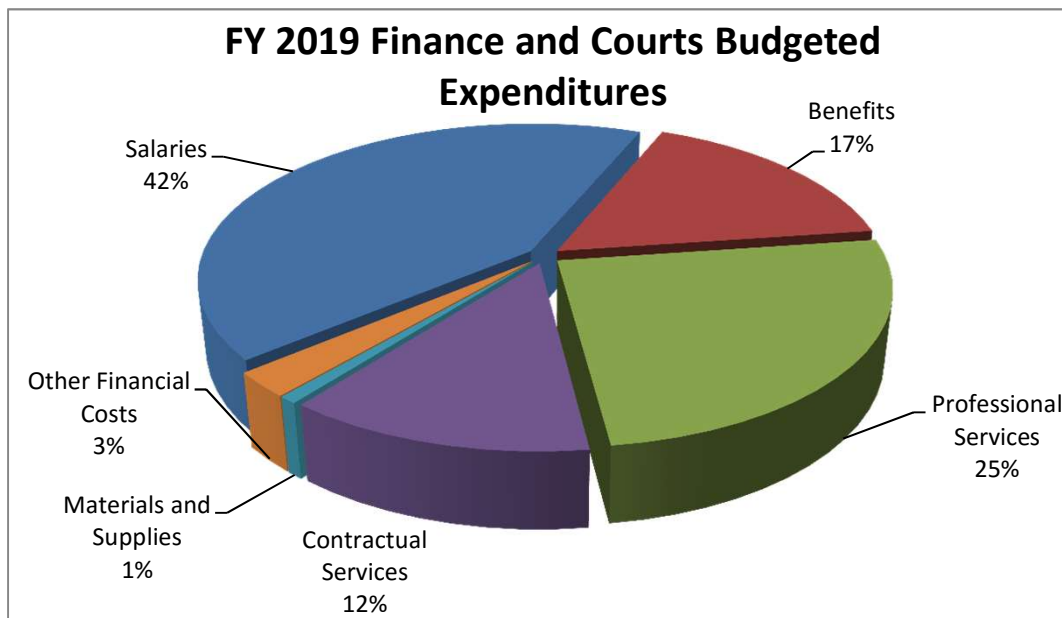
- Serves as the City's fund and risk management coordinator for the City's general insurance policies (general liability, property liability, automobile liability, errors and omissions liability, and law enforcement liability)
- Process insurance claims
- Ensure new assets are properly insured and disposed assets are uninsured

Municipal Courts

- Maintain a record of all citations issued
- Collect and deposit all court fines and fees paid by defendants
- Maintain dockets for trials and arrangements
- Issue warrants and track warrants using specialized software
- Prepare and submit weekly conviction reports to the State of Texas
- Prepare and submit monthly citation summary report to Texas Comptroller Office
- Prepare and submit monthly collection report to delinquent attorney
- Provide assistance to judges during trials or arrangements

FINANCE AND COURTS - 2012

Expenditure Summary	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 621,200	\$ 693,059	\$ 668,220	\$ 723,273
Benefits	231,768	251,263	251,914	283,198
Professional Services	386,605	430,050	430,050	430,050
Contractual Services	14,349	19,750	19,750	214,750
Materials and Supplies	11,714	13,060	13,060	13,060
Other Financial Costs	13,955	14,025	14,025	44,025
Total Expenditures	\$ 1,279,591	\$ 1,421,207	\$ 1,397,019	\$ 1,708,356



FINANCE AND COURTS - 2012

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 597,049	\$ 655,655	\$ 639,958	\$ 686,222
110	Part Time Employees	-	15,000	200	15,000
120	Overtime	11,765	15,000	20,695	15,000
130	Longevity	5,865	4,904	4,867	5,216
140	Sick Leave Buy Back	6,521	2,500	2,500	1,835
	Total Salaries	621,200	693,059	668,220	723,273
Benefits					
210	Group Health Insurance	75,032	83,014	86,877	108,347
211	Health Savings Account	7,800	7,963	7,963	9,100
215	Group Dental Insurance	1,651	1,804	1,804	2,241
217	Group Life Insurance	2,372	2,799	2,799	2,801
220	Disability Insurance	1,417	1,625	1,625	1,625
230	Medicare/Social Security	8,877	10,049	10,049	11,417
240	Retirement Contributions	133,582	142,909	139,697	145,922
260	Workers Compensation	1,037	1,100	1,100	1,745
	Total Benefits	231,768	251,263	251,914	283,198
Professional Services					
310	Tax Assessing/Collecting	149,873	158,500	158,500	158,500
311	Juror Costs	600	600	600	600
321	Legal and Audit	39,890	40,625	40,625	40,625
324	Other Professional	-	400	400	400
325	Judges and Prosecutors	149,800	200,600	200,600	200,600
340	Information Technology Contracts	29,100	29,325	29,325	29,325
344	Contract Labor	17,342	-	-	-
	Total Professional Services	386,605	430,050	430,050	430,050
Contractual Services					
510	Risk Management	-	-	-	195,000
520	Communications	960	960	960	960
522	Postage	3,806	6,400	6,400	6,400
530	Advertisements and Official Notices	792	1,235	1,235	1,235
550	Dues and Fees	1,085	555	555	555
570	Education and Training	7,706	10,600	10,600	10,600
	Total Contractual Services	14,349	19,750	19,750	214,750
Materials and Supplies					
600	Office Supplies	9,496	8,885	8,885	8,885
610	Operating Supplies	942	1,675	1,675	1,675
644	Subscriptions	1,218	2,500	2,500	2,500
650	Uniforms/Wearing Apparel	58	-	-	-
	Total Materials and Supplies	11,714	13,060	13,060	13,060

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

FINANCE AND COURTS - 2012

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Other Financial Costs					
710	Banking Charges	\$ 7,281	\$ 7,025	\$ 7,025	\$ 37,025
711	Credit Card Fees	6,674	7,000	7,000	7,000
Total Other Financial Costs		13,955	14,025	14,025	44,025
Department Total		\$ 1,279,591	\$ 1,421,207	\$ 1,397,019	\$ 1,708,356

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

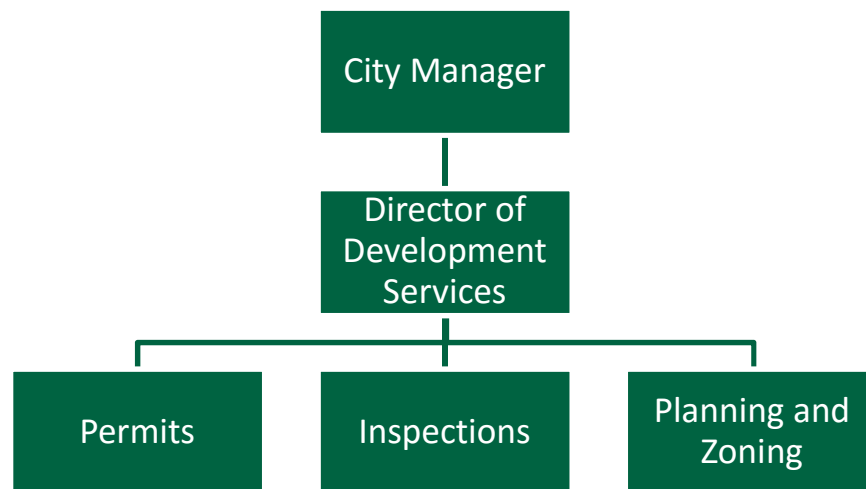
FY 2019

Development Services

Why Statement

The Development Services Department provides plan review, permits and inspections, code compliance, development review, commercial redevelopment, and long-range planning services for the citizens, property owners, businesses, contractors, and builders. These services provide for the protection of the health, safety, and welfare of all who live and work in the City of Bellaire. The dedicated employees of this department work diligently to provide these services efficiently and effectively while providing the highest level of service.

Department Service Structure



Base Level Services

Permits

- Process applications and issue registrations and permits for contractors, new construction, and remodeling
- Check plan submittals for completeness
- Record inspection requests and results
- Submit utility releases to utility companies
- Prepare letters for housing inspections, building inspections, Certificates of Occupancy, and other correspondence as requested
- Prepare daily, monthly, quarterly, and annual reports
- Monitor and enforce code compliance within commercial and residential areas
- Enforce sign ordinance and tree ordinance
- Review drainage plans for all new building projects
- Inspect food establishments for compliance with state health code regulations both on a biannual and as needed basis

Inspections

- Review all construction plans for compliance with adopted building codes and City ordinances
- Inspect all building projects for compliance with adopted building codes and City ordinances
- Investigate citizen complaints concerning building code and ordinance violations at construction sites

Planning and Zoning

- Implement and regulate subdivision and zoning ordinances
- Process, review, and prepare agenda items and legal notices for public hearings before the City's statutory boards and commissions
- Provide staff support to the Planning and Zoning Commission, Board of Adjustment, and Building and Standards Commission to include review, research, preparation, and presentation of items and applications.
- Respond to community concerns and/or complaints relating to code compliance and economic development
- Manage department and support other departments as required

DEVELOPMENT SERVICES - 3016

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 416,752	\$ 470,671	\$ 361,743	\$ 492,281
120	Overtime	3,682	-	6,000	-
110	PT Employees	2,550	6,000	-	6,000
130	Longevity	2,317	2,364	1,832	2,176
140	Sick Leave Buy Back	3,147	2,000	2,000	2,000
	Total Salaries	428,448	481,035	371,575	502,457
Benefits					
210	Group Health Insurance	42,268	68,829	42,071	58,374
211	Health Savings Account	2,925	3,343	3,343	3,380
215	Group Dental Insurance	1,020	1,143	1,143	1,174
217	Group Life Insurance	1,684	2,267	2,267	1,984
220	Disability Insurance	978	1,306	1,306	1,136
230	Medicare/Social Security	6,248	7,441	7,441	7,658
240	Retirement Contributions	90,056	99,289	90,199	102,297
260	Workers Compensation	1,388	1,400	1,400	1,601
	Total Benefits	146,567	185,018	149,170	177,604
Professional Services					
323	Planners & Engineers	192,510	163,000	170,000	171,500
324	Other Professional	1,200	2,600	2,600	2,600
344	Contract Labor	-	-	64,500	-
	Total Professional Services	193,710	165,600	237,100	174,100
Maintenance					
411	Vehicle Maintenance	724	2,250	2,250	2,496
	Total Maintenance	724	2,250	2,250	2,496
Contractual Services					
520	Communications	1,320	2,400	2,400	3,360
522	Postage	1,114	1,920	1,920	1,420
530	Advertisements and Official Notices	1,103	2,250	2,250	1,200
550	Dues and Fees	1,015	2,160	2,160	1,801
551	Permits and Licenses	-	530	536	530
552	Rental - Facilities	-	470	-	470
570	Education and Training	3,914	3,900	3,900	3,900
	Total Contractual Services	8,466	13,630	13,166	12,681
Materials and Supplies					
600	Office Supplies	2,633	3,860	3,860	3,860
610	Operating Supplies	2,690	6,025	6,025	16,566
625	Fuel	1,009	1,500	1,500	1,150
650	Uniforms/Wearing Apparel	219	1,100	1,100	500
	Total Materials and Supplies	6,551	12,485	12,485	22,076

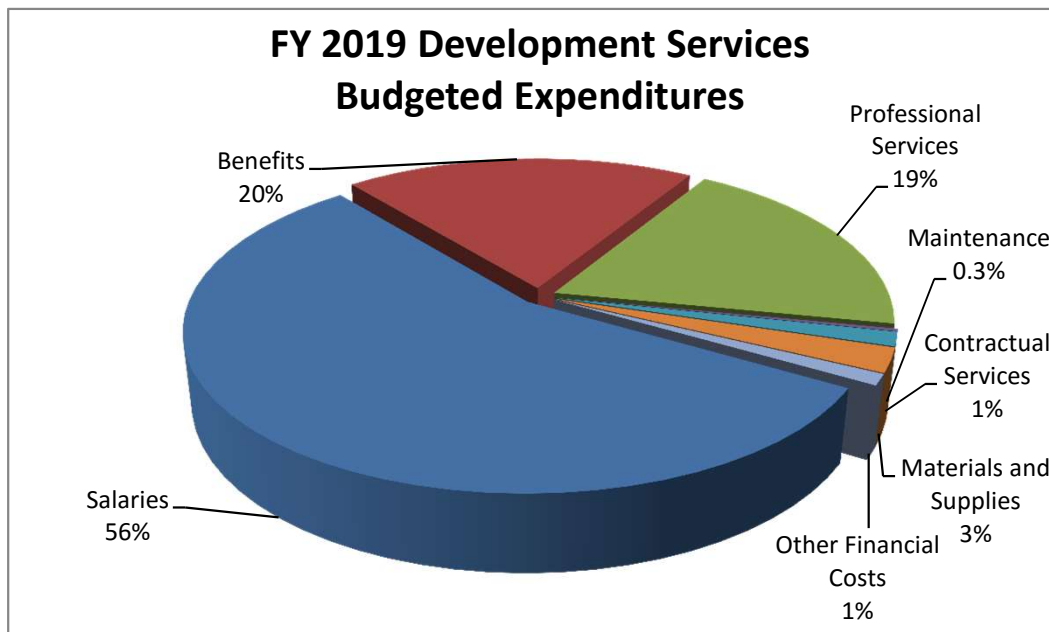
Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

DEVELOPMENT SERVICES - 3016

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Other Financial Costs					
711	Credit Card Fees	\$ -	\$ -	\$ -	\$ 10,000
	Total Other Financial Costs	-	-	-	10,000
Department Total		\$ 784,466	\$ 860,018	\$ 785,746	\$ 901,414

DEVELOPMENT SERVICES - 3016

Expenditure Summary	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 428,448	\$ 481,035	\$ 371,575	\$ 502,457
Benefits	146,567	185,018	149,170	177,604
Professional Services	193,710	165,600	237,100	174,100
Maintenance	724	2,250	2,250	2,496
Contractual Services	8,466	13,630	13,166	12,681
Materials and Supplies	6,551	12,485	12,485	22,076
Other Financial Costs	-	-	-	10,000
Total Expenditures	\$ 784,466	\$ 860,018	\$ 785,746	\$ 901,414



DEVELOPMENT SERVICES - 3016

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 416,752	\$ 470,671	\$ 361,743	\$ 492,281
120	Overtime	3,682	-	6,000	-
110	PT Employees	2,550	6,000	-	6,000
130	Longevity	2,317	2,364	1,832	2,176
140	Sick Leave Buy Back	3,147	2,000	2,000	2,000
	Total Salaries	428,448	481,035	371,575	502,457
Benefits					
210	Group Health Insurance	42,268	68,829	42,071	58,374
211	Health Savings Account	2,925	3,343	3,343	3,380
215	Group Dental Insurance	1,020	1,143	1,143	1,174
217	Group Life Insurance	1,684	2,267	2,267	1,984
220	Disability Insurance	978	1,306	1,306	1,136
230	Medicare/Social Security	6,248	7,441	7,441	7,658
240	Retirement Contributions	90,056	99,289	90,199	102,297
260	Workers Compensation	1,388	1,400	1,400	1,601
	Total Benefits	146,567	185,018	149,170	177,604
Professional Services					
323	Planners & Engineers	192,510	163,000	170,000	171,500
324	Other Professional	1,200	2,600	2,600	2,600
344	Contract Labor	-	-	64,500	-
	Total Professional Services	193,710	165,600	237,100	174,100
Maintenance					
411	Vehicle Maintenance	724	2,250	2,250	2,496
	Total Maintenance	724	2,250	2,250	2,496
Contractual Services					
520	Communications	1,320	2,400	2,400	3,360
522	Postage	1,114	1,920	1,920	1,420
530	Advertisements and Official Notices	1,103	2,250	2,250	1,200
550	Dues and Fees	1,015	2,160	2,160	1,801
551	Permits and Licenses	-	530	536	530
552	Rental - Facilities	-	470	-	470
570	Education and Training	3,914	3,900	3,900	3,900
	Total Contractual Services	8,466	13,630	13,166	12,681
Materials and Supplies					
600	Office Supplies	2,633	3,860	3,860	3,860
610	Operating Supplies	2,690	6,025	6,025	16,566
625	Fuel	1,009	1,500	1,500	1,150
650	Uniforms/Wearing Apparel	219	1,100	1,100	500
	Total Materials and Supplies	6,551	12,485	12,485	22,076

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

DEVELOPMENT SERVICES - 3016

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Other Financial Costs					
711	Credit Card Fees	\$ -	\$ -	\$ -	\$ 10,000
	Total Other Financial Costs	-	-	-	10,000
Department Total		\$ 784,466	\$ 860,018	\$ 785,746	\$ 901,414

City of Bellaire

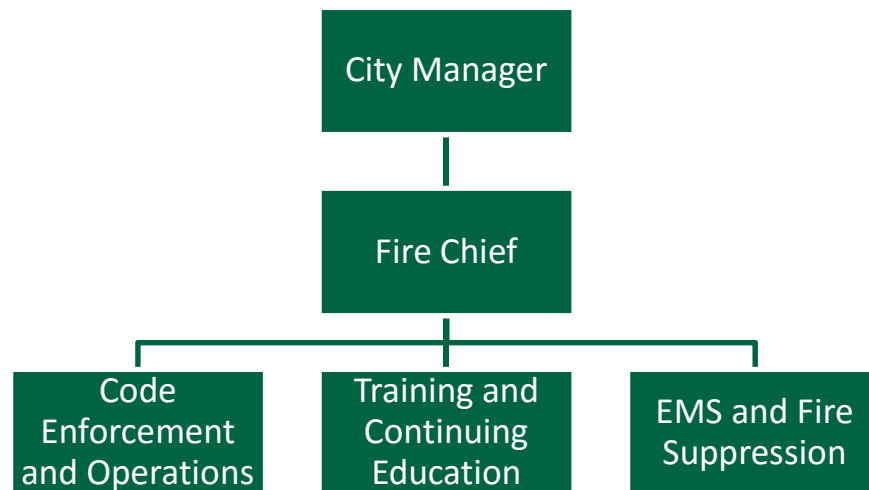
FY 2019

Fire

Why Statement

Bellaire Fire Department – Professionally compassionate during your greatest need. When someone considers moving to Bellaire, it is the safety of family that has the greatest influence in that decision making process. Bellaire Fire Department fulfills a portion of that decision, providing lifesaving and extinguishment expertise within minutes. Bellaire Fire Department is your partner in your safety and well-being.

Department Service Structure

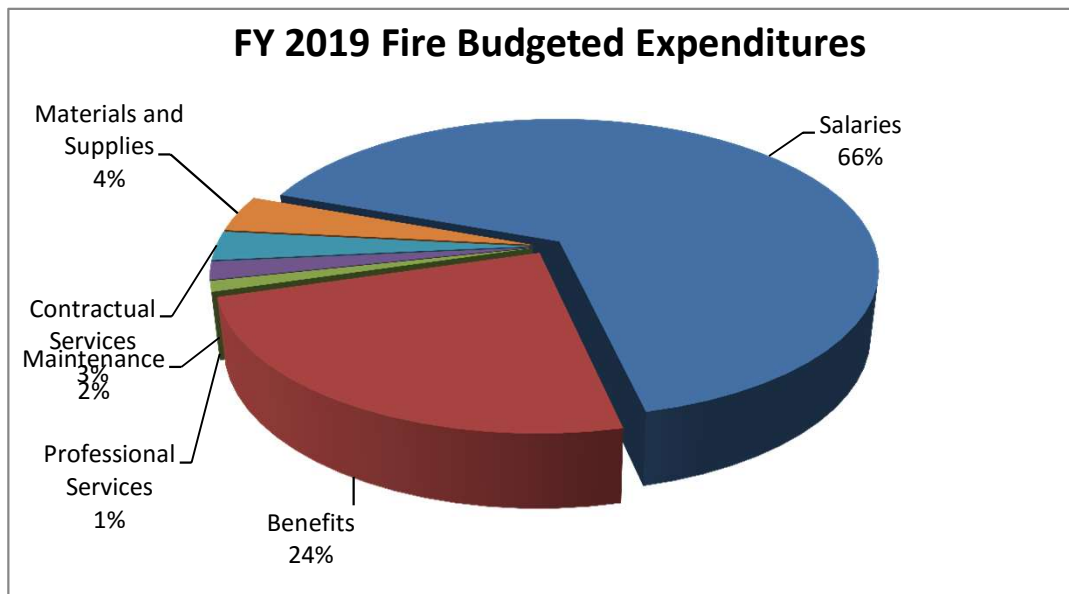


Base Level Services

- Management of administration, special services, fire and Emergency Medical Services (EMS) response, training, and volunteers
- Fire response
- EMS response with advanced life support ambulance
- Fire code inspection of commercial occupancies within Bellaire
- Building and fire sprinkler plan review of all new buildings
- Public education on hazards of fire
- Training of volunteers to meet state fireman and Fire Marshal Association guidelines

FIRE - 4040

Expenditure Summary	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 2,031,022	\$ 2,066,375	\$ 2,118,802	\$ 2,089,418
Benefits	695,214	726,497	733,778	760,276
Professional Services	30,162	50,190	50,400	36,046
Maintenance	56,473	64,811	64,811	61,878
Contractual Services	69,112	89,832	89,353	98,967
Materials and Supplies	101,127	116,623	116,123	124,280
Total Expenditures	\$ 2,983,110	\$ 3,114,328	\$ 3,173,267	\$ 3,170,865



FIRE - 4040

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 1,742,735	\$ 1,792,296	\$ 1,826,935	\$ 1,825,352
105	Incentive Pay	76,340	91,444	91,444	81,844
110	Part Time Employees	59,493	95,000	95,000	95,000
120	Overtime	120,721	59,760	59,760	59,760
130	Longevity	12,144	13,064	13,753	12,612
140	Sick Leave Buy Back	19,589	14,811	31,910	14,850
	Total Salaries	2,031,022	2,066,375	2,118,802	2,089,418
Benefits					
210	Group Health Insurance	199,073	228,179	224,874	239,516
211	Health Savings Account	10,400	18,200	18,200	18,200
215	Group Dental Insurance	4,011	4,255	4,255	5,505
217	Group Life Insurance	7,023	6,329	6,329	6,527
220	Disability Insurance	4,077	3,684	3,684	3,684
230	Medicare/Social Security	30,132	35,852	35,852	36,187
240	Retirement Contributions	417,368	406,498	417,084	410,900
260	Workers Compensation	23,130	23,500	23,500	39,757
	Total Benefits	695,214	726,497	733,778	760,276
Professional Services					
322	Medical Aid	190	2,690	2,900	3,770
340	Information Technology Contracts	-	1,000	1,000	1,000
343	Other Technical Services	29,972	46,500	46,500	31,276
	Total Professional Services	30,162	50,190	50,400	36,046
Maintenance					
411	Vehicle Maintenance	40,363	41,056	41,056	36,290
412	Communication Maintenance	2,108	6,096	6,096	6,888
413	Machinery and Equipment Maintenance	14,002	17,659	17,659	18,700
	Total Maintenance	56,473	64,811	64,811	61,878
Contractual Services					
520	Communications	3,840	3,840	3,840	3,840
522	Postage	367	1,775	1,000	1,000
550	Dues and Fees	1,563	5,221	5,517	5,816
551	Permits and Licenses	206	1,095	1,095	895
560	Travel Mileage Allowance	-	-	-	1,000
570	Education and Training	63,136	77,901	77,901	86,416
	Total Contractual Services	69,112	89,832	89,353	98,967

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

FIRE - 4040

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
600	Office Supplies	\$ 1,788	\$ 2,000	\$ 2,000	\$ 1,800
602	Small Tools and Minor Equipment	10,095	14,575	14,575	11,375
603	Janitorial and Cleaning Supplies	1,285	1,500	1,000	1,500
605	Vehicle Supplies	673	950	950	1,250
610	Operating Supplies	22,828	26,541	24,500	22,701
612	Chemicals	2,556	2,450	4,491	3,550
614	EMS - Medical Supplies	26,737	27,854	27,854	31,350
625	Fuel	10,650	13,000	13,000	21,100
644	Subscriptions	-	225	225	1,984
650	Uniforms/Wearing Apparel	24,515	27,528	27,528	27,670
Total Materials and Supplies		101,127	116,623	116,123	124,280
Department Total		\$ 2,983,110	\$ 3,114,328	\$ 3,173,267	\$ 3,170,865

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

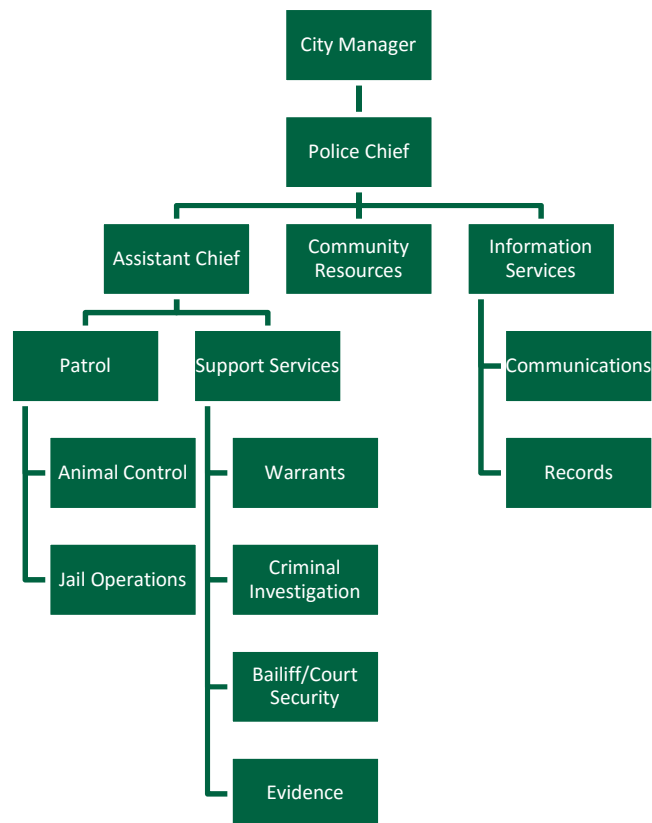
FY 2019

Police

Why Statement

The Bellaire Police Department exists to enhance the quality of life of citizens by safeguarding the rights and freedoms of all persons, providing a safe and secure community, investigating criminal incidents, and facilitating the flow of traffic.

Department Service Structure



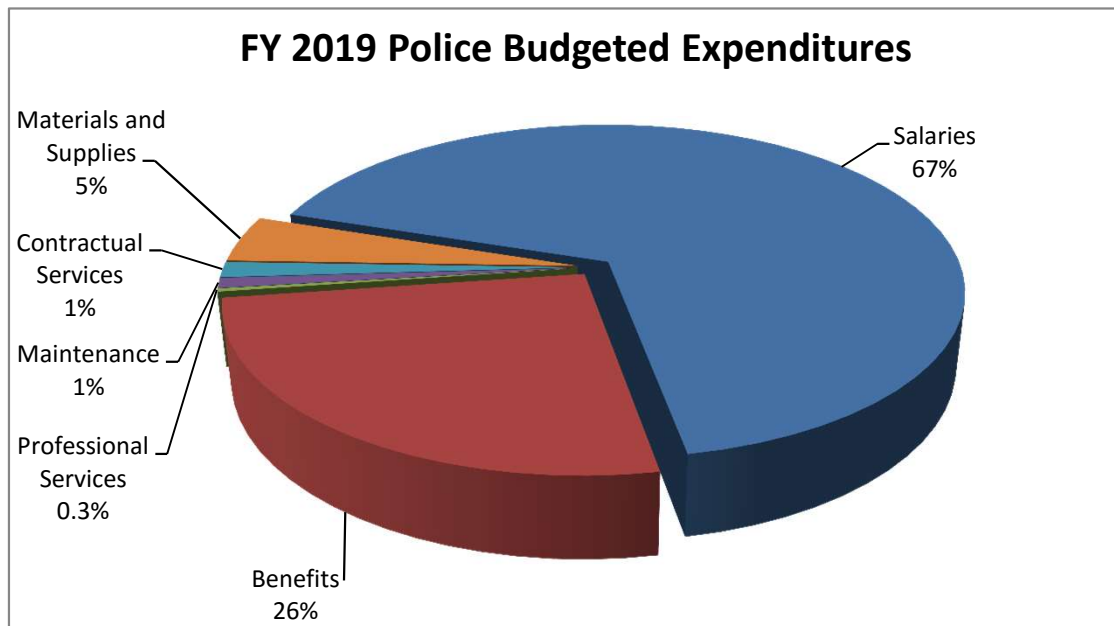
Base Level Services

- Manage the operations of Patrol, Support Services, and Information Services to provide for the community's safety and security
- Suppress and deter crime
- Investigate criminal activity
- Manage traffic
- Animal control
- Serve as a community resource through education and partnerships
- Maintain emergency communications for Police, Fire, and Emergency Medical Services
- Provide and manage court security, including the warrant function
- Manage the records function and evidence function within statute

POLICE - 5045

Expenditure Summary

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 4,132,286	\$ 4,263,056	\$ 4,179,551	\$ 4,508,254
Benefits	1,431,819	1,514,129	1,479,482	1,722,981
Professional Services	14,578	17,450	17,450	20,450
Maintenance	71,468	74,891	74,891	65,320
Contractual Services	77,387	98,063	98,063	99,087
Materials and Supplies	256,394	268,079	268,079	300,794
Total Expenditures	\$ 5,983,932	\$ 6,235,668	\$ 6,117,516	\$ 6,716,886



POLICE - 5045

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 3,521,699	\$ 3,824,940	\$ 3,711,670	\$ 4,037,631
105	Incentive Pay	157,709	220,993	220,993	215,363
110	Part Time Employees	135,562	120,919	80,000	151,968
120	Overtime	278,421	60,000	129,300	65,000
130	Longevity	23,375	24,204	25,588	26,592
140	Sick Leave Buy Back	15,520	12,000	12,000	11,700
	Total Salaries	4,132,286	4,263,056	4,179,551	4,508,254
Benefits					
210	Group Health Insurance	422,173	475,794	464,322	573,670
211	Health Savings Account	20,475	26,650	26,650	28,625
215	Group Dental Insurance	9,572	9,972	9,972	11,631
217	Group Life Insurance	14,291	17,005	17,005	17,515
220	Disability Insurance	8,370	9,954	9,954	10,392
230	Medicare/Social Security	54,871	65,946	65,946	69,845
240	Retirement Contributions	850,198	855,808	832,633	917,522
260	Workers Compensation	51,869	53,000	53,000	93,781
	Total Benefits	1,431,819	1,514,129	1,479,482	1,722,981
Professional Services					
313	Employee Screening	-	-	-	3,000
324	Other Professional	14,578	17,450	17,450	17,450
	Total Professional Services	14,578	17,450	17,450	20,450
Maintenance					
411	Vehicle Maintenance	58,233	60,000	60,000	56,560
412	Communication Maintenance	472	2,976	2,976	2,500
413	Machinery and Equipment Maintenance	4,874	2,760	2,760	2,260
426	Firing Range Maintenance	2,196	2,000	2,000	1,500
461	Rental of Equipment	5,693	7,155	7,155	2,500
	Total Maintenance	71,468	74,891	74,891	65,320
Contractual Services					
520	Communications	5,280	6,720	6,720	6,720
522	Postage	1,002	1,000	1,000	1,000
550	Dues and Fees	1,415	4,302	4,302	4,482
551	Permits and Licenses	4,923	7,125	7,125	7,125
560	Travel Mileage Allowance	9,163	16,300	16,300	16,300
570	Education and Training	55,604	62,616	62,616	63,460
	Total Contractual Services	77,387	98,063	98,063	99,087

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

POLICE - 5045

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
600	Office Supplies	\$ 7,928	\$ 10,020	\$ 10,020	\$ 10,300
601	Information Technology Supplies	16,116	18,400	18,400	18,500
602	Small Tools and Minor Equipment	18,810	33,760	33,760	36,295
604	First Aid Supplies	367	500	500	500
605	Vehicle Supplies	2,216	2,000	2,000	2,000
606	Community Education Supplies	4,802	4,500	4,500	5,000
610	Operating Supplies	64,709	45,274	45,274	42,699
612	Chemicals	-	200	200	200
625	Fuel	77,695	85,000	85,000	118,600
650	Uniforms/Wearing Apparel	59,069	60,300	60,300	60,200
651	Prisoners Support	4,185	5,125	5,125	4,000
652	Dog Pound	497	3,000	3,000	2,500
Total Materials and Supplies		256,394	268,079	268,079	300,794
Department Total		\$ 5,983,932	\$ 6,235,668	\$ 6,117,516	\$ 6,716,886

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

Parks, Recreation, and Facilities

Why Statement

The Parks, Recreation, and Facilities Department exists to create and foster relationships in the community through providing services, events, programs, parks and communication with local organizations. The department directly relates to the City mission via continuing dedication to offering quality facilities and services to the community that enhances quality of life.

Department Service Structure

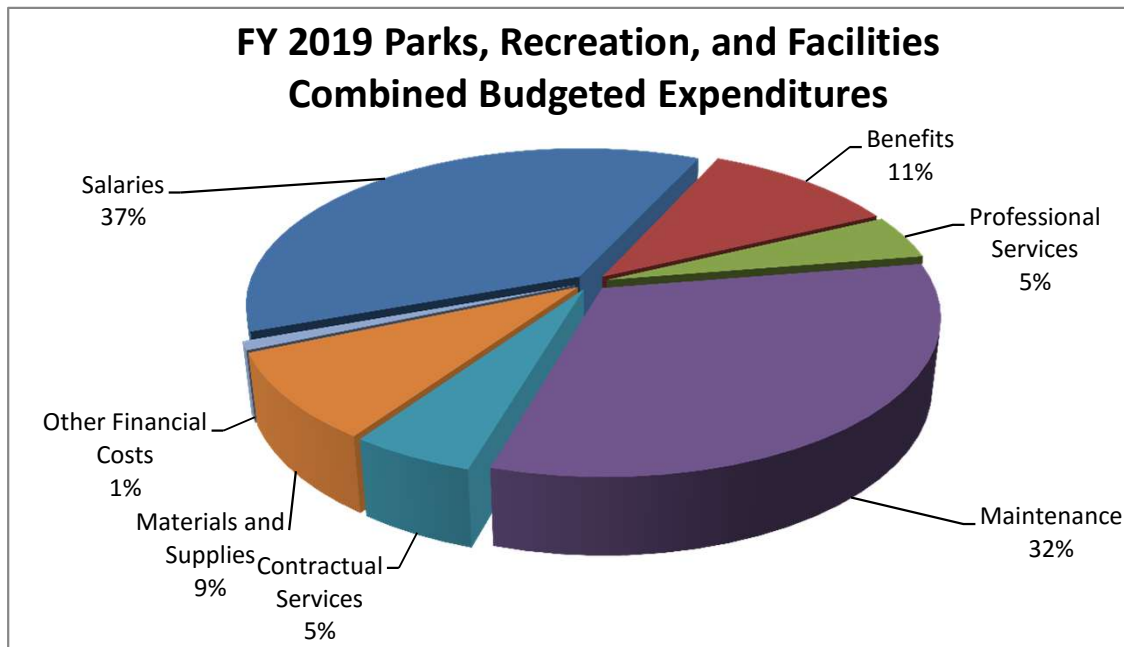


Base Level Services

- Manages the divisions of Park Operations, Community Programs, Construction Management, and Facility Maintenance
- Assists in planning, design, and construction of all capital improvement related park and facility projects
- Centralized special events planning and community programing
- Planning and implementation of community special events, recreation programs, aquatics, senior citizens, youth, and athletic services
- Maintenance of all public facilities and land including city hall, fire station, police station, library, public works facilities, swimming pools, parks and right of ways

PARKS, RECREATION, AND FACILITIES COMBINED EXPENDITURES

Expenditure Summary	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 1,359,247	\$ 1,324,927	\$ 1,329,825	\$ 1,419,175
Benefits	384,989	382,662	380,700	420,929
Professional Services	143,367	218,720	153,200	173,720
Maintenance	1,106,819	1,234,164	1,190,741	1,221,038
Contractual Services	214,299	234,040	230,612	192,438
Materials and Supplies	322,210	344,580	330,792	338,480
Other Financial Costs	32,401	34,000	32,000	34,000
Total Expenditures	\$ 3,563,332	\$ 3,773,093	\$ 3,647,870	\$ 3,799,780



PARKS, RECREATION, AND FACILITIES COMBINED EXPENDITURES

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 796,548	\$ 799,739	\$ 779,726	\$ 882,951
110	Part Time Employees	539,011	502,900	526,600	517,900
120	Overtime	8,327	9,300	10,450	9,300
130	Longevity	6,679	5,188	5,249	4,624
140	Sick Leave Buy Back	8,682	7,800	7,800	4,400
	Total Salaries	1,359,247	1,324,927	1,329,825	1,419,175
Benefits					
210	Group Health Insurance	115,870	120,152	122,283	141,938
211	Health Savings Account	13,000	13,000	13,000	13,000
215	Group Dental Insurance	2,302	2,219	2,219	2,904
217	Group Life Insurance	3,297	3,697	3,697	3,925
220	Disability Insurance	1,956	2,179	2,179	2,307
230	Medicare/Social Security	52,394	50,212	50,212	52,507
240	Retirement Contributions	173,841	169,503	165,410	185,685
250	Unemployment Compensation	867	-	-	-
260	Workers Compensation	21,462	21,700	21,700	18,663
	Total Benefits	384,989	382,662	380,700	420,929
Professional Services					
320	Instructor Pay	117,572	126,500	94,000	111,500
324	Other Professional	-	61,500	30,000	31,500
340	Information Technology Contracts	1,631	2,820	1,300	2,820
342	Trash Hauls	9,269	9,900	9,900	9,900
344	Contract Labor	14,895	18,000	18,000	18,000
	Total Professional Services	143,367	218,720	153,200	173,720
Maintenance					
411	Vehicle Maintenance	6,883	5,500	2,904	3,974
413	Machinery and Equipment Maintenance	13,153	17,400	13,301	17,400
420	Building Maintenance	317,423	343,762	328,762	343,462
421	HVAC Maintenance	116,125	110,068	125,000	110,768
422	Grounds Maintenance	118,116	130,000	130,000	133,000
424	Pool Maintenance	113,235	109,600	109,600	104,600
425	Parks Maintenance	421,750	515,684	480,684	505,684
461	Rental of Equipment	134	2,150	490	2,150
	Total Maintenance	1,106,819	1,234,164	1,190,741	1,221,038

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

PARKS, RECREATION, AND FACILITIES COMBINED EXPENDITURES

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Contractual Services					
520	Communications	\$ 5,843	\$ 6,720	\$ 6,400	\$ 7,200
522	Postage	1,403	1,800	1,350	1,800
530	Advertisements and Official Notices	1,321	1,250	425	1,250
540	Programs - Special Events	119,516	138,000	138,000	83,000
541	Programs - Senior Activities	10,846	12,000	12,000	24,000
542	Programs - Athletics	48,112	48,800	48,000	48,800
544	Programs - Recreation/Pool	8,311	9,500	10,500	9,500
550	Dues and Fees	3,506	4,510	3,334	4,410
551	Permits and Licenses	1,837	1,700	1,250	1,700
552	Rental - Facilities	-	-	-	828
560	Travel Mileage Allowance	-	-	2,756	-
570	Education and Training	13,604	9,760	6,597	9,950
Total Contractual Services		214,299	234,040	230,612	192,438
Materials and Supplies					
600	Office Supplies	4,047	3,500	3,500	3,500
601	Information Technology Supplies	1,352	2,200	2,394	2,200
602	Small Tools and Minor Equipment	8,270	10,200	8,000	10,200
603	Janitorial and Cleaning Supplies	6,116	8,700	6,500	8,700
604	First Aid Supplies	1,519	2,400	2,100	2,400
605	Vehicle Supplies	257	300	300	300
610	Operating Supplies	32,931	36,900	31,900	31,900
612	Chemicals	57,142	45,850	50,120	45,850
620	Natural Gas	20,614	35,030	33,700	35,030
621	Electricity	178,116	181,000	178,000	181,000
625	Fuel	6,078	9,000	5,000	7,300
650	Uniforms/Wearing Apparel	5,768	9,500	9,278	10,100
Total Materials and Supplies		322,210	344,580	330,792	338,480
Other Financial Costs					
711	Credit Card Fees	32,401	34,000	32,000	34,000
Total Other Financial Costs		32,401	34,000	32,000	34,000
Department Total		\$ 3,563,332	\$ 3,773,093	\$ 3,647,870	\$ 3,799,780

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

FACILITIES - 6015

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 125,811	\$ 118,852	\$ 119,372	\$ 123,801
110	Part Time Employees	2,412	2,900	1,400	2,900
120	Overtime	2,658	1,800	3,300	1,800
130	Longevity	2,759	740	740	884
140	Sick Leave Buy Back	1,846	600	600	1,200
	Total Salaries	135,486	124,892	125,412	130,585
Benefits					
210	Group Health Insurance	21,359	25,141	21,299	25,041
211	Health Savings Account	2,600	2,600	2,600	2,600
215	Group Dental Insurance	485	472	472	541
217	Group Life Insurance	492	604	604	593
220	Disability Insurance	294	349	349	349
230	Medicare/Social Security	1,901	1,811	1,811	1,893
240	Retirement Contributions	28,540	25,155	25,262	26,306
260	Workers Compensation	2,793	2,800	2,800	2,013
	Total Benefits	58,464	58,932	55,197	59,336
Professional Services					
324	Other Professional	-	60,000	30,000	30,000
342	Trash Hauls	6,391	6,400	6,400	6,400
	Total Professional Services	6,391	66,400	36,400	36,400
Maintenance					
411	Vehicle Maintenance	2,240	1,500	88	838
420	Building Maintenance	314,711	343,762	328,762	343,462
421	HVAC Maintenance	116,125	110,068	125,000	110,768
422	Grounds Maintenance	13	-	-	-
461	Rental of Equipment	-	400	400	400
	Total Maintenance	433,089	455,730	454,250	455,468
Contractual Services					
520	Communications	1,046	1,440	1,800	1,440
550	Dues and Fees	410	225	250	225
570	Education and Training	2,482	900	882	1,200
	Total Contractual Services	3,938	2,565	2,932	2,865

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

FACILITIES - 6015

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
602	Small Tools and Minor Equipment	\$ 931	\$ 1,500	\$ 1,500	\$ 1,500
603	Janitorial and Cleaning Supplies	4,252	4,500	3,500	4,500
610	Operating Supplies	4,398	4,800	4,800	4,800
612	Chemicals	-	650	-	650
620	Natural Gas	9,057	12,630	13,700	12,630
621	Electricity	147,935	150,000	150,000	150,000
625	Fuel	-	500	-	-
650	Uniforms/Wearing Apparel	686	1,000	778	1,000
Total Materials and Supplies		167,259	175,580	174,278	175,080
Department Total		\$ 804,627	\$ 884,099	\$ 848,469	\$ 859,734

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

ADMINISTRATION - 6030

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 249,673	\$ 254,349	\$ 215,996	\$ 316,812
110	Part Time Employees	11,796	-	10,200	-
120	Overtime	183	1,000	650	1,000
130	Longevity	1,376	1,520	1,581	952
140	Sick Leave Buy Back	4,188	3,000	3,000	300
	Total Salaries	267,216	259,869	231,427	319,064
Benefits					
210	Group Health Insurance	23,236	25,141	21,197	33,387
211	Health Savings Account	2,600	2,600	2,600	2,600
215	Group Dental Insurance	492	472	472	675
217	Group Life Insurance	1,044	1,148	1,148	1,387
220	Disability Insurance	607	667	667	789
230	Medicare/Social Security	4,518	3,768	3,768	4,626
240	Retirement Contributions	54,000	53,585	45,738	65,735
250	Unemployment Compensation	867	-	-	-
260	Workers Compensation	2,155	2,200	2,200	770
	Total Benefits	89,519	89,581	77,790	109,969
Contractual Services					
520	Communications	960	1,440	760	1,920
522	Postage	733	1,200	750	1,200
530	Advertisements and Official Notices	420	750	-	750
550	Dues and Fees	425	900	505	900
570	Education and Training	4,198	2,300	800	3,400
	Total Contractual Services	6,736	6,590	2,815	8,170
Materials and Supplies					
600	Office Supplies	3,867	3,500	3,500	3,500
610	Operating Supplies	1,253	1,000	1,000	1,000
650	Uniforms/Wearing Apparel	-	-	-	600
	Total Materials and Supplies	5,120	4,500	4,500	5,100
Department Total		\$ 368,591	\$ 360,540	\$ 316,532	\$ 442,303

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

MAINTENANCE - 6031

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 194,104	\$ 197,893	\$ 198,010	\$ 206,133
120	Overtime	5,486	2,500	2,500	2,500
130	Longevity	2,072	2,264	2,264	2,456
140	Sick Leave Buy Back	2,648	2,700	2,700	2,900
	Total Salaries	204,310	205,357	205,474	213,989
Benefits					
210	Group Health Insurance	38,589	40,686	43,778	50,122
211	Health Savings Account	4,550	4,550	4,550	4,550
215	Group Dental Insurance	658	632	632	1,012
217	Group Life Insurance	783	864	864	860
220	Disability Insurance	488	537	537	537
230	Medicare/Social Security	2,626	2,978	2,978	3,103
240	Retirement Contributions	43,313	42,345	42,369	44,087
260	Workers Compensation	3,430	3,500	3,500	2,988
	Total Benefits	94,437	96,092	99,208	107,259
Professional Services					
342	Trash Hauls	2,878	3,500	3,500	3,500
344	Contract Labor	14,895	18,000	18,000	18,000
	Total Professional Services	17,773	21,500	21,500	21,500
Maintenance					
411	Vehicle Maintenance	3,911	3,000	2,800	2,136
413	Machinery and Equipment Maintenance	535	1,500	-	1,500
422	Grounds Maintenance	118,103	130,000	130,000	133,000
425	Parks Maintenance	421,750	515,684	480,684	505,684
461	Rental of Equipment	134	1,750	90	1,750
	Total Maintenance	544,433	651,934	613,574	644,070
Contractual Services					
520	Communications	1,917	1,920	1,920	1,920
530	Advertisements and Official Notices	901	500	425	500
550	Dues and Fees	236	425	225	325
552	Rental - Facilities	-	-	-	828
560	Travel Mileage Allowance	-	-	2,756	-
551	Permits and Licenses	-	50	-	50
570	Education and Training	3,405	2,150	1,373	1,250
	Total Contractual Services	6,459	5,045	6,699	4,873

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

MAINTENANCE - 6031

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
602	Small Tools and Minor Equipment	\$ 2,899	\$ 4,000	\$ 4,000	\$ 4,000
603	Janitorial and Cleaning Supplies	525	1,000	1,000	1,000
604	First Aid Supplies	-	100	100	100
605	Vehicle Supplies	257	300	300	300
610	Operating Supplies	3,622	4,000	4,000	4,000
612	Chemicals	94	200	120	200
625	Fuel	6,078	8,500	5,000	7,300
650	Uniforms/Wearing Apparel	950	1,500	1,500	1,500
Total Materials and Supplies		14,425	19,600	16,020	18,400
Department Total		\$ 881,837	\$ 999,528	\$ 962,475	\$ 1,010,091

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

RECREATION - 6032

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 112,552	\$ 113,311	\$ 109,576	\$ 116,068
110	Part Time Employees	82,833	90,000	90,000	90,000
130	Longevity	364	460	460	236
	Total Salaries	195,749	203,771	200,036	206,304
Benefits					
210	Group Health Insurance	12,999	14,592	14,200	16,694
211	Health Savings Account	1,300	1,300	1,300	1,300
215	Group Dental Insurance	364	363	363	338
217	Group Life Insurance	489	542	542	546
220	Disability Insurance	283	313	313	319
230	Medicare/Social Security	7,979	8,535	8,535	8,571
240	Retirement Contributions	23,831	23,460	22,696	23,962
260	Workers Compensation	3,750	3,800	3,800	498
	Total Benefits	50,995	52,905	51,749	52,228
Professional Services					
320	Instructor Pay	93,252	100,000	70,000	85,000
340	Information Technology Contracts	1,631	2,820	1,300	2,820
	Total Professional Services	94,883	102,820	71,300	87,820
Maintenance					
411	Vehicle Maintenance	732	1,000	16	1,000
413	Machinery and Equipment Maintenance	2,371	2,400	982	2,400
	Total Maintenance	3,103	3,400	998	3,400
Contractual Services					
520	Communications	960	960	960	960
522	Postage	670	600	600	600
540	Programs - Special Events	119,516	138,000	138,000	83,000
541	Programs - Senior Activities	10,846	12,000	12,000	24,000
544	Programs - Recreation/Pool	3,639	3,500	3,500	3,500
550	Dues and Fees	654	700	700	700
551	Permits and Licenses	1,694	1,500	1,107	1,500
570	Education and Training	912	1,800	1,700	1,800
	Total Contractual Services	138,891	159,060	158,567	116,060
Materials and Supplies					
601	Information Technology Supplies	1,352	2,200	2,394	2,200
610	Operating Supplies	19,845	16,800	11,800	11,800
650	Uniforms/Wearing Apparel	1,456	2,000	2,000	2,000
	Total Materials and Supplies	22,653	21,000	16,194	16,000

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

RECREATION - 6032

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Other Financial Costs					
711	Credit Card Fees	\$ 32,401	\$ 34,000	\$ 32,000	\$ 34,000
	Total Other Financial Costs	32,401	34,000	32,000	34,000
Department Total					
		\$ 538,675	\$ 576,956	\$ 530,844	\$ 515,812

AQUATICS - 6033

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 53,694	\$ 53,798	\$ 53,513	\$ 56,038
110	Part Time Employees	329,109	310,000	325,000	325,000
120	Overtime	-	4,000	4,000	4,000
130	Longevity	24	72	72	48
140	Sick Leave Buy Back	-	1,500	1,500	-
	Total Salaries	382,827	369,370	384,085	385,086
Benefits					
210	Group Health Insurance	13,128	7,296	11,314	8,347
211	Health Savings Account	1,300	1,300	1,300	1,300
215	Group Dental Insurance	133	115	115	169
217	Group Life Insurance	226	247	247	247
220	Disability Insurance	131	144	144	144
230	Medicare/Social Security	25,855	24,576	24,576	25,734
240	Retirement Contributions	11,298	12,242	12,184	12,379
260	Workers Compensation	6,382	6,400	6,400	8,690
	Total Benefits	58,453	52,320	56,280	57,010
Professional Services					
320	Instructor Pay	10,793	12,500	10,000	12,500
324	Other Professional	-	1,500	-	1,500
	Total Professional Services	10,793	14,000	10,000	14,000
Maintenance					
413	Machinery and Equipment Maintenance	8,549	10,500	10,500	10,500
420	Building Maintenance	2,712	-	-	-
424	Pool Maintenance	113,235	109,600	109,600	104,600
	Total Maintenance	124,496	120,100	120,100	115,100
Contractual Services					
520	Communications	480	480	480	480
544	Programs - Recreation/Pool	4,672	6,000	7,000	6,000
550	Dues and Fees	100	350	350	350
570	Education and Training	1,647	1,600	715	1,600
	Total Contractual Services	6,899	8,430	8,545	8,430

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

AQUATICS - 6033

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
600	Office Supplies	180	-	-	-
602	Small Tools and Minor Equipment	4,440	4,700	2,500	4,700
603	Janitorial and Cleaning Supplies	1,339	3,200	2,000	3,200
604	First Aid Supplies	1,519	2,000	2,000	2,000
610	Operating Supplies	3,813	10,300	10,300	10,300
612	Chemicals	57,048	45,000	50,000	45,000
620	Natural Gas	11,557	22,400	20,000	22,400
621	Electricity	30,181	31,000	28,000	31,000
650	Uniforms/Wearing Apparel	2,676	5,000	5,000	5,000
Total Materials and Supplies		112,753	123,600	119,800	123,600
Department Total		\$ 696,221	\$ 687,820	\$ 698,810	\$ 703,226

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

ATHLETICS - 6034

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 60,714	\$ 61,536	\$ 83,259	\$ 64,099
110	Part Time Employees	112,861	100,000	100,000	100,000
130	Longevity	84	132	132	48
	Total Salaries	173,659	161,668	183,391	164,147
Benefits					
210	Group Health Insurance	6,559	7,296	10,495	8,347
211	Health Savings Account	650	650	650	650
215	Group Dental Insurance	170	165	165	169
217	Group Life Insurance	263	292	292	292
220	Disability Insurance	153	169	169	169
230	Medicare/Social Security	9,515	8,544	8,544	8,580
240	Retirement Contributions	12,859	12,716	17,161	13,216
260	Workers Compensation	2,952	3,000	3,000	3,704
	Total Benefits	33,121	32,832	40,476	35,127
Professional Services					
320	Instructor Pay	13,527	14,000	14,000	14,000
	Total Professional Services	13,527	14,000	14,000	14,000
Maintenance					
413	Machinery and Equipment Maintenance	1,698	3,000	1,819	3,000
	Total Maintenance	1,698	3,000	1,819	3,000
Contractual Services					
520	Communications	480	480	480	480
542	Programs - Athletics	48,112	48,800	48,000	48,800
550	Dues and Fees	1,681	1,910	1,304	1,910
551	Permits and Licenses	143	150	143	150
570	Education and Training	960	1,010	1,127	700
	Total Contractual Services	51,376	52,350	51,054	52,040
Materials and Supplies					
604	First Aid Supplies	-	300	-	300
	Total Materials and Supplies	-	300	-	300
Department Total		\$ 273,381	\$ 264,150	\$ 290,740	\$ 268,614

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

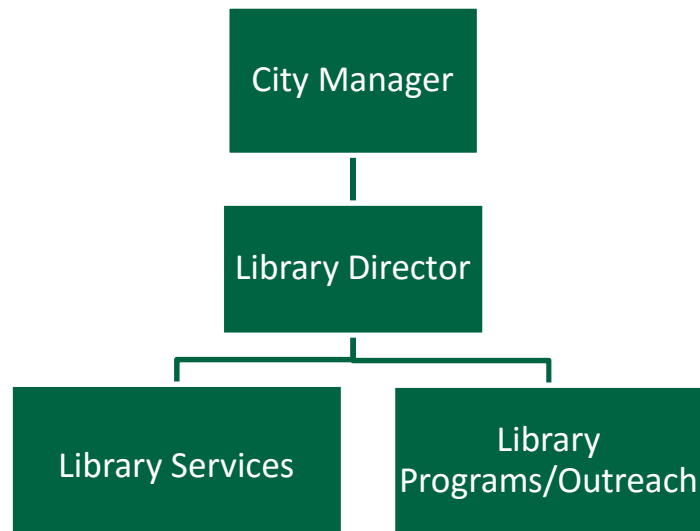
FY 2019

Library

Why Statement

The Bellaire City Library serves as an information center: connecting people with information, ideas and experiences to promote life-long learning and literacy development that will strengthen the Bellaire community.

Department Service Structure



Base Level Services

Library Services

- Manage the resources of the library (materials, space and people)
- Offers learning opportunities through the selection, preservation, and organization of books and related educational and recreational materials
- Provide public access to technology with computers connected to the Internet, electronic services and basic office machinery
- Library building provides meeting and study spaces for lifelong learners

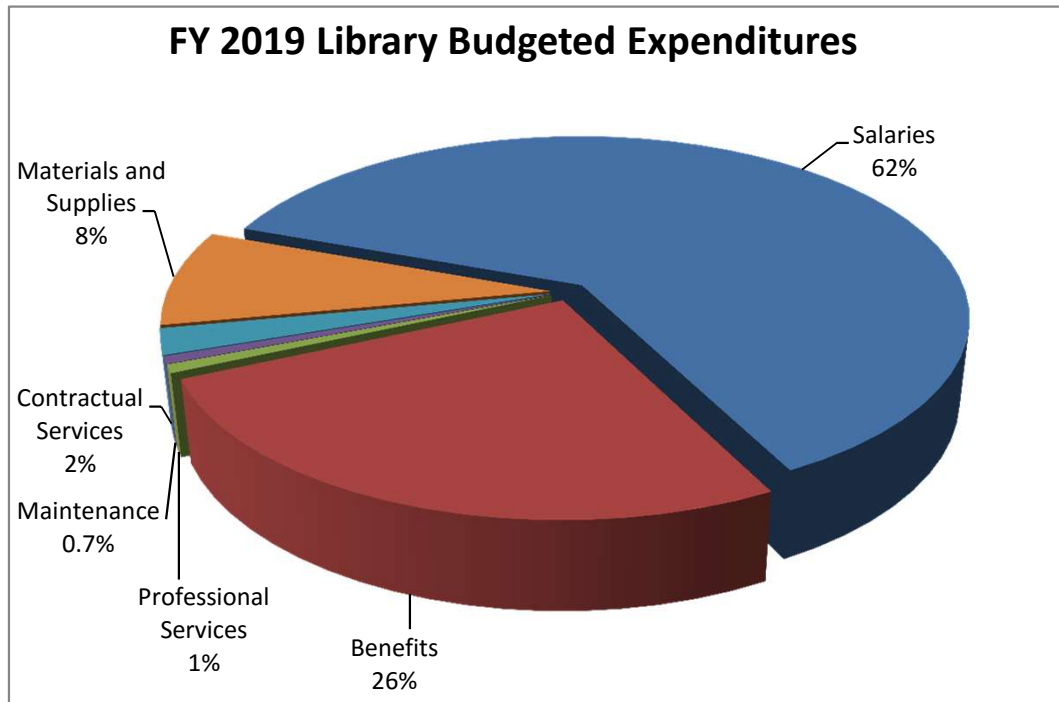
Library Programs/Outreach

- Promotes early childhood literacy and summer reading opportunities for all ages
- Serve the community as a center of reliable information for civic engagement, providing assistance to those gathering materials and facts within the library and referring individuals and organizations to other resources when necessary
- Support the educational, civic and cultural activities of groups, organizations and businesses with speaking engagements and participation support
- Preserve civic memory by collecting and maintaining local historical archives and making the information available to researchers and residents wanting to learn about Bellaire history

LIBRARY - 7035

Expenditure Summary

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 413,978	\$ 440,262	\$ 404,379	\$ 457,982
Benefits	159,832	174,732	168,921	191,520
Professional Services	2,252	8,320	5,318	5,410
Maintenance	2,509	2,800	3,100	4,940
Contractual Services	14,894	14,572	13,819	16,765
Materials and Supplies	60,624	63,940	64,790	62,977
Total Expenditures	\$ 654,089	\$ 704,626	\$ 660,327	\$ 739,594



LIBRARY - 7035

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 393,544	\$ 420,981	\$ 383,549	\$ 439,145
110	Part Time Employees	12,143	11,909	13,400	10,725
120	Overtime	-	-	50	-
130	Longevity	6,702	4,972	4,980	5,312
140	Sick Leave Buy Back	1,589	2,400	2,400	2,800
	Total Salaries	413,978	440,262	404,379	457,982
Benefits					
210	Group Health Insurance	59,264	68,287	70,135	80,718
211	Health Savings Account	5,850	6,067	6,067	5,850
215	Group Dental Insurance	1,164	1,226	1,226	1,452
217	Group Life Insurance	1,346	1,648	1,648	1,643
220	Disability Insurance	884	1,056	1,056	1,055
230	Medicare/Social Security	5,759	7,122	7,122	7,306
240	Retirement Contributions	84,686	88,326	80,667	92,146
260	Workers Compensation	879	1,000	1,000	1,350
	Total Benefits	159,832	174,732	168,921	191,520
Professional Services					
324	Other Professional	2,252	2,320	2,318	2,410
340	Information Technology Contracts	-	6,000	3,000	3,000
	Total Professional Services	2,252	8,320	5,318	5,410
Maintenance					
413	Machinery and Equipment Maintenance	43	100	100	670
461	Rental of Equipment	2,466	2,700	3,000	4,270
	Total Maintenance	2,509	2,800	3,100	4,940
Contractual Services					
522	Postage	86	250	250	200
543	Programs - Library	1,998	2,500	2,500	2,000
550	Dues and Fees	801	1,079	1,006	1,155
551	Permits and Licenses	8,551	8,805	8,425	8,801
570	Education and Training	3,458	1,938	1,638	4,609
	Total Contractual Services	14,894	14,572	13,819	16,765

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

LIBRARY - 7035

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
600	Office Supplies	\$ 674	\$ 1,000	\$ 1,350	\$ 1,200
602	Small Tools and Minor Equipment	4	50	50	50
604	First Aid Supplies	-	20	20	20
610	Operating Supplies	2,497	2,500	2,850	3,000
640	Adult/Reference Books	20,571	25,200	25,000	23,760
641	Children's/Youth Books	21,768	22,320	22,320	22,997
642	Periodicals	4,062	4,100	4,500	4,300
643	Audio-Visual	10,835	8,500	8,500	7,450
650	Uniforms/Wearing Apparel	213	250	200	200
Total Materials and Supplies		60,624	63,940	64,790	62,977
Department Total		\$ 654,089	\$ 704,626	\$ 660,327	\$ 739,594

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

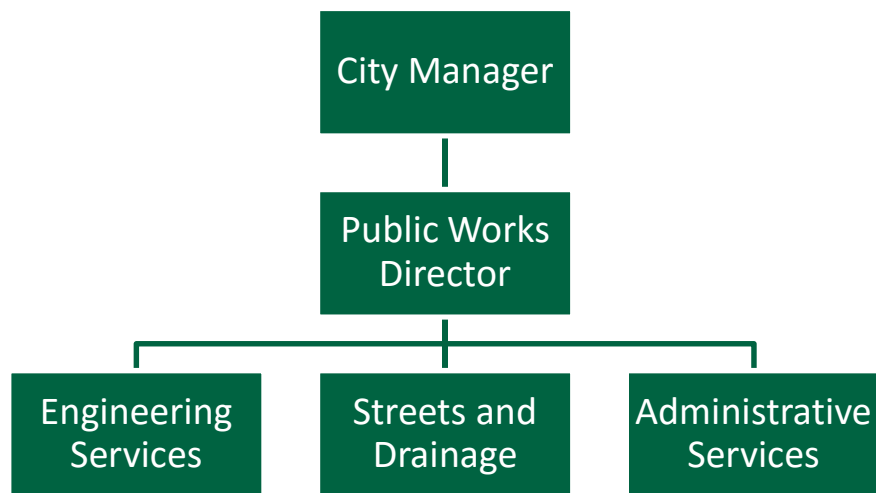
FY 2019

Public Works

Why Statement

The Streets and Drainage Division of the Public Works Department is responsible for the maintenance and operation of all City of Bellaire street, drainage, and traffic control system infrastructure. This work is done to ensure proper system functionality and to maximize the useable life of the infrastructure assets.

Department Service Structure



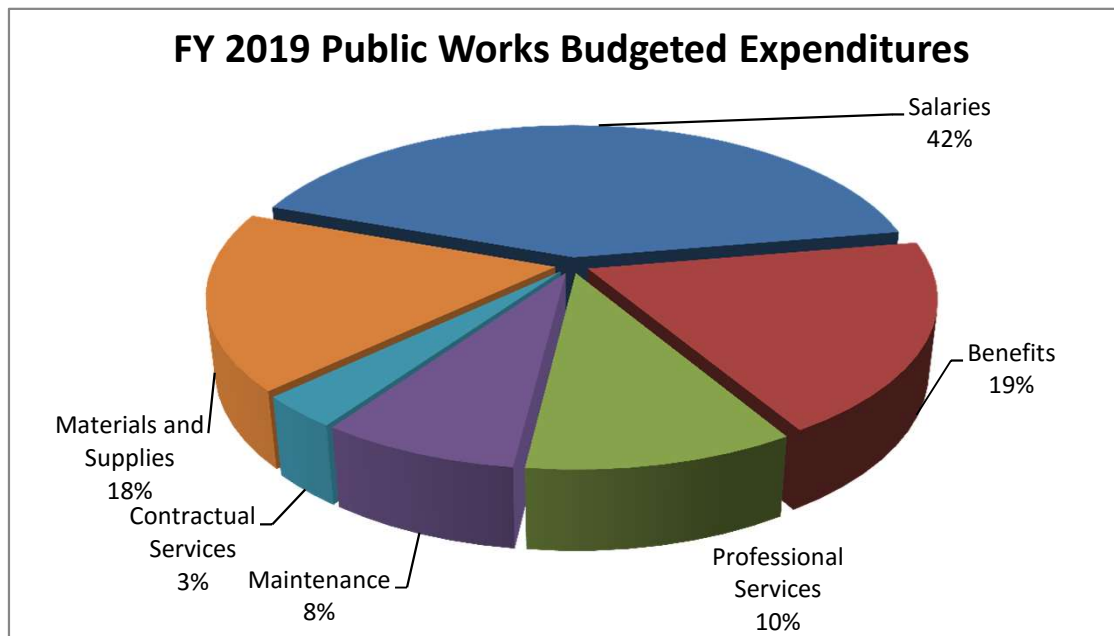
Base Level Services

- Repairs to City streets via in house resources or contractor
- Inspection and cleaning of City storm sewer infrastructure
- Repairs to City storm drainage system via in house resources or contractor
- Cleaning streets of accumulated dirt, debris, and leaves using the City-owned street sweeper
- Maintaining the City's traffic control devices: traffic signals, traffic control signage, street name signs, etc., through in house or contracted resources

PUBLIC WORKS - 8051

Expenditure Summary

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 435,771	\$ 406,161	\$ 387,100	\$ 506,425
Benefits	189,660	182,410	173,440	231,477
Professional Services	128,469	128,000	145,000	128,000
Maintenance	94,043	106,000	116,500	94,245
Contractual Services	6,096	41,024	36,524	39,024
Materials and Supplies	200,409	210,244	212,744	213,544
Total Expenditures	\$ 1,054,448	\$ 1,073,839	\$ 1,071,308	\$ 1,212,715



PUBLIC WORKS - 8051

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 411,061	\$ 394,977	\$ 368,278	\$ 495,521
110	Part Time Employees	2,041	-	-	-
120	Overtime	19,592	8,000	15,709	9,000
125	Call Out Pay	1,727	2,000	2,000	1,000
130	Longevity	1,350	584	513	904
140	Sick Leave Buy Back	-	600	600	-
	Total Salaries	435,771	406,161	387,100	506,425
Benefits					
210	Group Health Insurance	65,829	63,021	58,572	90,464
211	Health Savings Account	6,500	8,044	8,044	9,193
215	Group Dental Insurance	1,444	1,414	1,414	1,682
217	Group Life Insurance	1,644	1,451	1,451	1,665
220	Disability Insurance	954	841	841	930
230	Medicare/Social Security	6,182	5,889	5,889	7,343
240	Retirement Contributions	90,353	83,750	79,229	104,336
260	Workers Compensation	16,754	18,000	18,000	15,864
	Total Benefits	189,660	182,410	173,440	231,477
Professional Services					
323	Engineering Services	77,350	103,000	103,000	103,000
324	Other Professional	-	-	10,000	-
344	Contract Labor	51,119	25,000	32,000	25,000
	Total Professional Services	128,469	128,000	145,000	128,000
Maintenance					
411	Vehicle Maintenance	25,020	27,000	26,000	19,250
413	Machinery and Equipment Maintenance	1,515	2,000	2,000	2,000
430	Paving Maintenance	19,216	33,000	33,000	28,995
431	Storm Sewer Maintenance	838	8,000	8,500	8,000
438	Traffic Signal Maintenance	46,621	35,000	46,000	35,000
461	Rental of Equipment	833	1,000	1,000	1,000
	Total Maintenance	94,043	106,000	116,500	94,245
Contractual Services					
520	Communications	723	5,080	5,080	4,080
522	Postage	204	3,000	3,000	3,000
530	Advertisements and Official Notices	189	1,000	1,000	1,000
550	Dues and Fees	360	2,700	2,700	2,700
551	Permits and Licenses	111	10,344	10,344	10,344
560	Travel Mileage Allowance	818	3,000	3,000	2,000
570	Education and Training	3,691	15,900	11,400	15,900
	Total Contractual Services	6,096	41,024	36,524	39,024

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

PUBLIC WORKS - 8051

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
600	Office Supplies	\$ 1,986	\$ 2,000	\$ 3,000	\$ 2,000
602	Small Tools and Minor Equipment	4,334	5,000	5,000	5,000
604	First Aid Supplies	190	300	300	300
605	Vehicle Supplies	323	400	400	400
610	Operating Supplies	2,515	2,980	4,480	2,980
612	Chemicals	-	500	500	500
613	Traffic Signs and Street Markers	13,407	15,000	15,000	15,000
621	Electricity	155,709	158,300	158,300	158,300
625	Fuel	19,198	22,000	22,000	25,300
650	Uniforms/Wearing Apparel	2,747	3,764	3,764	3,764
Total Materials and Supplies		200,409	210,244	212,744	213,544
Department Total		\$ 1,054,448	\$ 1,073,839	\$ 1,071,308	\$ 1,212,715

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

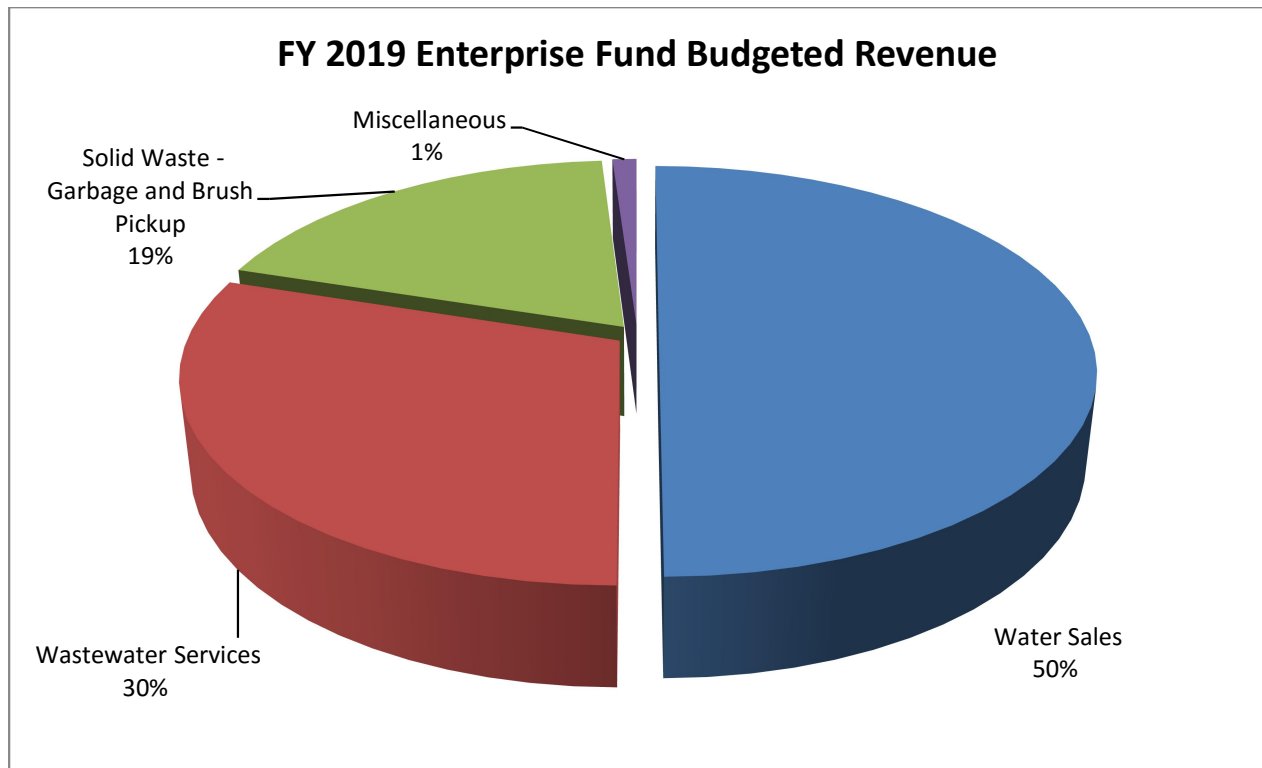
FY 2019

Enterprise Fund

Description

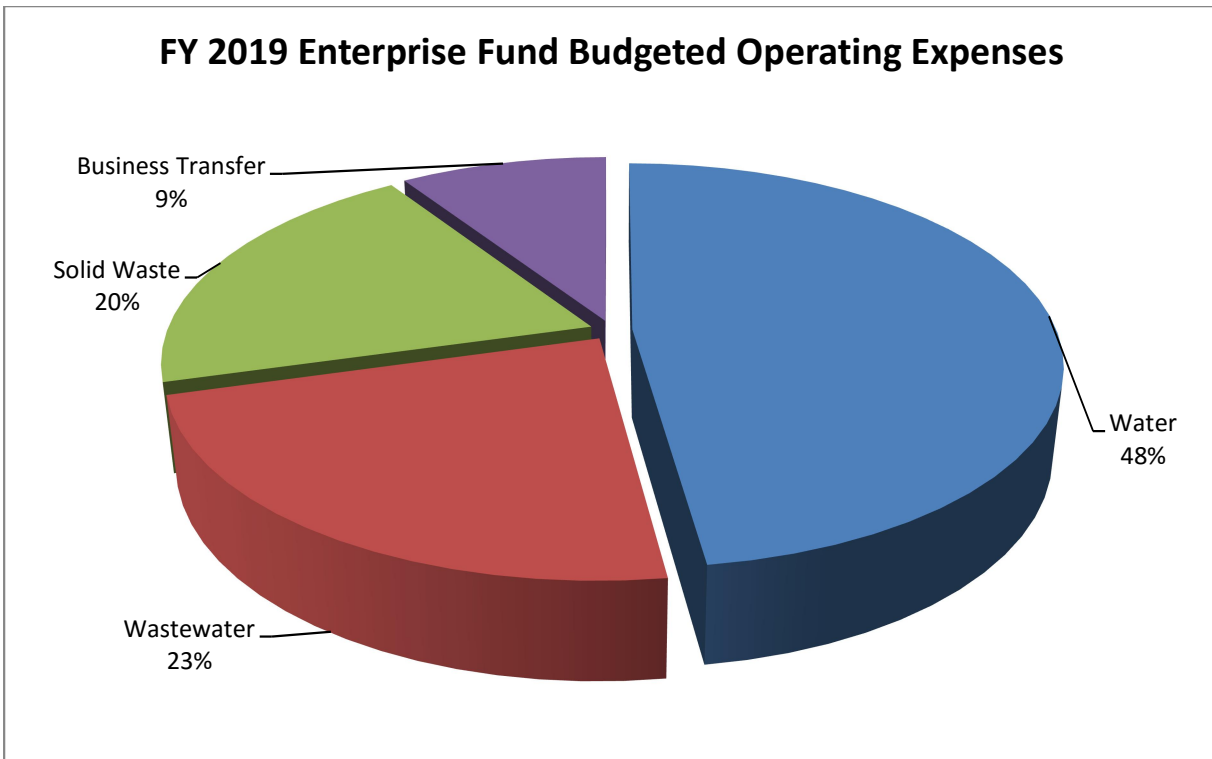
The Enterprise Fund accounts for the operations of the City's water, wastewater, and solid waste (including recycling) services. Total proposed budgeted revenue for FY 2019 is \$8,760,500.

Water sales for the Enterprise Fund make up 50% of total budgeted revenue. Wastewater and solid waste services make up 30% and 19%, respectively. The Enterprise Fund is different from the General Fund, in that residents pay direct user charges, and billing is based on individual consumption and/or service. As a result, each resident pays only for utility services which they individually consume. Because of this characteristic, the utility operations provided by the City are similar to those found in the private sector.



The City's Enterprise Fund includes full garbage and curbside collection. The City maintains all wastewater and water facilities. The City purchases approximately 50% of its water from the City of Houston and pumps the remainder from ground water.

The proposed FY 2019 Enterprise Fund operating budget is \$6,729,708. Water acquisition is the largest budgeted expense at 48% of total budgeted operating expenses. Wastewater and solid waste expenses are 23% and 20%, respectively.



Large-scale capital improvements benefitting the Enterprise Fund, such as water and wastewater line improvements, and other utility infrastructure improvements are included in the Capital Improvement Plan.

The Enterprise Fund has FY 2019 budgeted transfers of \$100,000 to the Capital Improvement Fund to fund capital improvement projects. The Enterprise Fund has FY 2019 budgeted transfers of \$1,965,267 to the Debt Service Fund to fund debt payments related to enterprise capital projects.

The Enterprise Fund annually transfers \$624,000 to the General Fund to reimburse overhead costs. The Enterprise Fund also makes an annual transfer to the Vehicle and Equipment Replacement Fund. The FY 2019 transfer is budgeted for \$110,000.

ENTERPRISE FUND SUMMARY

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Beginning Working Capital	\$ 1,566,233	\$ 669,399	\$ 1,372,449	\$ 998,747
Revenues				
Water Sales	3,984,441	4,266,524	4,217,477	4,378,000
Wastewater Services	2,355,069	2,891,394	2,563,000	2,625,000
Solid Waste - Garbage and Brush Pickup	1,687,842	1,683,700	1,657,700	1,663,500
Miscellaneous	254,966	89,500	582,797	93,000
Total Revenues (a)	8,282,318	8,931,118	9,020,974	8,759,500
Operating Expenses				
Water Production	480,352	481,203	511,870	479,641
Water Distribution	490,074	567,008	630,721	575,060
Utility Billing	266,784	312,360	346,439	327,408
Surface Water	1,850,677	1,953,800	1,783,000	1,835,960
Total Water Expenses	3,087,887	3,314,371	3,272,030	3,218,069
Wastewater Collection	444,980	522,914	458,461	570,789
Wastewater Treatment	748,822	829,743	871,386	781,847
Total Wastewater Expenses	1,193,801	1,352,657	1,329,847	1,352,636
Solid Waste - Garbage & Brush Pickup	1,342,496	1,472,323	1,455,062	1,535,003
Total Solid Waste Expenses	1,342,496	1,472,323	1,455,062	1,535,003
Business Enterprise Transfer to General Fund	624,000	624,000	624,000	624,000
Total Operating Expenses	6,248,184	6,763,351	6,680,939	6,729,708
Revenues Over (Under) Operating Expenses	2,034,135	2,167,767	2,340,035	2,029,792
Non-Operating Revenues				
Gain on Investments	936	1,000	1,000	1,000
Total Non-Operating Revenues	936	1,000	1,000	1,000
Non-Operating Expenses				
Disaster Recovery	108,196	-	487,301	-
Contingency	-	-	-	(75,000)
Transfer to Debt Service Fund	950,000	1,750,436	1,750,436	1,965,267
Transfer to Capital Improvement Program	650,000	120,000	120,000	100,000
Transfer to Vehicle and Equipment Replacement	522,000	357,000	357,000	110,000
Total Non-Operating Expenses	2,230,196	2,227,436	2,714,737	2,100,267

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

ENTERPRISE FUND SUMMARY

	<u>FY 2017</u> <u>Actuals</u>	<u>FY 2018</u> <u>Adopted</u>	<u>FY 2018</u> <u>Projected</u>	<u>FY 2019</u> <u>Proposed</u>
Total Expenses (b)	\$ 8,478,380	\$ 8,990,787	\$ 9,395,676	\$ 8,829,975
Other Working Capital Changes	1,341			
Ending Working Capital	\$ 1,372,449	\$ 610,730	\$ 998,747	\$ 929,272
Working Capital	\$ 1,372,449	\$ 610,730	\$ 998,747	\$ 929,272
30/60 Day Working Capital Balance Requirement (c)	\$ 529,698	\$ 563,613	\$ 597,353	\$ 554,559
Over (Under) 30/60 Day Requirement (c)	\$ 842,750	\$ 47,117	\$ 401,393	\$ 374,713

- (a) Excludes year-end accrual entries for non-cash revenues including transfers of completed capital assets from the capital improvement funds.
- (b) Excludes year-end accrual entries for non-cash expenses including depreciation, changes in pension obligations, changes in other post-employment benefit obligations, etc.
- (c) 60 Day Working Capital Requirement reduced to 30 Day Working Capital Requirement for FY 2017- FY 2019.

ENTERPRISE FUND COMBINED EXPENSE DETAIL

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 991,780	\$ 1,168,802	\$ 955,577	\$ 1,197,930
105	Incentive pay	5,825	6,173	6,173	6,173
110	Part Time Employees	-	-	15,141	-
120	Overtime	98,377	54,900	119,078	57,900
125	Call Out Pay	7,406	9,600	10,600	6,600
130	Longevity	6,797	7,940	7,420	7,244
140	Sick Leave Buy Back	1,673	1,700	1,700	900
	Total Salaries	1,111,859	1,249,115	1,115,689	1,276,747
Benefits					
210	Group Health Insurance	189,513	261,026	240,475	277,203
211	Health Savings Account	19,825	20,475	20,475	19,175
215	Group Dental Insurance	4,776	5,816	5,816	5,608
217	Group Life Insurance	4,166	5,411	5,411	5,330
220	Disability Insurance	2,475	3,281	3,281	3,182
230	Medicare/Social Security	15,662	19,261	19,261	19,448
240	Retirement Contributions	236,986	260,609	216,984	263,042
250	Unemployment Compensation	319	-	-	-
260	Workers Compensation	27,690	29,600	29,600	32,239
	Total Benefits	501,411	605,479	541,303	625,227
	Total Salaries and Benefits	1,613,269	1,854,594	1,656,992	1,901,974
Professional Services					
323	Engineers, Architects, Arborists, Planners	67,838	78,000	49,000	78,000
324	Other Professional	590	1,000	1,000	1,000
340	Information Technology Contracts	6,000	53,400	53,400	53,600
341	Meter Reading	69,369	39,000	39,000	39,000
342	Trash Hauls	335,138	350,000	370,000	350,000
343	Other Technical Services	31,008	55,800	12,300	55,800
344	Contract Labor	236,711	69,000	265,500	69,000
	Total Professional Services	746,653	646,200	790,200	646,400
Maintenance					
410	Information Technology Maintenance	-	2,000	2,000	2,000
411	Vehicle Maintenance	175,972	189,650	170,650	195,254
413	Machinery and Equipment Maintenance	5,677	9,000	22,000	8,600
414	Other Maintenance	118	4,500	7,500	4,500
415	Generator Maintenance	7,182	10,000	10,000	10,000
420	Building Maintenance	28,794	38,000	38,000	36,500
421	HVAC Maintenance	-	3,600	3,600	3,600
422	Ground Maintenance	712	8,500	2,500	8,500
433	Sanitary Sewer Maintenance	47,280	33,000	53,000	33,000
434	Water Main Maintenance	113,159	130,000	170,000	130,000
435	Water Well Maintenance	60,794	70,000	95,000	70,000
436	Lift Station Maintenance	31,919	37,000	67,000	37,000
437	Treatment Plant Maintenance	93,016	45,000	75,000	45,000
461	Rental of Equipment	2,679	11,200	21,700	11,200
	Total Maintenance	567,302	591,450	737,950	595,154

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

ENTERPRISE FUND COMBINED EXPENSE DETAIL

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Contractual Services					
510	Risk Management	\$ 67,133	\$ 76,700	\$ 76,700	\$ 76,700
520	Communications	44,482	42,520	58,710	76,770
522	Postage	37,374	40,000	40,000	40,000
530	Advertisements and Official Notices	2,734	3,700	3,700	3,700
550	Dues and Fees	89	3,910	3,910	3,910
551	Permits and Licenses	57,565	61,496	65,496	61,496
560	Travel Mileage Allowance	3,339	6,800	9,300	6,800
570	Education and Training	7,753	18,900	24,400	18,900
	Total Contractual Services	220,469	254,026	282,216	288,276
Materials and Supplies					
600	Office Supplies	7,402	10,400	11,900	10,300
601	Information Technology Supplies	1,454	9,750	12,250	10,350
602	Small Tools and Minor Equipment	27,803	34,000	38,500	44,478
603	Janitorial and Cleaning Supplies	1,135	800	800	800
604	First Aid Supplies	2,854	1,800	1,800	1,800
605	Vehicles Supplies	6,405	7,800	7,800	7,800
610	Operating Supplies	10,435	10,375	9,375	10,375
611	Garbage Bags	37,764	85,000	85,000	85,000
612	Chemicals	75,633	137,900	91,500	132,900
618	Recycling Bins/Supplies	13,394	25,500	25,500	25,500
620	Natural Gas	316	300	300	300
621	Electricity	363,848	366,800	364,500	356,800
623	Hardware and Software	-	10,000	5,500	10,000
625	Fuel	63,747	76,500	87,000	114,185
650	Uniforms/Wearing Apparel	11,880	18,656	21,156	18,656
660	Surface Water Purchases	1,731,942	1,770,700	1,770,700	1,823,660
661	Ground Water Credits	107,673	170,800	-	-
699	Disaster Related Expenses	108,196	-	487,301	-
	Total Materials and Supplies	2,571,883	2,737,081	3,020,882	2,652,904
Financial Services					
711	Credit Card Fees	12,804	14,000	14,000	21,000
	Total Financial Services	12,804	14,000	14,000	21,000
Capital Outlay					
905	Machinery and Equipment	-	42,000	42,000	-
	Total Capital Outlay	-	42,000	42,000	-
	Enterprise Fund Sub Totals	5,732,380	6,139,351	6,544,240	6,105,708
740	Transfers Out	2,746,000	2,851,436	2,851,436	2,799,267
745	Contingency	-	-	-	(75,000)
	Expenses excluding Year-End Accrual Entries	8,478,380	8,990,787	9,395,676	8,829,975
	Year-End Accrual Entries (a)	1,220,443	-	-	-
	Total Enterprise Fund Expenses	\$ 9,698,823	\$ 8,990,787	\$ 9,395,676	\$ 8,829,975
	Total Enterprise Fund Expenses, including Enhancements				\$ 8,829,975

(a) These are unbudgeted year-end accrual entries for non-cash expenses, including depreciation, changes in pension obligations, changes in other post-employment benefit obligations, etc.

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

Public Works and Utility Billing

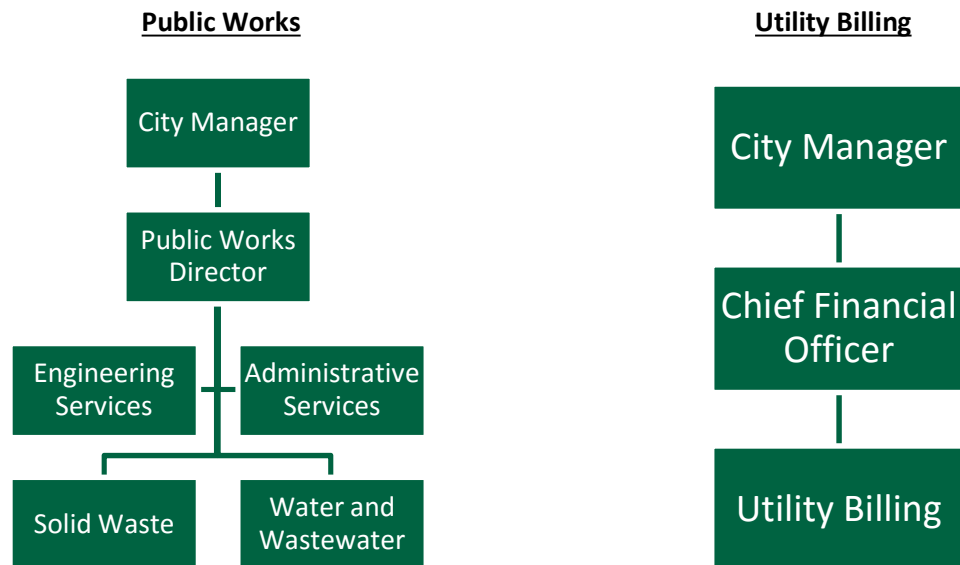
Why Statement

The Water Division of the Public Works Department is responsible for providing safe, cost-efficient, reliable drinking water to residents and businesses. The Wastewater division is responsible for safely collecting, treating, and disposing of wastewater generated by residents and business in the City.

The Solid Waste Division of the Public Works Department is responsible for providing cost-efficient and environmentally conscious collection, transportation, and disposition of solid waste, recyclable items, along with limbs and brush generated in the City.

Utility Billing bills and collects revenues for water, wastewater and solid waste usage. The revenues collected are the source of funding for the Enterprise Fund.

Department Service Structure



Base Level Services

Engineering and Administrative Services

- Manages the City Engineer function provided by contracted professional services
- Plans, organizes, and provides overall direction and management and is responsible for management of design and construction
- Provides administrative and data processing support

Solid Waste

- Provides regular collection of household garbage, yard waste, brush and limbs, and recycling materials

Water

- Provides overall operation, maintenance and repair of the water distribution system
- Ensures a continuous supply of potable water

Wastewater

- Provides overall operation, maintenance and repair to the sanitary sewer collection
- Operates and provides maintenance to the wastewater treatment plant and lift stations in compliance with EPA and TCEQ standards, rules and regulations
- Ensures daily wastewater operations meet plant permit and National Pollution Discharge Elimination System (NPDES) parameters

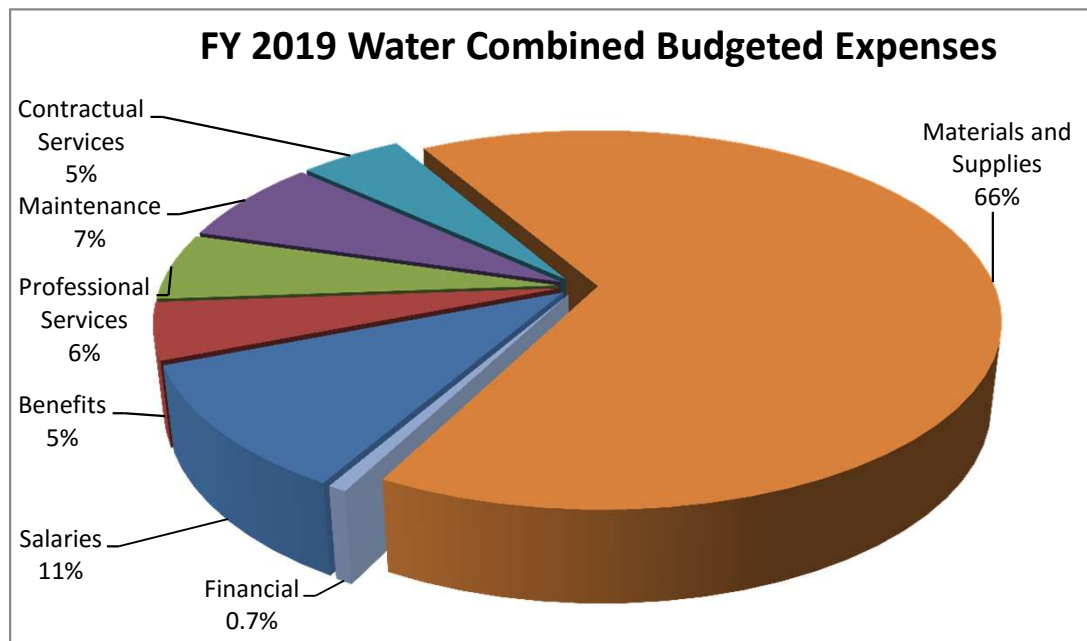
Utility Billing

- Prepares paper or E-bills to be distributed monthly
- Collects, records, and deposits payments daily
- Maintains account information and rates in Utility Program
- Works with customers to establish, cut off, or transfer service
- Prepares and submits work orders to Public Works to have service turned on or off or to correct meter problems daily

WATER COMBINED EXPENSES
(UTILITY BILLING, WATER PRODUCTION, WATER DISTRIBUTION, AND SURFACE WATER)

Expense Summary

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 323,311	\$ 356,746	\$ 397,586	\$ 343,906
Benefits	134,248	168,135	151,204	155,186
Professional Services	182,186	183,400	181,400	183,600
Maintenance	202,828	233,350	315,850	232,892
Contractual Services	125,687	124,590	143,840	157,590
Materials and Supplies	2,106,824	2,234,150	2,068,150	2,123,895
Financial	12,804	14,000	14,000	21,000
Total Expenses	\$ 3,087,887	\$ 3,314,371	\$ 3,272,030	\$ 3,218,069



Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

UTILITY BILLING - 2060/2067

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 90,396	\$ 102,482	\$ 107,460	\$ 106,749
110	Part Time Employees	-	-	15,141	-
120	Overtime	7,382	6,000	19,464	6,000
130	Longevity	1,084	1,584	1,584	1,680
	Total Salaries	98,862	110,066	143,649	114,429
Benefits					
210	Group Health Insurance	11,645	17,845	17,322	20,387
211	Health Savings Account	1,300	1,300	1,300	1,300
215	Group Dental Insurance	316	363	363	385
217	Group Life Insurance	323	435	435	438
220	Disability Insurance	188	252	252	252
230	Medicare/Social Security	1,394	1,683	1,683	1,746
240	Retirement Contributions	21,744	22,696	23,715	23,575
260	Workers Compensation	241	300	300	276
	Total Benefits	37,150	44,874	45,370	48,359
Professional Services					
340	Information Technology Contracts	6,000	53,400	53,400	53,600
341	Meter Reading	69,369	39,000	39,000	39,000
	Total Professional Services	75,369	92,400	92,400	92,600
Maintenance					
410	Information Technology Maintenance	-	2,000	2,000	2,000
	Total Maintenance	-	2,000	2,000	2,000
Contractual Services					
522	Postage	37,374	40,000	40,000	40,000
570	Education and Training	111	2,020	2,020	2,020
	Total Contractual Services	37,485	42,020	42,020	42,020
Materials and Supplies					
600	Office Supplies	5,115	7,000	7,000	7,000
	Total Materials and Supplies	5,115	7,000	7,000	7,000
Financial Services					
711	Credit Card Fees	12,804	14,000	14,000	21,000
	Total Financial Services	12,804	14,000	14,000	21,000
	Department Total	\$ 266,784	\$ 312,360	\$ 346,439	\$ 327,408

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

WATER PRODUCTION - 8061

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 38,599	\$ 39,562	\$ 39,611	\$ 41,209
120	Overtime	6,775	1,800	6,375	1,700
125	Call Out/On Call Pay	660	500	500	600
130	Longevity	164	212	212	260
	Total Salaries	46,198	42,074	46,698	43,769
Benefits					
210	Group Health Insurance	9,407	10,549	10,282	12,040
211	Health Savings Account	-	1,300	1,300	1,300
215	Group Dental Insurance	195	198	198	203
217	Group Life Insurance	324	185	185	184
220	Disability Insurance	188	108	108	108
230	Medicare/Social Security	627	643	643	668
240	Retirement Contributions	9,725	8,676	8,686	9,018
260	Workers Compensation	798	1,000	1,000	835
	Total Benefits	21,263	22,659	22,402	24,356
Professional Services					
323	Engineers, Architects, Arborists, Planners	29,483	24,000	24,000	24,000
343	Other Technical Services	6,957	21,000	1,000	21,000
344	Contract Labor	6,722	7,500	27,500	7,500
	Total Professional Services	43,163	52,500	52,500	52,500
Maintenance					
411	Vehicle Maintenance	597	850	1,850	996
415	Generator Maintenance	2,899	5,000	5,000	5,000
420	Building Maintenance	1,439	-	-	-
435	Water Well Maintenance	60,794	70,000	95,000	70,000
461	Rental of Equipment	350	-	-	-
	Total Maintenance	66,077	75,850	101,850	75,996
Contractual Services					
510	Risk Management	2,611	3,000	3,000	3,000
520	Communications	37,828	3,780	3,780	3,780
530	Advertisements and Official Notices	2,127	2,500	2,500	2,500
550	Dues and Fees	-	190	190	190
551	Permits and Licenses	18,904	19,000	18,000	19,000
560	Travel Mileage Allowance	37	1,500	1,500	1,500
570	Education and Training	976	3,000	3,000	3,000
	Total Contractual Services	62,482	32,970	31,970	32,970

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

WATER PRODUCTION - 8061

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
600	Office Supplies	\$ 320	\$ 500	\$ 500	\$ 500
601	Information Technology Supplies	689	700	700	1,300
602	Small Tools and Minor Equipment	6,000	9,000	9,000	8,300
605	Vehicles Supplies	176	300	300	300
610	Operating Supplies	200	200	200	200
612	Chemicals	3,390	6,400	10,000	6,400
621	Electricity	230,202	237,300	235,000	232,300
650	Uniforms/Wearing Apparel	190	750	750	750
Total Materials and Supplies		241,168	255,150	256,450	250,050
Department Total		\$ 480,352	\$ 481,203	\$ 511,870	\$ 479,641

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

WATER DISTRIBUTION - 8062

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 150,747	\$ 189,198	\$ 165,957	\$ 170,260
120	Overtime	23,826	10,000	35,932	12,500
125	Call Out Pay	2,025	3,500	3,500	1,000
130	Longevity	1,652	1,908	1,850	1,948
	Total Salaries	178,251	204,606	207,239	185,708
Benefits					
210	Group Health Insurance	25,782	44,238	31,823	33,387
211	Health Savings Account	3,250	3,900	3,900	2,600
215	Group Dental Insurance	526	860	860	744
217	Group Life Insurance	474	1,024	1,024	853
220	Disability Insurance	275	627	627	518
230	Medicare/Social Security	2,471	3,202	3,202	2,889
240	Retirement Contributions	38,758	42,751	37,996	38,261
250	Unemployment Compensation	319	-	-	-
260	Workers Compensation	3,981	4,000	4,000	3,219
	Total Benefits	75,835	100,602	83,432	82,471
Professional Services					
323	Engineers, Architects, Arborists, Planners	16,783	20,000	-	20,000
343	Other Technical Services	573	3,500	-	3,500
344	Contract Labor	46,299	15,000	36,500	15,000
	Total Professional Services	63,654	38,500	36,500	38,500
Maintenance					
411	Vehicle Maintenance	19,131	15,000	15,000	14,596
413	Machinery and Equipment Maintenance	2,809	3,000	10,000	2,800
414	Other Maintenance	118	4,000	7,000	4,000
434	Water Main Maintenance	113,159	130,000	170,000	130,000
461	Rental of Equipment	1,534	3,500	10,000	3,500
	Total Maintenance	136,750	155,500	212,000	154,896
Contractual Services					
510	Risk Management	10,486	12,000	12,000	12,000
520	Communications	480	20,350	35,600	53,350
530	Advertisements and Official Notices	209	200	200	200
550	Dues and Fees	89	950	950	950
551	Permits and Licenses	-	500	500	500
560	Travel Mileage Allowance	1,553	800	3,300	800
570	Education and Training	1,842	2,500	5,000	2,500
	Total Contractual Services	14,659	37,300	57,550	70,300

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

WATER DISTRIBUTION - 8062

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
600	Office Supplies	\$ 690	\$ 700	\$ 1,200	\$ 700
601	Information Technology Supplies	382	1,300	1,300	1,300
602	Small Tools and Minor Equipment	7,737	9,400	9,400	9,400
603	Janitorial and Cleaning Supplies	-	200	200	200
604	First Aid Supplies	590	300	300	300
605	Vehicles Supplies	212	300	300	300
610	Operating Supplies	1,194	1,000	1,000	1,000
612	Chemicals	300	1,000	1,000	1,000
623	Hardware and Software	-	5,000	500	5,000
625	Fuel	7,947	9,000	16,000	21,685
650	Uniforms/Wearing Apparel	1,872	2,300	2,800	2,300
Total Materials and Supplies		20,926	30,500	34,000	43,185
Department Total		\$ 490,074	\$ 567,008	\$ 630,721	\$ 575,060

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

SURFACE WATER - 8063

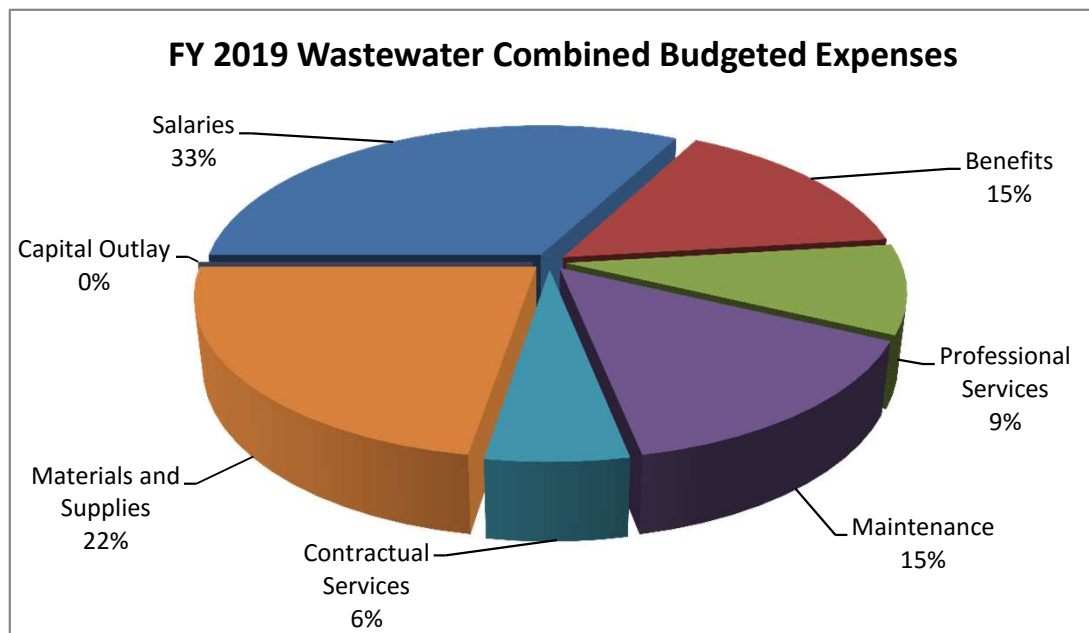
Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Contractual Services					
551	Permits and Licenses	\$ 11,062	\$ 12,300	\$ 12,300	\$ 12,300
	Total Contractual Services	11,062	12,300	12,300	12,300
Materials and Supplies					
660	Water Purchases	1,731,942	1,770,700	1,770,700	1,823,660
661	Ground Water Credits	107,673	170,800	-	-
	Total Materials and Supplies	1,839,616	1,941,500	1,770,700	1,823,660
	Department Total	\$ 1,850,677	\$ 1,953,800	\$ 1,783,000	\$ 1,835,960

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

WASTEWATER COMBINED EXPENSES
(WASTEWATER COLLECTION AND WASTEWATER TREATMENT)

Expense Summary

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 335,836	\$ 410,718	\$ 326,606	\$ 442,987
Benefits	150,272	194,115	167,977	207,331
Professional Services	183,656	121,800	157,800	121,800
Maintenance	224,377	196,600	280,600	199,766
Contractual Services	55,126	75,974	84,914	77,224
Materials and Supplies	244,534	311,450	269,950	303,528
Capital Outlay	-	42,000	42,000	-
Total Expenses	\$ 1,193,801	\$ 1,352,657	\$ 1,329,847	\$ 1,352,636



Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

WASTEWATER COLLECTION - 8064

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 147,038	\$ 240,788	\$ 135,907	\$ 265,670
120	Overtime	14,147	5,000	15,900	7,000
125	Call Out Pay	2,186	3,000	3,000	1,000
130	Longevity	1,094	840	151	468
140	Sick Leave Buy Back	711	600	600	-
	Total Salaries	165,176	250,228	155,558	274,138
Benefits					
210	Group Health Insurance	33,221	55,432	51,108	58,428
211	Health Savings Account	3,250	4,550	4,550	4,550
215	Group Dental Insurance	842	1,232	1,232	1,246
217	Group Life Insurance	615	1,026	1,026	1,091
220	Disability Insurance	384	665	665	657
230	Medicare/Social Security	2,351	3,795	3,795	4,091
240	Retirement Contributions	35,031	52,312	30,853	56,479
260	Workers Compensation	3,670	3,800	3,800	4,391
	Total Benefits	79,362	122,812	97,029	130,933
Professional Services					
323	Engineers, Architects, Arborists, Planners	14,283	10,000	-	10,000
343	Other Technical Services	3,045	5,000	-	5,000
344	Contract Labor	56,919	-	10,000	-
	Total Professional Services	74,248	15,000	10,000	15,000
Maintenance					
411	Vehicle Maintenance	14,212	12,000	12,000	18,666
413	Machinery and Equipment Maintenance	689	3,500	6,500	3,300
433	Sanitary Sewer Maintenance	47,280	33,000	53,000	33,000
436	Lift Station Maintenance	31,919	37,000	67,000	37,000
461	Rental of Equipment	297	4,200	6,200	4,200
	Total Maintenance	94,397	89,700	144,700	96,166
Contractual Services					
510	Risk Management	12,529	14,000	14,000	14,000
520	Communications	200	2,880	2,880	2,880
551	Permits and Licenses	82	644	644	644
560	Travel Mileage Allowance	1,327	2,500	2,500	2,500
570	Education and Training	1,631	3,500	5,000	3,500
	Total Contractual Services	15,769	23,524	25,024	23,524

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

WASTEWATER COLLECTION - 8064

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
600	Office Supplies	\$ 414	\$ 800	\$ 800	\$ 700
601	Information Technology Supplies	-	1,950	1,950	1,950
602	Small Tools and Minor Equipment	4,651	5,500	8,000	16,978
604	First Aid Supplies	477	500	500	500
605	Vehicles Supplies	176	500	500	500
610	Operating Supplies	998	2,000	2,000	2,000
612	Chemicals	273	500	500	500
625	Fuel	6,237	6,500	6,500	4,500
650	Uniforms/Wearing Apparel	2,801	3,400	5,400	3,400
Total Materials and Supplies		16,028	21,650	26,150	31,028
Department Total		\$ 444,980	\$ 522,914	\$ 458,461	\$ 570,789

WASTEWATER TREATMENT - 8065

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 144,384	\$ 145,030	\$ 147,388	\$ 153,245
105	Incentive Pay	5,500	5,848	5,848	5,848
120	Overtime	18,188	6,500	14,700	6,100
125	Call Out Pay	2,220	2,600	2,600	3,000
130	Longevity	368	512	512	656
	Total Salaries	170,660	160,490	171,048	168,849
Benefits					
210	Group Health Insurance	26,778	29,480	28,642	32,491
211	Health Savings Account	1,625	1,625	1,625	1,625
215	Group Dental Insurance	580	589	589	603
217	Group Life Insurance	625	694	694	688
220	Disability Insurance	363	402	402	402
230	Medicare/Social Security	2,373	2,489	2,489	2,580
240	Retirement Contributions	36,172	33,524	34,007	34,787
260	Workers Compensation	2,395	2,500	2,500	3,222
	Total Benefits	70,910	71,303	70,948	76,398
Professional Services					
323	Engineers, Architects, Arborists, Planners	7,288	24,000	25,000	24,000
342	Trash Hauls	73,745	50,000	70,000	50,000
343	Other Technical Services	20,433	26,300	11,300	26,300
344	Contract Labor	7,943	6,500	41,500	6,500
	Total Professional Services	109,408	106,800	147,800	106,800
Maintenance					
411	Vehicle Maintenance	1,934	1,800	1,800	-
413	Machinery and Equipment Maintenance	2,179	2,000	5,000	2,000
415	Generator Maintenance	4,283	5,000	5,000	5,000
420	Building Maintenance	27,356	38,000	38,000	36,500
421	HVAC Maintenance	-	3,600	3,600	3,600
422	Ground Maintenance	712	8,500	2,500	8,500
437	Treatment Plant Maintenance	93,016	45,000	75,000	45,000
461	Rental of Equipment	499	3,000	5,000	3,000
	Total Maintenance	129,980	106,900	135,900	103,600

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

WASTEWATER TREATMENT - 8065

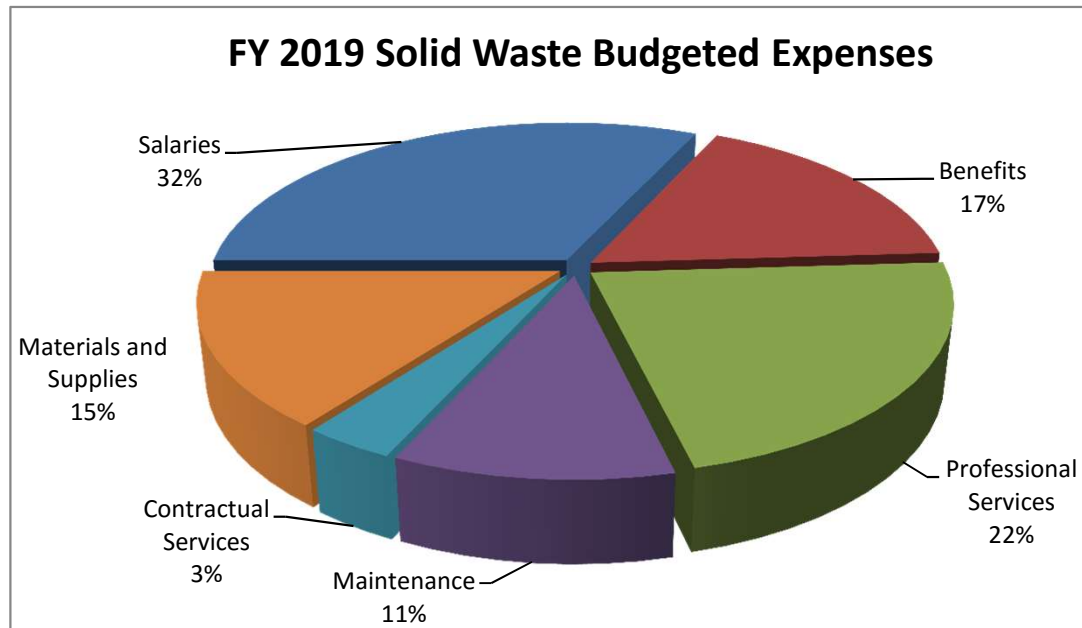
Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Contractual Services					
510	Risk Management	\$ 4,525	\$ 5,200	\$ 5,200	\$ 5,200
520	Communications	5,500	13,350	14,290	14,600
530	Advertisements and Official Notices	-	700	700	700
550	Dues and Fees	-	300	300	300
551	Permits and Licenses	27,255	28,400	33,400	28,400
560	Travel Mileage Allowance	407	1,000	1,000	1,000
570	Education and Training	1,669	3,500	5,000	3,500
	Total Contractual Services	39,356	52,450	59,890	53,700
Materials and Supplies					
600	Office Supplies	545	800	1,800	800
601	Information Technology Supplies	382	800	3,300	800
602	Small Tools and Minor Equipment	8,999	8,600	10,600	8,300
603	Janitorial and Cleaning Supplies	931	300	300	300
604	First Aid Supplies	1,597	-	-	-
605	Vehicles Supplies	176	200	200	200
610	Operating Supplies	239	300	300	300
612	Chemicals	71,671	130,000	80,000	125,000
620	Natural Gas	316	300	300	300
621	Electricity	133,647	129,500	129,500	124,500
623	Hardware and Software	-	5,000	5,000	5,000
625	Fuel	7,955	11,000	9,500	4,000
650	Uniforms/Wearing Apparel	2,049	3,000	3,000	3,000
	Total Materials and Supplies	228,507	289,800	243,800	272,500
Capital Outlay					
905	Machinery and Equipment	-	42,000	42,000	-
	Total Capital Outlay	-	42,000	42,000	-
Department Total		\$ 748,822	\$ 829,743	\$ 871,386	\$ 781,847

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

SOLID WASTE - 8066

Expense Summary

	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries	\$ 452,711	\$ 481,651	\$ 391,497	\$ 489,854
Benefits	216,891	243,229	222,122	262,710
Professional Services	380,812	341,000	451,000	341,000
Maintenance	140,097	161,500	141,500	162,496
Contractual Services	39,656	53,462	53,462	53,462
Materials and Supplies	112,329	191,481	195,481	225,481
Total Expenses	\$ 1,342,496	\$ 1,472,323	\$ 1,455,062	\$ 1,535,003



SOLID WASTE - 8066

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Salaries					
100	Regular Employees	\$ 420,616	\$ 451,742	\$ 359,254	\$ 460,797
105	Incentive Pay	325	325	325	325
120	Overtime	28,058	25,600	26,707	24,600
125	Call Out Pay	315	-	1,000	1,000
130	Longevity	2,435	2,884	3,111	2,232
140	Sick Leave Buy Back	962	1,100	1,100	900
	Total Salaries	452,711	481,651	391,497	489,854
Benefits					
210	Group Health Insurance	82,682	103,482	101,298	120,470
211	Health Savings Account	10,400	7,800	7,800	7,800
215	Group Dental Insurance	2,318	2,574	2,574	2,427
217	Group Life Insurance	1,805	2,047	2,047	2,076
220	Disability Insurance	1,078	1,227	1,227	1,245
230	Medicare/Social Security	6,446	7,449	7,449	7,474
240	Retirement Contributions	95,556	100,650	81,727	100,922
260	Workers Compensation	16,606	18,000	18,000	20,296
	Total Benefits	216,891	243,229	222,122	262,710
Professional Services					
324	Other Professional	590	1,000	1,000	1,000
342	Trash Hauls	261,393	300,000	300,000	300,000
344	Contract Labor	118,829	40,000	150,000	40,000
	Total Professional Services	380,812	341,000	451,000	341,000
Maintenance					
411	Vehicle Maintenance	140,097	160,000	140,000	160,996
413	Machinery and Equipment Maintenance	-	500	500	500
414	Other Maintenance	-	500	500	500
461	Rental of Equipment	-	500	500	500
	Total Maintenance	140,097	161,500	141,500	162,496
Contractual Services					
510	Risk Management	36,983	42,500	42,500	42,500
520	Communications	474	2,160	2,160	2,160
530	Advertisements and Official Notices	398	300	300	300
550	Dues and Fees	-	2,470	2,470	2,470
551	Permits and Licenses	262	652	652	652
560	Travel Mileage Allowance	14	1,000	1,000	1,000
570	Education and Training	1,525	4,380	4,380	4,380
	Total Contractual Services	39,656	53,462	53,462	53,462

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

SOLID WASTE - 8066

Acct Code	Description	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Materials and Supplies					
600	Office Supplies	\$ 317	\$ 600	\$ 600	\$ 600
601	Information Technology Supplies	-	5,000	5,000	5,000
602	Small Tools and Minor Equipment	415	1,500	1,500	1,500
603	Janitorial and Cleaning Supplies	204	300	300	300
604	First Aid Supplies	190	1,000	1,000	1,000
605	Vehicles Supplies	5,664	6,500	6,500	6,500
610	Operating Supplies	7,804	6,875	5,875	6,875
611	Garbage Bags	37,764	85,000	85,000	85,000
618	Recycling Bins/Supplies	13,394	25,500	25,500	25,500
625	Fuel	41,608	50,000	55,000	84,000
650	Uniforms/Wearing Apparel	4,969	9,206	9,206	9,206
Total Materials and Supplies		112,329	191,481	195,481	225,481
Department Total		\$ 1,342,496	\$ 1,472,323	\$ 1,455,062	\$ 1,535,003

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

Special Revenue Fund

Description

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.

Contributions/Donations – From time to time residents, organizations, or businesses wish to donate to a particular cause or department. All of these funds are required to follow the process as outlined in Resolution No. 14-09 that allows the City Manager to accept donations under \$25,000 and requires City Council approval of all larger donations.

Library Memorials – Memorials are donations made to the library in memory of someone. The donor generally requests books on subjects in which the deceased held a special interest. If the City receives a number of donations in memory of an individual we talk to the family and decide how best to honor the deceased and meet the library's needs (furniture, equipment). If books are purchased then a book plate honoring the deceased is placed in each book.

Friends of the Bellaire Library - Friends of the Bellaire a Library is a non-profit organization which makes an annual donation of funds based on a selection list of items presented to and approved by their membership.

Nature Discovery Center – The Hana and Arthur Ginzburg Nature Discovery Center is a non-profit organization which operates out of the Henshaw House at Russ Pitman Park. The City may receive “pass through” funding from Harris County for the operations of the Nature Discovery Center.

Cultural Arts Board – The City Council has established and appointed a Cultural Arts Board. This board on occasion collects funds during special events for cultural arts programs.

Public Safety LEOSE - The Law Enforcement Officer Standards and Education Fund (LEOSE) is an account in the state treasury. The Comptroller of Public Accounts (Comptroller) collects and deposits proceeds from court costs into the account. The General Appropriations Act appropriates to the Comptroller the total amount to be distributed to local law enforcement agencies. Local agencies must use the funds to provide continuing education for law enforcement officers. The Fire Marshall is considered a law enforcement officer; therefore the Fire Department receives LEOSE funds.

Court Security - Pursuant to Article 102.017 of the Texas Code of Criminal Procedure, revenues generated from court security fees must be deposited into a special revenue fund. The money collected may be used only to fund court security and includes such items as metal detectors, surveillance equipment, security personnel, security hardware, security training, and other security measures.

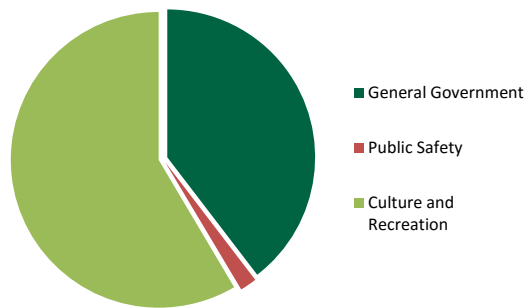
Court Technology - Under Article 102.0172 of the Texas Code of Criminal Procedure, revenues generated from court technology fees can only be used to fund court technology such as computer equipment, imaging systems, electronic kiosks, docket management systems, and electronic ticket writers.

Seizures Fund - Seizure funds are deposited into a special fund and used solely for law enforcement purposes, such as salaries and overtime pay for officers, training for officers, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties. Seizure funds are acquired through the sale of seized property that was used in commission of a crime.

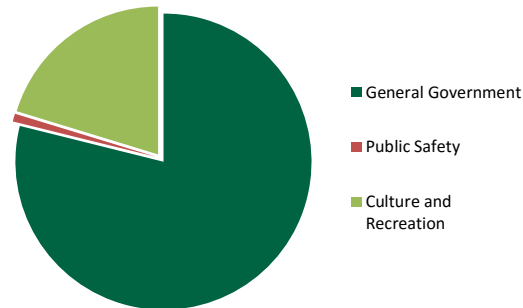
Public Education and Government Channel (PEG) Fees – The City receives Public Educational, and Government (PEG) Channel Fees (Reference Chapter 66-Utilities Code) on certain franchise taxes which are dedicated for providing cable and video services. This program has been in place since FY 2013. The City has a municipal television channel, and provides live and on-demand video streaming of Council and boards/commission meetings from our website. The PEG funds are used to update the City's current web streaming and production equipment for city-wide broadcasting through what is known as Channel 16 which is available only to those residents that subscribe to Comcast. Fund use is restricted to capital expenditures and/or programming efforts to expand and/or improve day-to-day operations for the public access channel and video streaming.

SPECIAL REVENUE FUND																	
	Fire		Police				Library				Parks	Court	Other Special Revenue		Nature	Cultural	Total
	Contri	LEOSE	Contri	LEOSE	Seized 59	Seized Assets	Contri	Memorials	Friends	Grants	Donations	Security	Court Tech	PEG Fees	Discovery	Arts Board	
Beginning Fund Balance	\$ 758	\$ 2,593	\$ 3,915	\$ 5,463	\$ 17,321	\$ 274	\$ 5,479	\$ 3,269	\$ 15,985	\$ 1,542	\$ 22,441	\$ -	\$ 8,139	\$ 37,904	\$ -	\$ 264	\$ 125,348
FY 2019 Revenues																	
Franchise Tax - 1% PEG Fees														55,000			55,000
Court Fees												18,000	23,000				41,000
Contributions	20,000		1,500				1,200	500	16,000		7,500						46,700
Grants																	-
LEOSE		760		3,000													3,760
Seized Property					-												-
Pass-Through Funds															50,000		50,000
Total Revenues	20,000	760	1,500	3,000	-	-	1,200	500	16,000	-	7,500	18,000	23,000	55,000	50,000	-	196,460
FY 2019 Expenditures																	
Finance Department												18,000	31,000				49,000
Fire Department	20,700	3,300	5,400														29,400
Police Department				8,400	17,300	250											25,950
PARD Department											29,900						29,900
Library Department							6,600	3,700	31,900	1,500							43,700
Non-Departmental														92,900	50,000	260	143,160
Total Expenditures	20,700	3,300	5,400	8,400	17,300	250	6,600	3,700	31,900	1,500	29,900	18,000	31,000	92,900	50,000	260	321,110
Ending Fund Balance	\$ 58	\$ 53	\$ 15	\$ 63	\$ 21	\$ 24	\$ 79	\$ 69	\$ 85	\$ 42	\$ 41	\$ -	\$ 139	\$ 4	\$ -	\$ 4	\$ 698

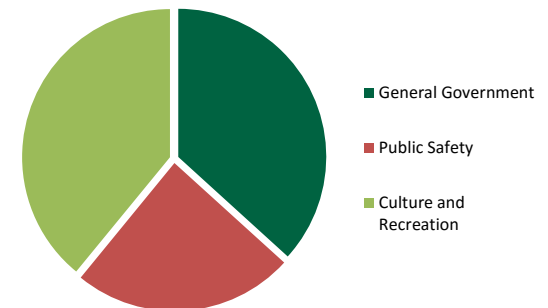
FY 2019 Budgeted Revenues



FY 2019 Budgeted Expenditures



FY 2019 Ending Fund Balance



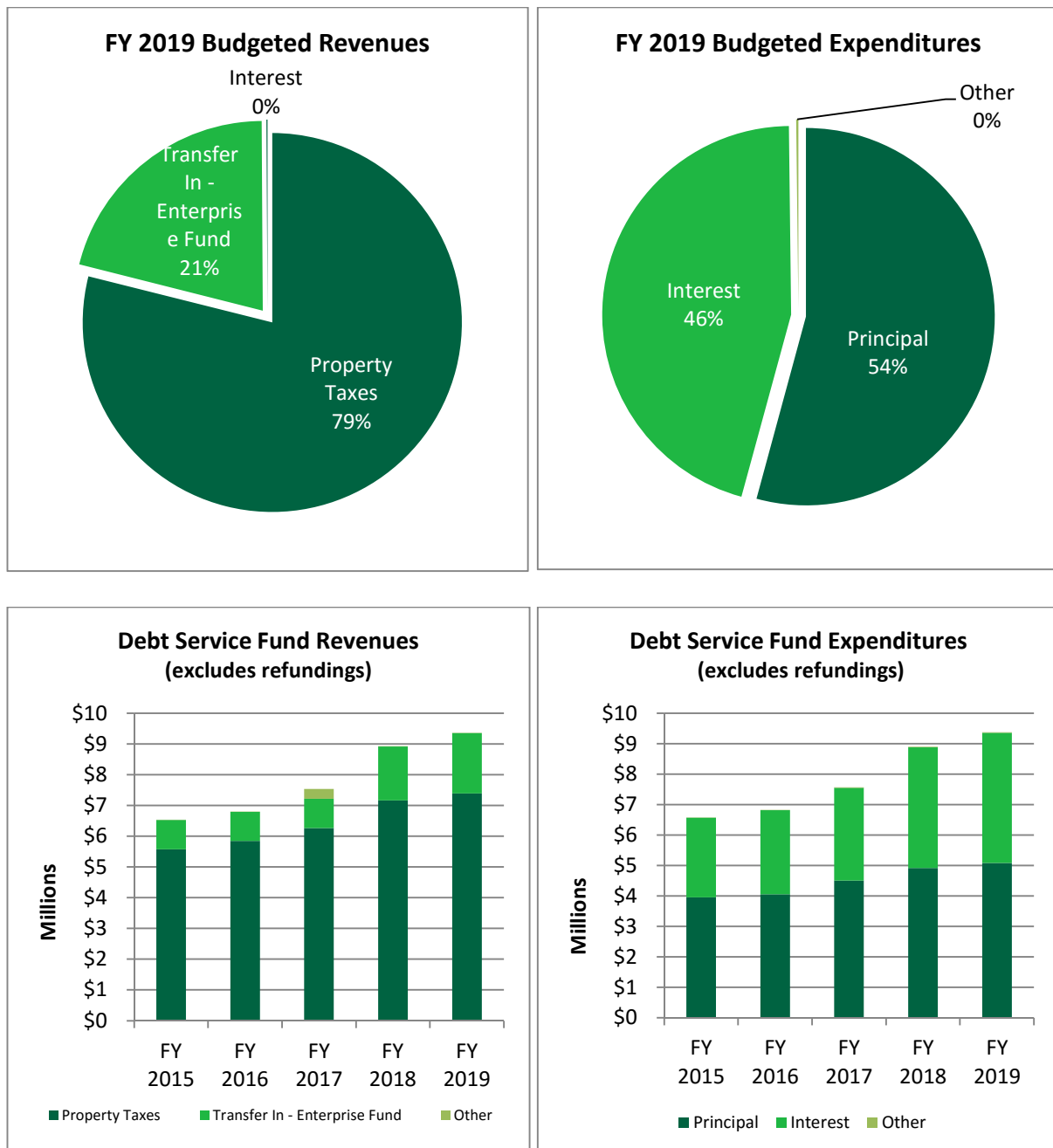
City of Bellaire

FY 2019

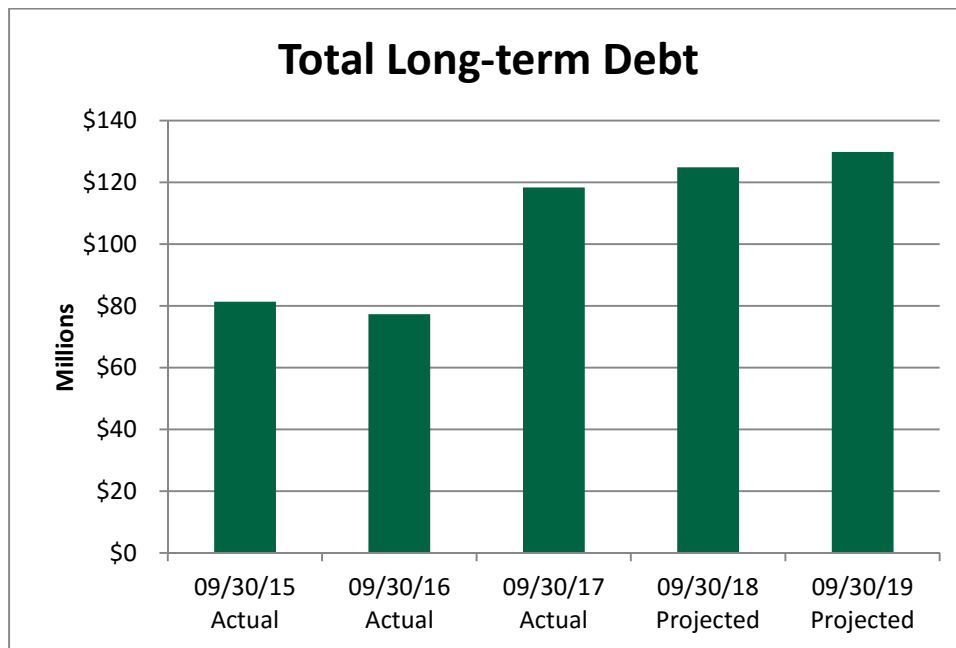
Debt Service Fund

Description

The Debt Service Fund is considered a major fund for reporting purposes. The Debt Service Fund is used to account for the payment of principal and interest on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The next largest source of revenue is the transfer received from the Enterprise Fund to fund debt payments related to enterprise capital projects. Expenditures are primarily for principal and interest on outstanding debt.



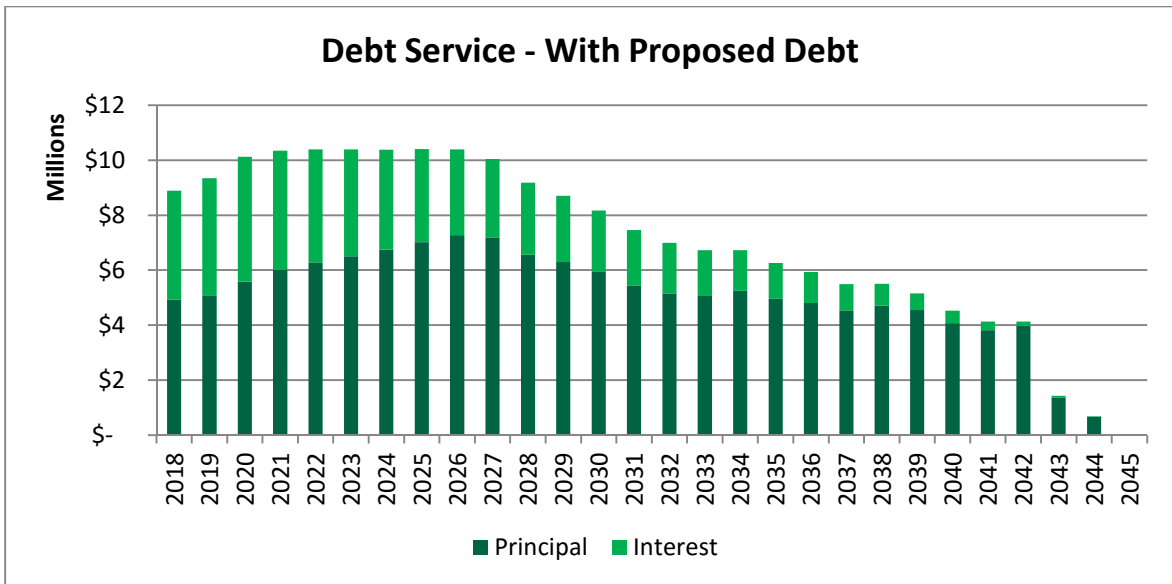
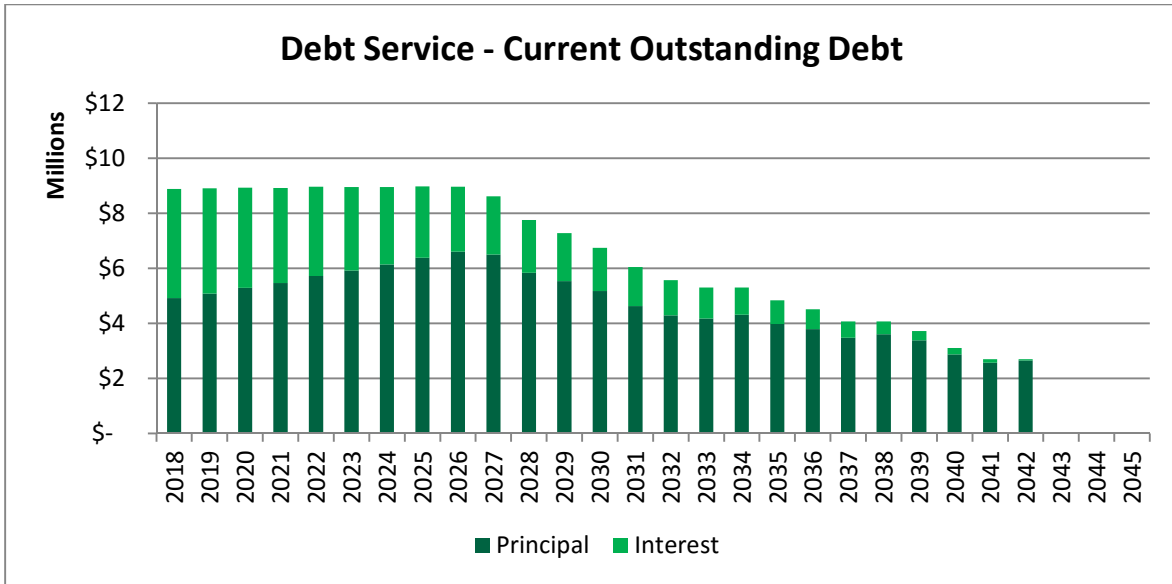
At September 30, 2017, the City had total bonds outstanding of \$118.3 million all of which is general obligation debt. Primarily due to the issuance of \$11.5 million in new bonds in FY 2018, the City expects the total bonds outstanding at September 30, 2018 to increase to \$124.9 million. The proposed FY 2019 budget includes an additional \$10.0 million of new bonds with projected total bonds outstanding at September 30, 2019 of \$129.8 million.



The City issued \$11.5 million of bonds in FY 2018 and anticipates issuing \$10.0 million of bonds in FY 2019 under the voter approved Bonds for Better Bellaire 2016 program. The City will use the proceeds of the planned FY 2018 and FY 2019 bond issuances to fund streets, drainage, and sidewalk improvements, and water line and wastewater line replacements.

The issuance of these bonds will increase the current debt service requirements. Based on the City's current outstanding debt the highest annual debt service requirement would be approximately \$9.0 million in FY 2025. Based on the timing of the proposed issuances of bonds during FY 2018 and FY 2019, the highest annual debt service requirement would increase to approximately \$10.4 million in FY 2026.

The following graphs show the projected debt service requirements based on currently outstanding indebtedness and projected debt service requirements based on proposed outstanding indebtedness.



DEBT SERVICE FUND				
	FY 2017 Actual	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Beginning Fund Balance	\$ 489,135	\$ 557,371	\$ 470,766	\$ 501,620
REVENUES				
Current Property Taxes	6,258,681	7,218,885	7,148,500	7,380,051
Delinquent Taxes	10,229	10,000	21,700	15,000
Interest on Investments	4,165	5,000	8,718	9,000
Total Revenues	6,273,075	7,233,885	7,178,918	7,404,051
OTHER FINANCING SOURCES				
Transfer In - Enterprise Fund	950,000	1,750,436	1,750,436	1,965,267
Transfer In - Capital Bond Fund	314,655	-	-	-
Refunding Bonds Issued	9,690,000	-	-	-
Premium on Refunding Bonds Issued	265,613	-	-	-
Total Other Financing Sources	11,220,268	1,750,436	1,750,436	1,965,267
Total Revenues and Other Financing Sources	17,493,343	8,984,321	8,929,354	9,369,318
Total Available Resources	17,982,479	9,541,692	9,400,120	9,870,938
EXPENDITURES				
Principal	4,510,000	4,920,000	4,920,000	5,085,000
Interest	3,044,315	4,050,841	3,965,000	4,275,530
Fiscal Agent Fees	4,913	7,000	7,000	7,000
Issuance Costs on Refunding Bonds	178,017	-	-	-
Bond Refunding Expense	9,764,218	-	-	-
Other - Arbitrage, Refunding Expenses	10,250	6,500	6,500	10,000
Total Expenditures	17,511,713	8,984,341	8,898,500	9,377,530
Available Resources Over/(Under) Expenditures	(18,370)	(20)	30,854	(8,212)
Ending Fund Balance	\$ 470,766	\$ 557,351	\$ 501,620	\$ 493,408

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

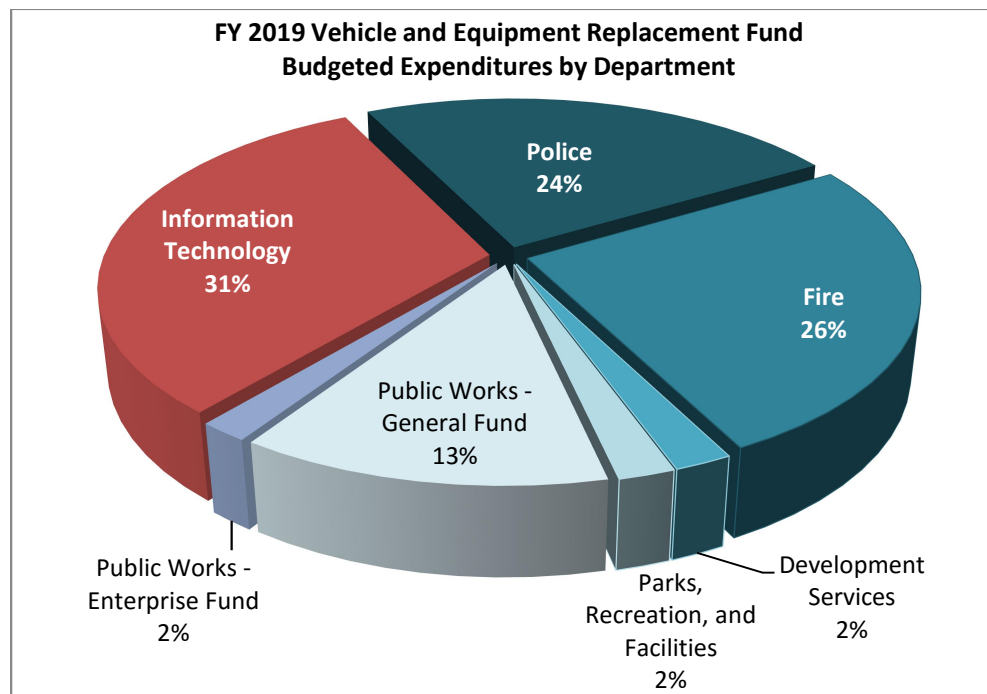
FY 2019

Vehicle and Equipment Replacement Fund

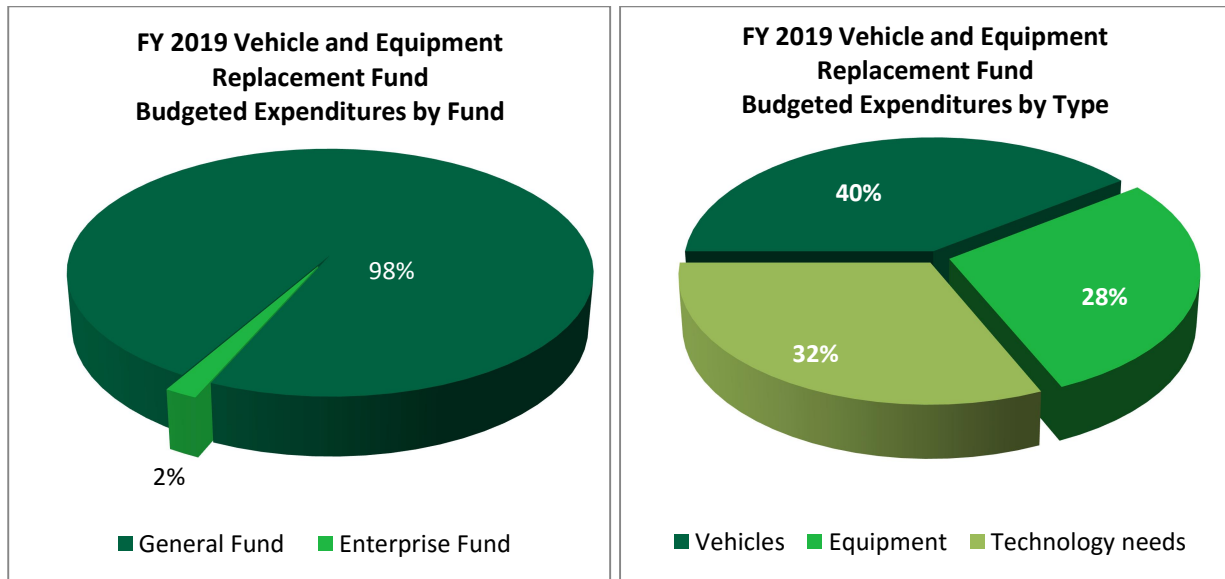
Description

The purpose of the Vehicle and Equipment Replacement Fund is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic, city-wide approach to procurement and disposition of the fleet. The goal is to provide sufficient cash flow for annual purchases. The Vehicle and Equipment Replacement Fund is not designed to equal the replacement value of the fleet.

A comprehensive Vehicle/Equipment Management and Maintenance Plan (Plan) addresses the various aspects of owning, operating, repairing, replacing, and disposing of vehicles and equipment. The Plan provides a standard approach for activities associated with vehicle/equipment (fleet) management and maintenance, including considerations of financial, regulatory, and operational needs. The Plan guides the funding approach and the replacement schedule/forecast model.



The FY 2019 budget reflects contributions to the Vehicle and Equipment Replacement Fund of \$275,000 from the General Fund and \$110,000 from the Enterprise Fund. The FY 2018 budget reflects total expenditures of \$680,200 for vehicles and equipment with \$668,200 related to the General Fund and \$12,000 related to the Enterprise Fund.



The Vehicle and Equipment Replacement Fund ended FY 2017 with a fund balance of \$2,697,495. The fund is projected to end FY 2018 with a fund balance of approximately \$1,584,058 of which \$215,000 is earmarked for technology needs, leaving approximately \$1,369,058 for future vehicle and equipment funding.

FY 2019 proposed contribution revenue is \$385,000; proposed technology expenditures are \$215,000, and proposed vehicle and equipment expenditures are \$465,200 resulting in a FY 2019 projected ending fund balance \$1,288,858 all of which is earmarked for vehicle and equipment funding.

VEHICLE AND EQUIPMENT REPLACEMENT FUND				
	FY 2017 Actuals	FY 2018 Adopted	FY 2018 Projected	FY 2019 Proposed
Beginning Fund Balance	\$ 952,704	\$ 1,369,101	\$ 2,697,495	\$ 1,584,058
REVENUES				
General Fund Annual Contribution	533,500	450,500	450,500	275,000
General Fund Catch-up Contribution	473,500	-	-	-
Enterprise Annual Contribution	357,000	357,000	357,000	110,000
Enterprise Fund Catch-up Contribution	165,000	-	-	-
Special Revenue Fund Transfer	-	-	9,000	-
Insurance Proceeds	290,723	-	23,850	-
Proceeds from Capital Lease	787,666	-	-	-
Total Revenues	2,607,389	807,500	840,350	385,000
Total Available Resources	3,560,093	2,176,601	3,537,845	1,969,058
EXPENDITURES				
General Fund - Development Services	25,837	-	-	13,800
General Fund - Fire	150,620	98,900	805,650	176,800
General Fund - Police	308,815	320,000	325,250	161,560
General Fund - Parks, Recreation, and Facilities	54,614	27,500	82,200	13,440
General Fund - Streets and Drainage	190,974	-	97,100	87,600
General Fund - Information Technology	-	194,900	222,073	215,000
Enterprise Fund - Water and Wastewater	131,738	105,000	180,000	12,000
Enterprise Fund - Solid Waste	-	185,000	241,514	-
Total Expenditures	862,598	931,300	1,953,787	680,200
Current Year Available Resources				
Over/(Under) Current Expenditures	1,744,791	(123,800)	(1,113,437)	(295,200)
Ending Fund Balance	\$ 2,697,495	\$ 1,245,301	\$ 1,584,058	\$ 1,288,858

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

Vehicle and Equipment Replacement Fund Expenditure Detail FY 2019

Department	Division	Description	Cost
General Fund			
Development Services	n/a	Lease Payments - 2019 Hybrid Sedan	\$ 6,600
Development Services	n/a	Lease Payments - 2019 Mid-sized SUV	7,200
Fire	Fire Suppression	Lease Payments - 2017 Pumper	78,000
Fire	Fire Suppression	Lease Payments - Command Vehicle	11,400
Fire	Fire Suppression	Aftermarket Equipment on 1 New Command Vehicle	10,000
Fire	n/a	Emergency Handheld Radios	20,900
Fire	n/a	Air Compressor and Generator	33,500
Fire	n/a	Extraction Tool	23,000
Police	Patrol	Lease Payments - 2018 Patrol Vehicle	11,160
Police	Patrol	Lease Payments - 2019 Patrol Vehicle	11,400
Police	Patrol	Lease Payments - 2019 Patrol Vehicle	11,400
Police	Patrol	Lease Payments - 2019 Patrol Vehicle	11,400
Police	Patrol	Lease Payments - 2019 Patrol Vehicle	11,400
Police	Patrol	Lease Payments - 2019 Patrol Vehicle	11,400
Police	Patrol	Aftermarket Equipment on 5 New Patrol Vehicles	50,000
Police	Patrol	Aftermarket Equipment on Motorcycle	18,400
Police	n/a	Emergency Handheld/Vehicle Radios	25,000
Parks, Recreation, and Facilities	Maintenance	Lease Payments - 2018 Crew Cab Pickup Truck	6,240
Parks, Recreation, and Facilities	Maintenance	Lease Payments - 2019 Mid-sized SUV	7,200
Public Works	Streets	Lease Payments - 2019 Crew Cab Pickup Truck	6,600
Public Works	Streets	Aftermarket Equipment on 1 New Pickup Truck	1,000
Public Works	Streets	Tractor	12,500
Public Works	Streets	Backhoe	67,500
Information Technology	n/a	Information Technology Equipment	215,000
General Fund Total			668,200
Enterprise Fund			
Public Works	Water Distribution	compressor	12,000
Enterprise Fund Total			12,000
Total All Funds			\$ 680,200

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

Capital Improvement Funds

Description

The Five Year Capital Improvement Plan (CIP) includes: (a) the Capital Improvement Fund, which accounts for those projects funded by the operating funds (General Fund and Enterprise Fund), (b) the Capital Bond Fund, which includes those projects funded by bond proceeds and related interest earnings, and (c) the Metro Fund, which includes those projects funded by METRO Mobility funds.

The CIP is comprehensive and projects the City's capital needs over a five-year time horizon. Adopting the CIP does not appropriate funds for future year projects outlined in the CIP as the CIP is simply a guideline for planning and it is reviewed and modified annually. Only projects for the upcoming fiscal year are considered part of the adopted budget.

FY 2019 Planned Capital Projects

Capital Improvement Fund – The Capital Improvement Fund is funded by transfers from the General Fund and the Enterprise Fund. The General Fund's FY 2019 budget includes \$280,000 to be transferred to the Capital Improvement Fund. The Enterprise Fund's FY 2018 budget includes \$100,000 to be transferred to the Capital Improvement Fund. The CIP has an existing fund balance that is planned to be used for FY 2019 projects. Total available FY 2019 resources for the Capital Improvement Fund are \$2,049,335. A portion of these resources are planned to be expended as follows:

General Fund Related

\$315,000	Study of drainage systems
\$165,475	Improvements to the Public Works interim facility
\$126,000	Streetlight pilot program along Newcastle Street and trial, anticipated to establish a decorative standard for major streets
\$100,000	Costs related to relocating the police impound lot during construction of the new police/courts building
<u>\$100,000</u>	Park improvements after completion of municipal facilities project
\$806,475	Budgeted FY 2019 General Fund Related Project Expenditures

Enterprise Fund Related

<u>\$105,977</u>	Replacement of all booster pumps and motor at the Central Well
\$105,977	Budgeted FY 2019 Enterprise Fund Related Project Expenditures

Capital Bond Fund – The Capital Bond Fund is funded by bond proceeds and related interest earnings. Total budgeted FY 2019 revenues for the Capital Bond Fund are \$10,000,000. These revenues are planned to be expended as follows:

\$6,000,000	2016 Bonds for Better Bellaire Streets, Drainage and Sidewalks Project
<u>\$4,000,000</u>	2016 Bonds for Better Bellaire Water Line Improvements
\$10,000,000	Budgeted FY 2018 Project Expenditures

Metro Fund – The Metro Fund is funded by METRO Mobility funds received by the City from the Metropolitan Transit Authority of Harris County (METRO) pursuant to an interlocal agreement. Pursuant to the agreement, METRO remits a portion of the sales and use taxes it collects within the Bellaire City limits to the City with the stipulation that these funds are designated for use on eligible projects including, but not limited to, street construction and maintenance, traffic control, pathway construction and maintenance, and street lighting. Total budgeted FY 2018 revenues for the Metro Fund are \$1,244,750. FY 2018's actual revenue is projected to come in over budget resulting in a projected FY 2019 available resources of \$1,466,775. These resources are planned to be expended as follows:

<u>\$1,466,775</u>	Pavement Management Program
\$1,466,775	Total Budgeted FY 2019 Project Expenditures

Carry-Over Capital Projects

Capital projects are often multi-year projects. While a project is often approved in a given fiscal year budget, the actual expenditures may take place over that fiscal year and future years. As such, there are carry-over projects approved in prior fiscal years where the projects are still under-way and have remaining expenditures. The unspent funds appropriated in prior year budgets to fund the expenditures on carry-over projects are not reflected in the Available Beginning Balances of the various capital improvement funds as they are not available to be appropriated in following fiscal years.

FY 2019 Proposed Capital Improvement Projects

Capital Improvement Fund - General Fund Cash Projects

Unappropriated Available Beginning Balance - General Fund Cash	\$ 160,782
FY 2018 adopted budget Bellaire Family Aquatic Center Project - re-allocated for drainage study	\$ 135,000
FY 2018 adopted budget Park Signage Project - re-allocated for drainage study	\$ 100,000
FY 2018 adopted budget Citywide Beautification	\$ 126,000
Earmarked - 2015 May Flood insurance proceeds - Public Works Building	\$ 165,475
Earmarked - ROW (Paseo Park)	\$ 187,500
Transfer in From General Fund	\$ 280,000
Total Resources	\$ 1,154,757
Decorative Standards for Streetlights Pilot Project - This project will provide better lighting and a decorative standard for major streets throughout the City. The initial project will focus on Newcastle Street and trail, and future phases may focus on other major streets and high-traffic areas. The funding identified for this work represents what the City of Bellaire would pay for the purchase and installation of the lights by CenterPoint Energy. CenterPoint would maintain the lights on behalf of the City in perpetuity.	\$ 126,000
Supplement to Offset Impound Lot Project - Improvements to Public Works Facility to accommodate Police Department impound needs related to the construction of the new Police / Court Building have already been constructed. This funding would reimburse the bond fund that was originally used to fund these improvements.	\$ 100,000
Park Improvements After Municipal Facilities Project - Site Improvements to improve circulation and cohesiveness after completion of construction.	\$ 100,000
Study - North / South Drainage Systems and Cypress Ditch - Determine partners, study alternatives, and develop cost estimates for improvements to increase capacity of the north/south drainage systems and Cypress Ditch. Study would include development of a model of Cypress Ditch, which would form the framework for later studies as well. Recommended improvement projects to interior systems, trunk systems, and interior detention ponds would be evaluated. Evaluation of structure buy-outs options and building code standards would also be included.	\$ 315,000
Public Works Interim Facility Improvements - Improvements to the Public Works interim facility.	\$ 165,475
Total FY 2019 General Fund CIP	\$ 806,475
Ending Balance	\$ 348,282

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

FY 2019 Proposed Capital Improvement Projects

Capital Improvement Fund - Enterprise Fund Cash Projects

Beginning Balance	\$	5,977
Transfer in From Enterprise Fund	\$	100,000
Total Resources	\$	105,977
Central Well Pumps - Replace all three booster pumps and motors, which have been rebuilt multiple times and are past their life expectancy. Increased energy efficiency and reduced repairs will provide a return on investment.	\$	105,977
Total FY 2019 Enterprise Fund CIP	\$	105,977
Ending Balance	\$	-

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

FY 2019 Proposed Capital Improvement Projects

Capital Bond Fund CIP

Proposed Bonds for Better Bellaire 2016 Revenue	\$	10,000,000
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Total Resources	\$	10,000,000
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Street, Drainage and Sidewalks – The program will continue the City’s practice to design and construct streets and upgrade storm sewers concurrently in one project with sidewalks installed on at least one side of the street phase III.	\$	6,000,000
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Water Improvements – This program was created from prior utility condition assessments to replace identified water and wastewater lines that are failing to provide the desired level of service due to the deterioration of aging lines.	\$	4,000,000
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Total FY 2019 Capital Bond Fund CIP	\$	10,000,000
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Ending Balance	\$	-
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METRO Fund CIP

Beginning Balance	\$	222,025
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Current Year Revenues	\$	1,244,750
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Total Resources	\$	1,466,775
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Pavement Management Program – This maintenance program was created from the City Engineer’s Infrastructure Report in 2015 to improve the overall quality of the street and sidewalk systems by repairing or replacing asphalt and concrete pavement.	\$	1,466,775
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Total FY 2019 METRO Fund CIP	\$	1,466,775
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Ending Balance	\$	-
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Combined FY 2019 Proposed Capital Improvement Plan

Total CIP Resources	\$	12,727,509
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Total CIP Projects	\$	12,379,227
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Total CIP Ending Balances	\$	348,282
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Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

Five-Year Capital Improvement Plan Capital Improvement Fund - General Fund Cash Projects

Description	FY 2019 Planned	FY 2020 Planned	FY 2021 Planned	FY 2022 Planned	FY 2023 Planned	FY 2018 - FY 2023 Totals
Available Unappropriated Beginning Balance	\$ 160,782	\$ 160,782	\$ 45,782	\$ 45,782	\$ -	\$ 160,782
FY 2018 adopted budget Bellaire Family Aquatic Center Project - drainage study	\$ 135,000					\$ 135,000
FY 2018 adopted budget Park Signage Project - drainage study	\$ 100,000					\$ 100,000
FY 2018 Citywide Beautification	\$ 126,000					\$ 126,000
Earmarked - 2015 May Flood - Public Works Building	\$ 165,475					\$ 165,475
Earmarked - ROW (Paseo Park)	\$ 187,500	\$ 187,500	\$ 187,500	\$ 187,500		\$ 187,500
Transfer in From General Fund	\$ 280,000	\$ 320,000	\$ 150,000	\$ 160,000	\$ -	\$ 910,000
Total Resources	\$ 1,154,757	\$ 668,282	\$ 383,282	\$ 393,282	\$ -	\$ 1,784,757
Holly Street Esplanade - Additional amenities and plantings for the Holly Street Esplanade Project. Project includes additional plantings, additions to the irrigation system, and additional site furnishings on those medians that were not improved in FY 2016.			\$ 50,000	\$ 100,000		\$ 150,000
Playgrounds, Shade Structures, and Park Amenities - Provides annual funding to address city-wide replacement and/or purchase of new playground equipment, shade structures and park amenities.		\$ 100,000	\$ 100,000			\$ 200,000
Park Signage Master Plan and Implementation - Includes all signage used in City of Bellaire Parks. Master Plan would incorporate findings of the Brand Identity Project and provide an important step towards improving the overall aesthetics of the City while improving consistency and quality of park signage.		\$ 100,000				\$ 100,000
Decorative Standards for Streetlights Pilot Project - This project will provide better lighting and a decorative standard for major streets throughout the City. The initial project will focus on Newcastle Street and trail, and future phases may focus on other major streets and high-traffic areas. The funding identified for this work represents what the City of Bellaire would pay for the purchase and installation of the lights by CenterPoint Energy. CenterPoint would maintain the lights on behalf of the City in perpetuity.	\$ 126,000	\$ 150,000				\$ 276,000
Loftin Park Improvements - Improvements to Loftin Park including invasive or unhealthy tree removal, additional tree plantings, irrigation system, and fencing improvements.				\$ 105,782		\$ 105,782
Paseo Park West Expansion - Park expansion would be possible with future relocation of Metro transit center. Funding is restricted and can only be used to develop new park facilities.				\$ 187,500		\$ 187,500

The CIP beyond FY 2019 does not appropriate any funds for projects listed; it is a guideline for planning.

Five-Year Capital Improvement Plan

Capital Improvement Fund - General Fund Cash Projects

Description	FY 2019 Planned	FY 2020 Planned	FY 2021 Planned	FY 2022 Planned	FY 2023 Planned	FY 2018 - FY 2023 Totals
Supplement to offset Impound Lot Project - Improvements to Public Works Facility to accommodate PD impound needs related to the construction of the new Police / Court Building have already been constructed. This funding would reimburse the bond fund that was originally used to fund these improvements.	\$ 100,000					\$ 100,000
Park Improvements After Municipal Facilities Project - Site Improvements to improve circulation and cohesiveness after completion of construction.	\$ 100,000					\$ 100,000
Study - North / South Drainage Systems and Cypress Ditch - Determine partners, study alternatives, and develop cost estimates for improvements to increase capacity of the north/south drainage systems and Cypress Ditch. Study would include development of a model of Cypress Ditch, which would form the framework for later studies as well. Recommended improvement projects to interior systems, trunk systems, and interior detention ponds would be evaluated. Evaluation of structure buy-outs options and building code standards would also be included.	\$ 315,000					\$ 315,000
Study - Sheet Flow Barrier Removal - Identify barriers restricting sheet flow and determine what project could relieve this problem. This study would build upon the North / South Drainage Systems and Cypress Ditch study model and would look to determine locations of topographic blockage of storm water, including streets that are at a higher elevation. Develop alternatives to alleviate identified blockages. Recommended alternatives would require additional funds.		\$ 50,000				\$ 50,000
Study - Kilmarnock Ditch - Coordinate with HCFCD to determine steps necessary to increase the size of the outfall of Kilmarnock Ditch. Evaluate the benefit of constructing extreme event outfalls at Bellaire Blvd and within the Southdale Subdivision to Kilmarnock Ditch. This study would evaluate right-of-way in areas of proposed improvements. Recommended projects would require additional funds.		\$ 35,000				\$ 35,000
Public Works Interim Facility Improvements - Improvements to the Public Works interim facility.	\$ 165,475					\$ 165,475
Total General Fund CIP Expenditures	\$ 806,475	\$ 435,000	\$ 150,000	\$ 393,282	\$ -	\$ 1,784,757
Total General Fund CIP Ending Balance	\$ 348,282	\$ 233,282	\$ 233,282	\$ -	\$ -	\$ -

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

The CIP beyond FY 2019 does not appropriate any funds for projects listed; it is a guideline for planning.

Five-Year Capital Improvement Plan

Capital Improvement Fund - Enterprise Fund Cash Projects

Description	FY 2019 Planned	FY 2020 Planned	FY 2021 Planned	FY 2022 Planned	FY 2023 Planned	FY 2018 - FY 2023 Totals
Available Beginning Balance	\$ 5,977	\$ -	\$ -	\$ -	\$ -	\$ 5,977
Transfer in from Enterprise Fund	\$ 100,000	\$ 140,000	\$ 500,000	\$ 435,000	\$ -	\$ 1,175,000
Total Resources	\$ 105,977	\$ 140,000	\$ 500,000	\$ 435,000	\$ -	\$ 1,180,977
Central Well Pumps - Replace all three booster pumps and motors, which have been rebuilt multiple times and are past their life expectancy. Increased energy efficiency and reduced repairs will provide a return on investment.	\$ 105,977	\$ 140,000				\$ 245,977
Central Well Control Panel - Replace Control Panel that controls Booster Pumps 1, 2, and 3. Replace or run new wiring as needed due to abandoned runs, previous splices, and out dated components.			\$ 500,000			\$ 500,000
Feld Park Well - Add a new standby diesel generator, improving for health and safety of City water supply and fire fighting capabilities. Feld Park provides groundwater and is also the only other supply of surface water for the City. A standby generator will allow the City to have two operable groundwater and surface water sources readily available in the event of a power outage.				\$ 435,000		\$ 435,000
Total Enterprise Fund CIP Expenditures	\$ 105,977	\$ 140,000	\$ 500,000	\$ 435,000	\$ -	\$ 1,180,977
Total Enterprise Fund Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

The CIP beyond FY 2019 does not appropriate any funds for projects listed; it is a guideline for planning.

Five-Year Capital Improvement Plan

Capital Bond Fund

Description	FY 2019 Proposed *	FY 2020 Planned**	FY 2021 Planned**	FY 2022 Planned**	FY 2023 Planned***	FY 2018 - FY 2023 Totals
Available Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Year Revenues	\$ 10,000,000	\$ 16,700,000	\$ 15,500,000	\$ 15,000,000	\$ 12,000,000	\$ 69,200,000
Total Resources	\$ 10,000,000	\$ 16,700,000	\$ 15,500,000	\$ 15,000,000	\$ 12,000,000	\$ 69,200,000
Street, Drainage and Sidewalks – The program will continue the City’s practice to design and construct streets and upgrade storm sewers concurrently in one project with sidewalks installed on at least one side of the street.	\$ 6,000,000	\$ 12,500,000	\$ 12,500,000	\$ 12,000,000	\$ 8,500,000	\$ 51,500,000
Water Line Improvements – This program was created from prior utility condition assessments to replace identified water lines that are failing to provide the desired level of service due to the deterioration of aging lines.	\$ 4,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 16,500,000
Wastewater Treatment Plant Electrical - Replacement of the control panel and components. The current control panel is the original panel installed during the construction of the facility to operate the various pumps and motors that run the WWTP. The electrical wiring and components have exceeded their life expectancy. It is recommended to upgrade the electrical wiring, breakers, starters, and include modern smart controls.		\$ 1,200,000				\$ 1,200,000
Total Capital Bond Fund CIP Expenditures	\$ 10,000,000	\$ 16,700,000	\$ 15,500,000	\$ 15,000,000	\$ 12,000,000	\$ 69,200,000
Total Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Remaining authority from BBB16 - August 2019 bond sale

** 2019 Bond Referendum BBB19

***2022 Bond Referendum BBB22

The CIP beyond FY 2019 does not appropriate any funds for projects listed; it is a guideline for planning.

Five-Year Capital Improvement Plan

METRO Fund

Description	FY 2019 Planned	FY 2020 Planned	FY 2021 Planned	FY 2022 Planned	FY 2023 Planned	FY 2018 - FY 2023 Totals
METRO Sales Tax Available Beginning Balance	\$ 222,025	\$ -	\$ -	\$ -	\$ -	\$ 222,025
Current Year Revenues	\$ 1,244,750	\$ 1,257,200	\$ 1,269,778	\$ 1,282,479	\$ 1,295,343	\$ 5,054,207
Total Resources	\$ 1,466,775	\$ 1,257,200	\$ 1,269,778	\$ 1,282,479	\$ 1,295,343	\$ 6,571,575
Pavement Management Program – This maintenance program was created from the City Engineer’s Infrastructure Report in 2015 to improve the overall quality of the street and sidewalk systems by repairing or replacing asphalt and concrete pavement.	\$ 1,466,775	\$ 1,257,200	\$ 1,269,778	\$ 1,282,479	\$ 1,295,343	\$ 6,571,575
Total Expenditures	\$ 1,466,775	\$ 1,257,200	\$ 1,269,778	\$ 1,282,479	\$ 1,295,343	\$ 6,571,575
Total Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

The CIP beyond FY 2019 does not appropriate any funds for projects listed; it is a guideline for planning.

Capital Improvement Plan Future Projects	
Description	Estimated Budget
<i>Cost estimates should be reevaluated as projects are identified as funded and schedules are identified, as inflation will impact these estimates.</i>	
South Rice Esplanade Improvements - Improvements to the four esplanades along South Rice at Bellaire Boulevard and Bissonnet St. Project to include design and construction of mow strips, additional planting, edging, mulch, and other landscape improvements.	\$ 120,000
9/11 World Trade Center Steel Project Construction - Donations have been received by the Rotary Club to fund the preliminary design of a plaza intended to display pieces of steel from the World Trade Center. The pieces are currently stored in the City's Impound Facility and show signs of damage from the attack on September 11, 2001. Construction costs will be more accurately estimated after preliminary design is completed. Funding for this project will come from non-City of Bellaire sources.	TBD
Bellaire Town Square Ball Field - Upgrade / Automate Ball Field Lights, Poles, & Netting	\$ 500,000
Bellaire Town Square Tennis Courts - Upgrade / Automate Tennis Court Lighting and Tennis Court Resurfacing	\$ 250,000
Bellaire Town Square Recreation Center Renovation Design - Programming and design of key improvements to the Bellaire Recreation Center Building	\$ 120,000
Bellaire Town Square Recreation Center Renovation Construction - Key improvements to include accessibility upgrades and general renovations	\$ 800,000
Bellaire Town Square Concession Stand Renovation	\$ 50,000
Mulberry Park Restroom Facility	\$ 200,000
Mulberry Park Tennis Courts - Replace tennis fencing, upgrade and automate lighting and resurface tennis court	\$ 300,000
Mulberry Park Ball Field - Upgrade / Automate Ball Field Lighting	\$ 300,000
Mulberry Park Parking Lot - Parking Lot Replacement	\$ 450,000
Feld Park Renovation Design - Park improvements including parking lot, sidewalks and paths, fencing and sports fields/courts	\$ 150,000
Feld Park Construction - Park improvements including parking lot, sidewalks and paths, fencing and sports fields/courts and ball field lighting	\$ 1,500,000
Vic Driscoll Park Pathway Lighting	\$ 70,000
Trolley Esplanade Renovation - Improvements to include general and specialized lighting, sidewalks and paths, drainage, signage and interpretive graphics, and trolley area improvements in Paseo Park.	\$ 1,000,000
Total Future Projects	\$ 5,810,000

The CIP beyond FY 2019 does not appropriate any funds for projects listed; it is a guideline for planning.

City of Bellaire

FY 2019

Appendix A – Glossary

ACCOUNT

A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.

ACCOUNT PAYABLE

A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNT RECEIVABLE

An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government.

ACCOUNTING SYSTEM

The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL ACCOUNTING

A basis of accounting in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred instead of when cash is actually received or spent.

ACCRUED INTEREST

Interest that has been earned and recorded, but has not been received.

AD VALOREM TAX (See also PROPERTY TAX)

A tax based on value of land and improvements (property tax).

AGENDA

A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the Open Meetings Act.

APPROPRIATION

An authorization granted by City Council to make expenditures and to incur obligations for specific purpose. Usually limited in amount and as to the time when it may be expended.

ARBITRAGE

With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn positive arbitrage in connection with tax-exempt bonds.

ASSESSED VALUATION

A valuation set upon real estate or other property by government as a basis for levying taxes. See also TAXABLE VALUE.

ASSETS

Property owned by a government, which has economic value, especially which could be converted to cash.

BALANCE SHEET

A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

BALANCED BUDGET

A budget in which total recurring expenditures for any fiscal year do not exceed total recurring revenues for that same fiscal year.

BASE LEVEL SERVICES

Funding required to meet current service level.

BASIS OF ACCOUNTING

Refers to when revenues and expenditures are recognized in the accounts and reported in the financial records of the City, regardless of the measurement focus applied. Accounting records for governmental fund types are maintained on a modified accrual basis of accounting, with revenue being recorded when available and measurable, and expenditures being recorded when services or goods are received and the liabilities are incurred.

BASIS OF BUDGETING (See also MODIFIED ACCRUAL)

The City's basis for budgeting is the modified accrual basis for governmental funds, including the General Fund. Budgeting for proprietary funds, which includes the Enterprise Fund, is essentially on the full accrual basis. Encumbrances are recognized by both governmental and proprietary funds since encumbrances represent a commitment of funding for goods and services.

BEGINNING BALANCE

The residual non-restricted funds brought forward from the previous fiscal year (ending balance).

BONDS

Debt instruments that require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or formula for determining the interest rate.

BOND DEBT

That portion of indebtedness represented by outstanding bonds.

BUDGET

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term is also sometime used to denote

the officially approved expenditure ceiling under which a government and its departments operate.

BUDGET AMENDMENT

A revision of the adopted budget that, when approved, replaces the original provision and increases or decreases the budget appropriation.

BUDGET CALENDAR

The schedule of key dates that a government follows in preparation and adoption of the budget.

BUDGET ENHANCEMENT

A request to enhance current service level beyond current funding.

BUDGET ORDINANCE

Governmental action which appropriates revenues and fund balances for specified purposes, functions, or activities for a budget period.

BUDGET PERIOD

The period for which a budget is proposed or a budget ordinance is adopted.

BUDGETARY CONTROL

The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within limitations of available appropriation and available revenues.

BUDGETED FUNDS

Funds for which an annual budgets are legally adopted, as opposed to non-budgeted funds for which annual budgets are not legally adopted. Budgeted funds are typically supported by tax revenues, charges for services, fees, fines, and/or penalties, while non-budgeted funds are typically supported by transfers from other funds, grant revenue, donations, or regulated fees such as municipal court fees.

CAFR

CAFR is an acronym for **comprehensive annual financial report**. See COMPREHENSIVE ANNUAL FINANCIAL REPORT.

CAPITAL IMPROVEMENT PLAN

A comprehensive plan that projects the capital needs of a community. Generally, it is a cyclical process that estimates the needs for a set number of years. Capital Improvements Plans are essential for sound infrastructure and financial planning.

CAPITAL ASSET

An item costing more than \$10,000 and having a useful life of more than four years.

CAPITAL EXPENDITURE

Also called a CAPITAL OUTLAY — An expenditure to acquire a capital asset.

CASH BASIS

A method of accounting in which revenues and expenses are recognized and recorded when received, not necessarily when earned.

CHARTER

A written instrument setting forth principles and laws of government within boundaries of the City.

CIP

CIP is an acronym for **capital improvement plan**. See CAPITAL IMPROVEMENT PLAN.

CHART OF ACCOUNTS

The classification system used by the City to organize the accounting for various funds.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Comprehensive Annual Financial Report (CAFR) is a set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board

CONSUMER PRICE INDEX

The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living; the CPI is one of the most frequently used statistics for identifying periods of inflation or deflation. The CPI is calculated by the U.S. Bureau of Labor Statistics.

CONTINGENCY

Funds set aside in a reserve account for major expenditures or for emergencies.

CPI

CPI is an acronym for **Consumer Price Index**. See CONSUMER PRICE INDEX.

CURRENT ASSETS

Cash and other assets expected to be converted to cash, sold, or consumed within in a year or in the operating cycle.

CURRENT LIABILITIES

Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

DEBT SERVICE

The amount of money required for interest and principal payments on an outstanding debt in any given year.

DEBT SERVICE FUND

Also called a SINKING FUND — A fund established to account for the accumulation of resources for the payment of principal and interest on long term debt.

DEBT RATE

The City's property tax rate has two components, the **general rate** which generates property tax revenues used to fund operations and the **debt rate** which generates property tax revenues used to fund the repayment of debt. See PROPERTY TAX RATE.

DEFICIT

The excess of expenditures over revenues during an accounting period; or in the case of Enterprise Funds, the excess of expense over income during an accounting period.

DELINQUENT TAXES

Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached.

DEPRECIATION

A non-cash expense that reduces the value of an asset as a result of wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

EFFECTIVE TAX RATE

The tax rate required to generate the same amount of revenue as in the preceding year on the same properties.

ENCUMBRANCE

Obligations in the form of purchase orders, contracts, or other commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or actual liability is set up, at which point they become expenditures.

ENDING BALANCE

The dollars remaining after current expenditures for operations and debt service are subtracted from the sum of the beginning fund balance and current resources. Portions of the fund balance may be reserved for various purposes, such as contingencies or encumbrances.

ENTERPRISE FUND

A fund established to account for operations which: (a) finance and operate 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 and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

EXPENDITURES

Decreases in net financial resources. They include current operating expenses that require the current or future use of net current assets, debt service, and capital outlay.

FEES

Charges for services.

FEMA

FEMA is an acronym for **Federal Emergency Management Agency**.

FISCAL YEAR

A twelve-month period of time to which the annual budget applies, and at the end of which, the City determines its financial position and results of operation. The fiscal year for the City of Bellaire runs from October 1 to September 30 of the following year.

FIXED ASSETS

Assets of long-term character intended to continue to be held or used. Examples are land, buildings, and improvements such as machinery and equipment.

FIXED COST

Costs which do not change with increases or decreases in the amount of services provided, such as rent.

FRANCHISE

A special privilege granted by a government, permitting the continued use of public property, such as City streets, and usually involving the elements of monopoly and regulation.

FTE

FTE is an acronym for **full-time equivalent**. See FULL TIME EQUIVALENT.

FULL TIME EQUIVALENT

A unit that indicates the workload of a single full-time worker. The concept is used to convert the hours worked by part-time employees into the hours worked by full-time employees. For example, someone who works a half-day would be 0.5 full time equivalents. The City budgets authorized employment positions using full time equivalents. For example, there might be a part-time library assistant position budgeted as 0.5 FTE, which would be the equivalent of one-half of a full time employee.

FUND

A fiscal and accounting entity with a self-balancing set of accounts. It records cash and other financial resources, all related liabilities, residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE

The balance of net financial resources that is spendable or available. Portions of the fund balance may be reserved for various purposes, such as contingencies or encumbrances.

FUND BALANCE POLICY

A policy requiring a minimum fund balance to be kept in reserve. Fund balances over the policy requirements may be appropriated in the budget.

FUNDING SOURCE

Specifically identified dollars allocated to meet budgeted requirements.

FY (as in FY 2019)

FY is an acronym for **fiscal year**. See FISCAL YEAR.

GAAP

FY is an acronym for **generally accepted accounting principles**. See GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

GENERAL FIXED ASSETS

Capital assets that are not assets of any particular fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds (as opposed to proprietary funds).

GENERAL FUND

A fund established to account for all financial resources except those required to be accounted for in another fund. Examples of General Fund departments include Parks, Facilities and Recreation, Fire Department, Library, Finance and Municipal Court, Streets and Drainage, Development Services, and Police Department.

GENERAL OBLIGATION BONDS (G.O. BONDS)

Bonds secured by the full faith and credit of the issuer. General obligation bonds issued by local units of government are secured by a pledge of the issuer's ad valorem taxing power. They are usually issued to pay for general capital improvements such as parks and streets.

GENERAL RATE

The City's property tax rate has two components, the **general rate** which generates property tax revenues used to fund operations and the **debt rate** which generates property tax revenues used to fund the repayment of debt. The General Rate is sometimes referred to as the Maintenance and Operations Rate, or M&O Rate. See PROPERTY TAX RATE.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

The uniform minimum standards of, and guidelines to, financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provide a standard by which to measure financial presentations.

GEOGRAPHIC INFORMATION SYSTEM

A system is designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data allowing one to visualize, question, analyze, and interpret data to understand relationships, patterns, and trends.

GIS

GIS is an acronym for **Geographic Information System**. See GEOGRAPHIC INFORMATION SYSTEM.

GOVERNMENTAL ACCOUNTING

The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of government.

GOVERNMENTAL ACCOUNTING STANDARD BOARD (GASB)

The governing body that sets accounting standards specifically for governmental entities at the state and local level.

GOVERNMENTAL FINANCE OFFICERS ASSOCIATION (GFOA)

Professional association of state/provincial and local finance officers in the United States and Canada dedicated to the sound management of government financial resources.

GOVERNMENTAL FUNDS

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: general funds, special revenue funds, debt service funds, capital projects funds, and permanent funds.

GRANT

A contribution by one government unit or funding source to another unit. The contribution is usually made to aid in a specified function (for example, education), but it is sometimes also for general purposes.

HOME RULE CHARTER

Texas cities operate under two different categories of local government: 1) General Law; and Home Rule. Texas law grants General Law cities limited specific authority. Cities under 5,000 in population are required to be General Law cities. Cities over 5,000 in population can adopt a Home Rule Charter which defines the structure, power, duties, and authority of the local government. Rather than looking to state statutes to determine what they may do, as General Law cities must do, Home Rule cities look to their local charters to determine what they may do. A Home Rule city may generally take any action that is not prohibited by the Texas Constitution or statutes as long as the authority is granted in the charter of the city. Home Rule is essentially the privilege of citizens at the grass roots level to manage their own affairs with minimal interference from the State.

INCOME

A term used in proprietary fund-type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

INFRASTRUCTURE

Immovable fixed assets having value only to the governmental unit. Common examples of infrastructure include roads, sidewalks, bridges, and streetlights.

INTERGOVERNMENTAL REVENUE

Revenue received from another governmental unit for a specific purpose.

INTERNAL CONTROLS

Processes designed to assure achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, loss prevention, and compliance with laws, regulations, and policies.

INVESTMENTS

Securities and real estate held for production of revenue in the form of interest, dividend, rental, or lease payments. The term does not include fixed assets used in governmental operations.

LEASE/PURCHASE

A financing tool utilized to fund large capital outlays where the city may not have cash immediately available for purchase. This arrangement allows the city to use the item while payments are being made.

LED

LED is an acronym for **light emitting diode**. See LIGHT EMITTING DIODE.

LEVY

To impose taxes or special assessments. The total of taxes or special assessments imposed by a governmental unit.

LIABILITIES

Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed, or refunded at some future date.

LIGHT EMITTING DIODE

A two-lead semiconductor light source. Light emitting diodes (LEDs) emit light through the process of electroluminescence when suitable voltage is applied. LEDs have many advantages over traditional incandescent light sources including lower energy consumption, longer lifetime, improved physical robustness, smaller size, and faster switching. LEDs are now used in applications as diverse as aviation lighting, automotive headlamps, advertising, general lighting, traffic signals, street lighting, and camera flashes.

LONG-TERM DEBT

Debt with a maturity of more than one year.

LINE ITEM BUDGET

A budget format in which departmental outlays are grouped according to the items that will be purchased with one item or group of items on each line.

MODIFIED ACCRUAL

City of Bellaire's governmental funds are budgeted using the modified accrual basis, with revenues recognized when they become measurable. Revenue is "measurable" when the amount of the transaction can be reasonably determined. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred and is expected to be liquidated within 60 days.

NON-BUDGETED FUNDS

Funds for which an annual budgets are not legally adopted, as opposed to budgeted funds for which annual budgets are legally adopted. Budgeted funds are typically supported by tax revenues, charges for services, fees, fines, and/or penalties, while non-budgeted funds are typically supported by transfers from other funds, grant revenue, donations, or regulated fees such as municipal court fees. The resources supporting non-budgeted funds are typically either transfers that were budgeted as expenditures at a budgeted fund or revenues that are restricted by third parties such as grant revenue, donations, or regulated fees.

NON-RECURRING REVENUE

One-time windfall revenue that is budgeted only for one fiscal year.

OPERATING BUDGET

Plans of current expenditures and the proposed means of financing them.

ORDINANCE

A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the City.

PROJECTION

A forecast of future trends in the operation of financial activities done through the remainder of the fiscal year to gain a better picture of the City's finances.

PROPERTY TAX

An annual or semi-annual tax paid to one or more governmental jurisdictions based on the real and personal property's assessed valuation and the tax rate, done in compliance with the State Property Tax Code.

PROPERTY TAX RATE

The rate applied to the taxable value of property to determine the property taxes due. The City's property tax rate has two components, the **general tax rate** which generates property tax revenues used to fund operations and the **debt tax rate** which generates property tax revenues used to fund the repayment of debt. Property tax rates are commonly presented as the amount of tax levied for each \$100 of assessed valuation.

PROPRIETARY FUNDS

Funds generally used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds: enterprise funds (used to account for any activity for which a fee is charged to external users for goods or services); and internal service funds (used to account for the provision of goods or services by one department to other departments of a governmental unit). See ENTERPRISE FUND.

RATINGS

Designations used by credit rating agencies to give relative indications of credit quality.

REFUNDING BONDS

Bonds issued to retire bonds already outstanding.

RESERVE

An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

RESOLUTION

A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

REVENUE

Revenue is (1) an increase in a governmental fund's net current assets from other than expenditure refunds and residual equity or (2) an increase in a proprietary fund's net total assets from other than expense refunds, capital contributions, and residual equity transfers.

ROLLBACK RATE

The highest tax rate an entity may adopt without being subject to a rollback election.

SCADA

SCADA is an acronym for **Supervisory Control and Data Acquisition**. See SUPERVISORY CONTROL AND DATA ACQUISITION.

SPECIAL REVENUE FUND

A Fund used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

STRUCTURAL BALANCE

The state at which current revenue sufficiently supports current expenditures.

SUPERVISORY CONTROL AND DATA ACQUISITION

An industrial computer system that monitors and controls a process. Supervisory control and data acquisition systems (also known as SCADA systems) are used to monitor and control a plant or equipment in industries such as telecommunications, water and waste control, energy, oil and gas refining and transportation. A SCADA system gathers information, such as where a leak on a pipeline has occurred and transfers the information back to a central site. SCADA systems frequently are used to manage processing systems that include geographically disbursed components.

TAX LEVY

The total amount to be raised by general property taxes for intentions specified in the Tax Levy Ordinance.

TAX RATE

The amount of tax levied for each \$100 of assessed valuation.

TAXABLE VALUE

A valuation to which the property tax rate is applied to calculate property taxes. The Taxable value of property is generally equal to the assessed valuation less any qualifying exemptions (such as a homestead exemption).

TAXES

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments, or charges for services rendered, such as sewer service.

TBD

TBD is an acronym for **to be determined**.

TRANSFERS

Authorized exchanges of cash or other resources between funds.

YIELD

The rate earned on an investment based on the price paid for the investment, the interest earned during the period held, and the selling price or redemption value of the investment.

City of Bellaire

FY 2019

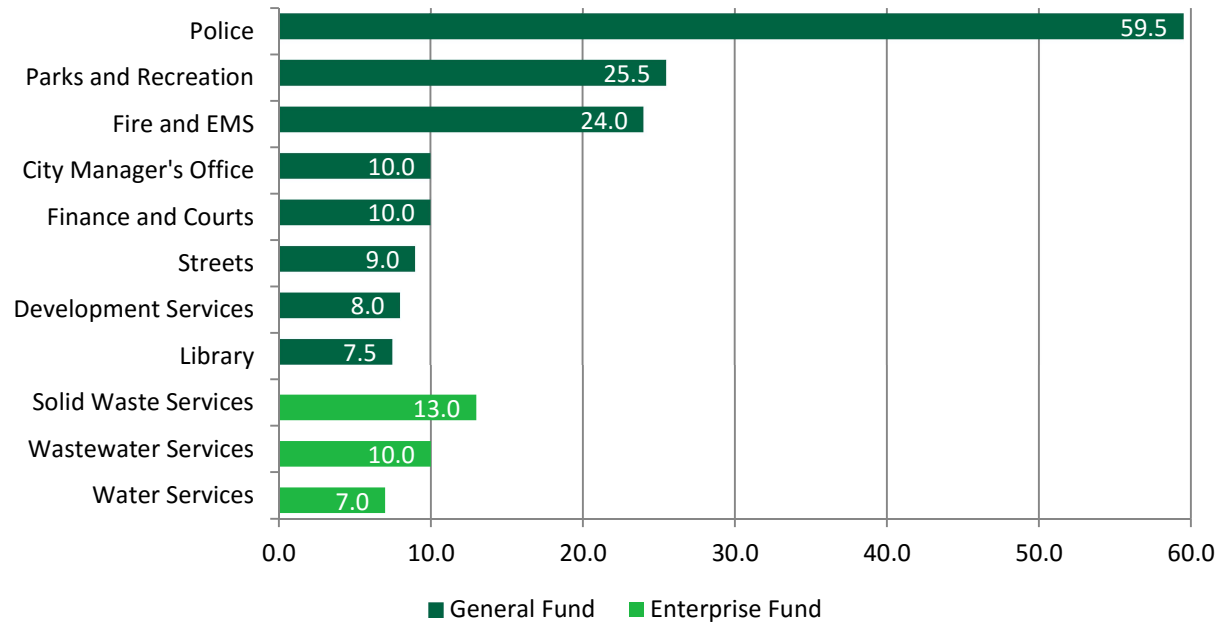
Appendix B – Staffing Position
Summary and Pay Plan

City of Bellaire

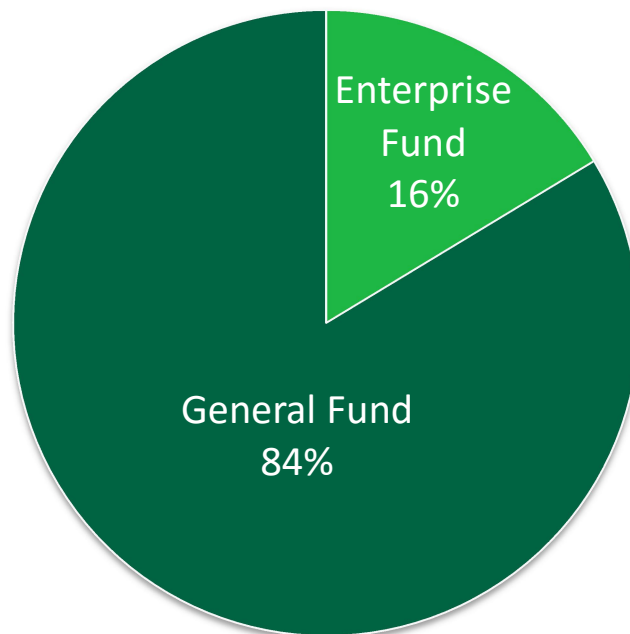
FY 2019

Staffing Position Summary and Pay Plan

Staffing Summary FY 2019



Full-Time Equivalents by Fund



City of Bellaire Staffing Position Summary

Position	FY 2017 Adopted	FY 2018 Adopted	FY 2019 Proposed	Grade
City Manager	1.0	1.0	1.0	n/a
City Clerk	1.0	1.0	1.0	n/a
Assistant City Manager	1.0	1.0	1.0	117
Director of Human Resources	1.0	1.0	0.0	115
Director of Information Technology	1.0	1.0	1.0	115
Administrative Services Manager - CMO	0.0	1.0	0.0	113
Community Relations Administrator	0.0	0.0	1.0	113
Project Manager	1.0	1.0	0.0	113
Human Resources Manager	0.0	0.0	1.0	112
Senior Human Resources Generalist	1.0	1.0	0.0	110
Senior Administrative Assistant	1.0	0.0	0.0	109
Executive Assistant to the City Manager	0.0	1.0	1.0	109
Information Technology Technician	1.0	1.0	1.0	109
Human Resources Specialist	0.0	0.0	1.0	108
Receptionist	1.0	1.0	1.0	102
Total City Manager's Office	10.0	11.0	10.0	
Chief Financial Officer	1.0	1.0	1.0	117
Assistant Director of Finance	0.0	1.0	1.0	114
Accounting Manager	1.0	0.0	0.0	113
Senior Accountant	1.0	1.0	1.0	111
Senior Management Analyst	0.0	1.0	1.0	111
Purchasing/Contract Coordinator	1.0	1.0	1.0	110
Court Clerk	1.0	1.0	1.0	110
Payroll/Department Specialist	0.0	1.0	1.0	108
Payroll Technician	1.0	0.0	0.0	107
Accounts Payable Technician	1.0	1.0	1.0	107
Purchasing Technician	1.0	0.0	0.0	105
Assistant Court Clerk	2.0	2.0	2.0	104
Total Finance	10.0	10.0	10.0	
Director of Development Services	1.0	1.0	1.0	114
Assistant Director of Development Services	0.0	0.0	1.0	113
Building Official	1.0	1.0	1.0	112
Development Services Manager	1.0	1.0	0.0	112
Building Inspector	1.0	0.0	0.0	109
Planner	0.0	1.0	0.0	109
Development Services Coordinator	0.0	0.0	1.0	108
Zoning/Health Code Enforcement Officer	1.0	1.0	1.0	108
Permit Technician II	0.0	0.0	1.0	106
Planning and Zoning Secretary	1.0	1.0	0.0	106
Administrative Secretary	0.0	0.0	1.0	105
Permit Technician	2.0	2.0	1.0	105
Total Development Services	8.0	8.0	8.0	

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire Staffing Position Summary				
Position	FY 2017 Adopted	FY 2018 Adopted	FY 2019 Proposed	Grade
Fire Chief	1.0	1.0	1.0	116
Assistant Fire Chief/Fire Marshal	1.0	1.0	1.0	F6
Fire Shift Commander	3.0	3.0	3.0	F5
Fire Lieutenant	3.0	3.0	3.0	F4
Firefighter/Paramedic	14.0	14.0	14.0	F2
Firefighter/EMT	1.0	1.0	1.0	F1
Total Full-time Fire	23.0	23.0	23.0	
Part-time Firefighter/Paramedic	1.0	1.0	1.0	F2
Total Part-time Fire	1.0	1.0	1.0	
Total Fire	24.0	24.0	24.0	
Police Chief	1.0	1.0	1.0	117
Communications Supervisor	1.0	1.0	1.0	111
Communications Officer	9.0	9.0	9.0	107
Jail Attendant	1.0	1.0	1.0	107
Police Technician	1.0	1.0	1.0	107
Records Technician	1.0	1.0	1.0	107
Animal Control Officer	1.0	1.0	1.0	106
Administrative Secretary	1.0	1.0	1.0	105
Police Clerk	1.0	1.0	1.0	104
Assistant Police Chief	1.0	1.0	1.0	P6
Manager Information Services	1.0	1.0	1.0	P5
Police Lieutenant	2.0	2.0	2.0	P5
Detective Sergeant	0.0	0.0	0.0	P4
Police Sergeant	3.0	3.0	3.0	P4
Community Resource Officer	1.0	1.0	1.0	P3
Police Detective	3.0	3.0	3.0	P3
Police Detective - Rotating	1.0	1.0	1.0	P3
Police Corporal	3.0	3.0	3.0	P3
Warrant Officer	1.0	1.0	1.0	P3
Motorcycle Officer	2.0	2.0	2.0	P2
Police Officer	21.0	21.0	21.0	P2
Total Full-time Police	56.0	56.0	56.0	
Part-time Communications Officer	1.5	1.5	1.5	107
Part-time Court Bailiff	1.0	1.0	1.0	P2
Part-time Police Officer	1.0	1.0	1.0	P2
Total Part-time Police	3.5	3.5	3.5	
Total Police	59.5	59.5	59.5	

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire Staffing Position Summary				
Position	FY 2017 Adopted	FY 2018 Adopted	FY 2019 Proposed	Grade
Library Director	1.0	1.0	1.0	114
Assistant Library Director	0.0	1.0	1.0	111
Librarian	2.0	1.0	1.0	109
Library Support Technician	1.0	1.0	1.0	105
Library Assistant	3.0	3.0	3.0	104
Total Full-time Library	7.0	7.0	7.0	
Part-time Library Assistant	0.5	0.5	0.5	104
Total Part-time Library	0.5	0.5	0.5	
Total Library	7.5	7.5	7.5	
Director of Public Works	1.0	1.0	1.0	115
Administrative Services Manager	1.0	0.0	0.0	113
Assistant Director of Public Works	0.0	0.0	1.0	113
Special Projects Manager	1.0	1.0	1.0	112
Street and Traffic Superintendent	0.0	0.0	0.0	112
Foreman	0.0	0.0	1.0	109
Crew Leader	2.0	2.0	1.0	108
Equipment Operator II	0.0	0.0	0.0	106
Administrative Secretary	1.0	1.0	1.0	105
Equipment Operator I	2.0	2.0	2.0	105
Laborer	1.0	1.0	1.0	101
Total Public Works	9.0	8.0	9.0	
Director of Parks, Recreation, and Facilities	1.0	1.0	1.0	115
Assistant Director of Parks, Recreation, and Facilities (a)	1.0	1.0	0.0	113
Project Manager	0.0	0.0	1.0	113
Recreation Superintendent	0.0	0.0	1.0	112
Parks Superintendent	1.0	1.0	1.0	112
Athletics and Youth Program Superintendent	1.0	1.0	0.0	111
Facilities Superintendent	1.0	1.0	1.0	111
Recreation Supervisor II	0.0	0.0	1.0	111
Aquatics Supervisor	1.0	1.0	1.0	110
Recreation Supervisor	2.0	2.0	2.0	110
Senior Administrative Assistant	1.0	1.0	0.0	109
Administrative Assistant	0.0	0.0	1.0	108
Crew Leader (Parks)	1.0	1.0	1.0	108
Building Maintenance Technician	0.0	0.0	2.0	102
Parks Maintenance Technician	2.0	2.0	0.0	102
Custodian	2.0	2.0	2.0	101
Total Full-time Parks, Recreation, and Facilities	14.0	14.0	15.0	

(a) It is possible a Parks, Recreation, and Facilities employee will be promoted into the Assistant Director position. If that occurs, it will create an offsetting vacancy that will not be filled, keeping the total full-time positions for Parks, Recreation, and Facilities at 15 for FY 2019.

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire Staffing Position Summary				
Position	FY 2017 Adopted	FY 2018 Adopted	FY 2019 Proposed	Grade
Part-time Lifeguard	6.0	6.0	6.0	n/a
Part-time Pool Manager	0.5	0.5	0.5	n/a
Part-time Recreation Aide	3.5	3.5	3.5	n/a
Part-time Administrative Secretary	0.5	0.5	0.5	105
Total Part-time Parks, Recreation, and Facilities	10.5	10.5	10.5	
Total Parks, Recreation, and Facilities	24.5	24.5	25.5	
Total General Fund Full Time Equivalents	152.5	152.5	153.5	
Utilities Superintendent	1.0	1.0	1.0	112
Plant Operator	1.0	1.0	1.0	107
Utility Billing/Collections Technician	0.0	0.0	2.0	107
Utility Billing Technician	1.0	1.0	0.0	107
Utility Collections Technician	1.0	1.0	0.0	107
Laborer	4.0	4.0	3.0	101
Total Water Services	8.0	8.0	7.0	
Chief Plant Operator	1.0	1.0	1.0	111
Foreman (Utilities)	1.0	1.0	1.0	109
Plant Operator	2.0	2.0	2.0	107
Equipment Operator II	1.0	1.0	1.0	106
Administrative Secretary	1.0	1.0	1.0	105
Equipment Operator I	3.0	3.0	3.0	105
Laborer	1.0	1.0	1.0	101
Total Wastewater Services	10.0	10.0	10.0	
Solid Waste Superintendent	1.0	1.0	1.0	112
Foreman	1.0	1.0	1.0	109
Crew Leader	0.0	0.0	0.0	108
Equipment Operator I	5.0	5.0	5.0	105
Laborer	6.0	6.0	6.0	101
Total Solid Waste Services	13.0	13.0	13.0	
Total Enterprise Fund Full Time Equivalents	31.0	31.0	30.0	
Total Full Time Equivalents	183.5	183.5	183.5	

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

GENERAL PAY PLAN

Effective FY 2019

3.E.2.b

GRADE	JOB TITLE		STEPS											
			A	B	C	D	E	F	G	H	I	J	K	L
100.00	Library Shelver	Annual	23,633.00	24,460.00	25,316.00	26,202.00	27,119.00	28,068.00	29,050.00	30,067.00	31,119.00	32,209.00	33,336.00	34,500.00
		Monthly	1,969.42	2,038.33	2,109.67	2,183.50	2,259.92	2,339.00	2,420.83	2,505.58	2,593.25	2,684.08	2,778.00	2,871.67
		Bi-Weekly	908.96	940.77	973.69	1,007.77	1,043.04	1,079.54	1,117.31	1,156.42	1,196.88	1,238.81	1,282.15	1,322.10
		Hourly	11.36	11.76	12.17	12.60	13.04	13.49	13.97	14.46	14.96	15.49	16.03	16.57
101.00	Laborer	Annual	25,256.00	26,140.00	27,055.00	28,001.00	28,982.00	29,996.00	31,046.00	32,132.00	33,257.00	34,421.00	35,626.00	36,870.00
		Monthly	2,104.67	2,178.33	2,254.58	2,333.42	2,415.17	2,499.67	2,587.17	2,677.67	2,771.42	2,868.42	2,968.83	3,071.67
		Bi-Weekly	971.38	1,005.38	1,040.58	1,076.96	1,114.69	1,153.69	1,194.08	1,235.85	1,279.12	1,323.88	1,370.23	1,418.17
		Hourly	12.14	12.57	13.01	13.46	13.93	14.42	14.93	15.45	15.99	16.55	17.13	17.67
102.00	Building Maintenance Technician Parks Maintenance Technician Receptionist	Annual	28,829.00	29,837.00	30,882.00	31,963.00	33,081.00	34,238.00	35,448.00	36,689.00	37,973.00	39,302.00	40,678.00	42,100.00
		Monthly	2,402.42	2,486.42	2,573.50	2,663.58	2,756.75	2,853.17	2,954.00	3,057.42	3,164.42	3,275.17	3,389.83	3,508.17
		Bi-Weekly	1,108.81	1,147.58	1,187.77	1,229.35	1,272.35	1,316.85	1,363.38	1,411.12	1,460.50	1,511.62	1,564.54	1,619.17
		Hourly	13.86	14.34	14.85	15.37	15.90	16.46	17.04	17.64	18.26	18.90	19.56	20.21
103.00		Annual	30,270.00	31,329.00	32,426.00	33,560.00	34,735.00	35,951.00	37,221.00	38,523.00	39,872.00	41,267.00	42,712.00	44,200.00
		Monthly	2,522.50	2,610.75	2,702.17	2,796.67	2,894.58	2,995.92	3,101.75	3,210.25	3,322.67	3,438.92	3,559.33	3,683.67
		Bi-Weekly	1,164.23	1,204.96	1,247.15	1,290.77	1,335.96	1,382.73	1,431.58	1,481.65	1,533.54	1,587.19	1,642.77	1,700.17
		Hourly	14.55	15.06	15.59	16.13	16.70	17.28	17.89	18.52	19.17	19.84	20.53	21.21
104.00	Assistant Court Clerk Library Assistant Police Clerk	Annual	31,783.00	32,896.00	34,047.00	35,238.00	36,471.00	37,748.00	39,082.00	40,449.00	41,865.00	43,331.00	44,847.00	46,410.00
		Monthly	2,648.58	2,741.33	2,837.25	2,936.50	3,039.25	3,145.67	3,256.83	3,370.75	3,488.75	3,610.92	3,737.25	3,866.67
		Bi-Weekly	1,222.42	1,265.23	1,309.50	1,355.31	1,402.73	1,451.85	1,503.15	1,555.73	1,610.19	1,666.58	1,724.88	1,784.17
		Hourly	15.28	15.82	16.37	16.94	17.53	18.15	18.79	19.45	20.13	20.83	21.56	22.29
105.00	Administrative Secretary Equipment Operator I Library Support Technician Permit Technician I	Annual	33,373.00	34,540.00	35,749.00	37,000.00	38,295.00	39,636.00	41,036.00	42,472.00	43,958.00	45,497.00	47,089.00	48,730.00
		Monthly	2,781.08	2,878.33	2,979.08	3,083.33	3,191.25	3,303.00	3,419.67	3,539.33	3,663.17	3,791.42	3,924.08	4,061.67
		Bi-Weekly	1,283.58	1,328.46	1,374.96	1,423.08	1,472.88	1,524.46	1,578.31	1,633.54	1,690.69	1,749.88	1,811.12	1,874.17
		Hourly	16.04	16.61	17.19	17.79	18.41	19.06	19.73	20.42	21.13	21.87	22.64	23.41
106.00	Animal Control Officer Equipment Operator II Permit Technician II	Annual	35,041.00	36,267.00	37,536.00	38,851.00	40,211.00	41,618.00	43,087.00	44,596.00	46,157.00	47,771.00	49,444.00	51,170.00
		Monthly	2,920.08	3,022.25	3,128.00	3,237.58	3,350.92	3,468.17	3,590.58	3,716.33	3,846.42	3,980.92	4,120.33	4,264.67
		Bi-Weekly	1,347.73	1,394.88	1,443.69	1,494.27	1,546.58	1,600.69	1,657.19	1,715.23	1,775.27	1,837.35	1,901.69	1,968.17
		Hourly	16.85	17.44	18.05	18.68	19.33	20.01	20.71	21.44	22.19	22.97	23.77	24.57
107.00	Accounts Payable Technician Communications Officer Jail Attendant Plant Operator Police Technician Records Technician Utility Billing/Collections Representative	Annual	37,489.00	38,801.00	40,158.00	41,564.00	43,018.00	44,524.00	46,097.00	47,711.00	49,380.00	51,109.00	52,897.00	54,740.00
		Monthly	3,124.08	3,233.42	3,346.50	3,463.67	3,584.83	3,710.33	3,841.42	3,975.92	4,115.00	4,259.08	4,408.08	4,561.67
		Bi-Weekly	1,441.88	1,492.35	1,544.54	1,598.62	1,654.54	1,712.46	1,772.96	1,835.04	1,899.23	1,965.73	2,034.50	2,104.67
		Hourly	18.02	18.65	19.31	19.98	20.68	21.41	22.16	22.94	23.74	24.57	25.43	26.29

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

GENERAL PAY PLAN

Effective FY 2019

3.E.2.b

GRADE	JOB TITLE	Pay Frequency	STEPS											
			A	B	C	D	E	F	G	H	I	J	K	L
108.00	Administrative Assistant	Annual	41,518.00	42,972.00	44,476.00	46,033.00	47,644.00	49,311.00	51,052.00	52,839.00	54,689.00	56,603.00	58,584.00	60,631.00
	Crew Leader	Monthly	3,459.83	3,581.00	3,706.33	3,836.08	3,970.33	4,109.25	4,254.33	4,403.25	4,557.42	4,716.92	4,882.00	5,051.00
	Development Services Coordinator	Bi-Weekly	1,596.85	1,652.77	1,710.62	1,770.50	1,832.46	1,896.58	1,963.54	2,032.27	2,103.42	2,177.04	2,253.23	2,331.00
	Human Resources Specialist	Hourly	19.96	20.66	21.38	22.13	22.91	23.71	24.54	25.40	26.29	27.21	28.17	29.15
	Payroll/Department Specialist													
	Zoning/Health Code Enforcement Officer													
109.00	Executive Assistant to the City Manager	Annual	47,564.00	49,229.00	50,951.00	52,735.00	54,581.00	56,491.00	58,486.00	60,533.00	62,651.00	64,845.00	67,114.00	69,461.00
	Foreman	Monthly	3,963.67	4,102.42	4,245.92	4,394.58	4,548.42	4,707.58	4,873.83	5,044.42	5,220.92	5,403.75	5,592.83	5,788.00
	Information Technology Technician	Bi-Weekly	1,829.38	1,893.42	1,959.65	2,028.27	2,099.27	2,172.73	2,249.46	2,328.19	2,409.65	2,494.04	2,581.31	2,671.00
	Librarian	Hourly	22.87	23.67	24.50	25.35	26.24	27.16	28.12	29.10	30.12	31.18	32.27	33.38
110.00	Aquatics Supervisor	Annual	52,759.00	54,605.00	56,517.00	58,495.00	60,542.00	62,662.00	64,874.00	67,145.00	69,496.00	71,927.00	74,445.00	77,051.00
	Court Clerk	Monthly	4,396.58	4,550.42	4,709.75	4,874.58	5,045.17	5,221.83	5,406.17	5,595.42	5,791.33	5,993.92	6,203.75	6,421.00
	Purchasing/Contract Coordinator	Bi-Weekly	2,029.19	2,100.19	2,173.73	2,249.81	2,328.54	2,410.08	2,495.15	2,582.50	2,672.92	2,766.42	2,863.27	2,962.00
	Recreation Supervisor	Hourly	25.36	26.25	27.17	28.12	29.11	30.13	31.19	32.28	33.41	34.58	35.79	37.03
111.00	Chief Plant Operator	Annual	60,347.00	62,460.00	64,646.00	66,908.00	69,250.00	71,674.00	74,205.00	76,803.00	79,490.00	82,272.00	85,152.00	88,131.00
	Communications Supervisor	Monthly	5,028.92	5,205.00	5,387.17	5,575.67	5,770.83	5,972.83	6,183.75	6,400.25	6,624.17	6,856.00	7,096.00	7,344.00
	Facilities Superintendent	Bi-Weekly	2,321.04	2,402.31	2,486.38	2,573.38	2,663.46	2,756.69	2,854.04	2,953.96	3,057.31	3,164.31	3,275.08	3,388.00
	Recreation Supervisor II	Hourly	29.01	30.03	31.08	32.17	33.29	34.46	35.68	36.92	38.22	39.55	40.94	42.37
	Senior Accountant													
	Senior Management Analyst													
112.00	Building Official	Annual	67,717.00	70,087.00	72,540.00	75,079.00	77,707.00	80,426.00	83,267.00	86,181.00	89,198.00	92,319.00	95,551.00	98,891.00
	Human Resources Manager	Monthly	5,643.08	5,840.58	6,045.00	6,256.58	6,475.58	6,702.17	6,938.92	7,181.75	7,433.17	7,693.25	7,962.58	8,241.00
	Parks Superintendent	Bi-Weekly	2,604.50	2,695.65	2,790.00	2,887.65	2,988.73	3,093.31	3,202.58	3,314.65	3,430.69	3,550.73	3,675.04	3,803.00
	Recreation Superintendent	Hourly	32.56	33.70	34.88	36.10	37.36	38.67	40.03	41.43	42.88	44.38	45.94	47.54
	Solid Waste/Streets Superintendent													
	Special Projects Manager													
113.00	Utilities Superintendent													
	Administrative Services Manager - PW	Annual	78,297.00	81,037.00	83,873.00	86,809.00	89,847.00	92,992.00	96,276.00	99,646.00	103,134.00	106,743.00	110,479.00	114,341.00
	Asst. Director of Development Services	Monthly	6,524.75	6,753.08	6,989.42	7,234.08	7,487.25	7,749.33	8,023.00	8,303.83	8,594.50	8,895.25	9,206.58	9,528.00
	Asst. Director of Parks, Rec. and Facilities	Bi-Weekly	3,011.42	3,116.81	3,225.88	3,338.81	3,455.65	3,576.62	3,702.92	3,832.54	3,966.69	4,105.50	4,249.19	4,397.00
	Asst. Director of Public Works	Hourly	37.64	38.96	40.32	41.74	43.20	44.71	46.29	47.91	49.58	51.32	53.11	54.94
114.00	Project Manager													
	Assistant Director of Finance	Annual	96,772.00	100,159.00	103,664.00	107,292.00	111,048.00	114,934.00	118,993.00	123,159.00	127,468.00	131,930.00	136,547.00	141,321.00
	Director of Development Services	Monthly	8,064.33	8,346.58	8,638.67	8,941.00	9,254.00	9,577.83	9,916.08	10,263.25	10,622.33	10,994.17	11,378.92	11,776.00
	Director of Library	Bi-Weekly	3,722.00	3,852.27	3,987.08	4,126.62	4,271.08	4,420.54	4,576.65	4,736.88	4,902.62	5,074.23	5,251.81	5,434.00
		Hourly	46.53	48.15	49.84	51.58	53.39	55.26	57.21	59.21	61.28	63.43	65.65	67.94

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

GENERAL PAY PLAN

Effective FY 2019

3.E.2.b

GRADE	JOB TITLE	Pay Frequency	STEPS											
			A	B	C	D	E	F	G	H	I	J	K	L
115.00	Director of Information Technology	Annual	101,610.00	105,167.00	108,847.00	112,656.00	116,600.00	120,681.00	124,943.00	129,316.00	133,842.00	138,527.00	143,375.00	148,399.00
	Director of Parks, Rec., and Facilities	Monthly	8,467.50	8,763.92	9,070.58	9,388.00	9,716.67	10,056.75	10,411.92	10,776.33	11,153.50	11,543.92	11,947.92	12,361.00
	Director of Public Works	Bi-Weekly	3,908.08	4,044.88	4,186.42	4,332.92	4,484.62	4,641.58	4,805.50	4,973.69	5,147.77	5,327.96	5,514.42	5,702.00
		Hourly	48.85	50.56	52.33	54.16	56.06	58.02	60.07	62.17	64.35	66.60	68.93	71.33
116.00	Fire Chief	Annual	113,611.00	117,587.00	121,703.00	125,963.00	130,371.00	134,935.00	139,700.00	144,589.00	149,650.00	154,887.00	160,309.00	165,921.00
		Monthly	9,467.58	9,798.92	10,141.92	10,496.92	10,864.25	11,244.58	11,641.67	12,049.08	12,470.83	12,907.25	13,359.08	13,821.00
		Bi-Weekly	4,369.65	4,522.58	4,680.88	4,844.73	5,014.27	5,189.81	5,373.08	5,561.12	5,755.77	5,957.19	6,165.73	6,380.00
		Hourly	54.62	56.53	58.51	60.56	62.68	64.87	67.16	69.51	71.95	74.46	77.07	79.71
117.00	Assistant City Manager	Annual	120,386.00	124,599.00	128,960.00	133,474.00	138,145.00	142,981.00	148,030.00	153,211.00	158,574.00	164,124.00	169,868.00	175,811.00
	Chief Financial Officer	Monthly	10,032.17	10,383.25	10,746.67	11,122.83	11,512.08	11,915.08	12,335.83	12,767.58	13,214.50	13,677.00	14,155.67	14,650.00
	Police Chief	Bi-Weekly	4,630.23	4,792.27	4,960.00	5,133.62	5,313.27	5,499.27	5,693.46	5,892.73	6,099.00	6,312.46	6,533.38	6,760.00
		Hourly	57.88	59.90	62.00	64.17	66.42	68.74	71.17	73.66	76.24	78.91	81.67	84.48

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FIRE PAY PLAN

Effective FY 2019

3.E.2.b

GRADE	JOB TITLE	Pay Frequency	STEPS									
			A	B	C	D	E	F	G	H	I	J
F1	Fire Fighter EMT	Annual	52,016.00	53,837.00	55,721.00	57,671.00	59,690.00	61,779.00	63,941.00	66,179.00	68,495.00	70,893.00
		Monthly	4,334.67	4,486.42	4,643.42	4,805.92	4,974.17	5,148.25	5,328.42	5,514.92	5,707.92	5,907.7
		Bi-Weekly	2,000.62	2,070.65	2,143.12	2,218.12	2,295.77	2,376.12	2,459.27	2,545.35	2,634.42	2,726.6
		Fire Hourly	18.87	19.53	20.22	20.93	21.66	22.42	23.20	24.01	24.85	25.7
F2	Fire Fighter Paramedic	Annual	59,417.00	61,496.00	63,649.00	65,876.00	68,182.00	70,568.00	73,038.00	75,595.00	78,241.00	80,979.0
		Monthly	4,951.42	5,124.67	5,304.08	5,489.67	5,681.83	5,880.67	6,086.50	6,299.58	6,520.08	6,748.2
		Bi-Weekly	2,285.27	2,365.23	2,448.04	2,533.69	2,622.38	2,714.15	2,809.15	2,907.50	3,009.27	3,114.5
		Fire Hourly	21.56	22.31	23.09	23.90	24.74	25.61	26.50	27.43	28.39	29.3
F4	Fire Lieutenant	Annual	83,636.00	86,564.00	89,594.00	92,729.00	95,974.00	99,333.00	102,810.00	106,408.00	110,133.00	113,987.0
		Monthly	6,969.67	7,213.67	7,466.17	7,727.42	7,997.83	8,277.75	8,567.50	8,867.33	9,177.75	9,498.9
		Bi-Weekly	3,216.77	3,329.38	3,445.92	3,566.50	3,691.31	3,820.50	3,954.23	4,092.62	4,235.88	4,384.1
		Fire Hourly	30.35	31.41	32.51	33.65	34.82	36.04	37.30	38.61	39.96	41.3
F5	Fire Shift Commander	Annual	91,911.00	95,127.00	98,458.00	101,903.00	105,470.00	109,161.00	112,982.00	116,936.00	121,029.00	125,265.0
		Monthly	7,659.25	7,927.25	8,204.83	8,491.92	8,789.17	9,096.75	9,415.17	9,744.67	10,085.75	10,438.7
		Bi-Weekly	3,535.04	3,658.73	3,786.85	3,919.35	4,056.54	4,198.50	4,345.46	4,497.54	4,654.96	4,817.8
		Fire Hourly	33.35	34.52	35.72	36.97	38.27	39.61	40.99	42.43	43.91	45.4
F6	Assistant Chief/Fire Marshal	Annual	98,178.00	101,615.00	105,172.00	108,852.00	112,662.00	116,606.00	120,687.00	124,910.00	129,283.00	133,808.0
		Monthly	8,181.50	8,467.92	8,764.33	9,071.00	9,388.50	9,717.17	10,057.25	10,409.17	10,773.58	11,150.6
		Bi-Weekly	3,776.08	3,908.27	4,045.08	4,186.62	4,333.15	4,484.85	4,641.81	4,804.23	4,972.42	5,146.4
		Fire Hourly	47.20	48.85	50.56	52.33	54.16	56.06	58.02	60.05	62.16	64.3

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

POLICE PAY PLAN

Effective FY 2019

3.E.2.b

GRADE	JOB TITLE	Pay Frequency	STEPS									
			A	B	C	D	E	F	G	H	I	J
P2	Court Bailiff	Annual	62,387.00	64,571.00	66,831.00	69,170.00	71,591.00	74,097.00	76,690.00	79,375.00	82,153.00	85,028.00
	Police Officer	Monthly	5,198.92	5,380.92	5,569.25	5,764.17	5,965.92	6,174.75	6,390.83	6,614.58	6,846.08	7,085.60
	Police Officer - Motorcycle	Bi-Weekly	2,399.50	2,483.50	2,570.42	2,660.38	2,753.50	2,849.88	2,949.62	3,052.88	3,159.73	3,270.30
		Police Hourly	29.99	31.04	32.13	33.25	34.42	35.62	36.87	38.16	39.50	40.80
P3	Community Resource Officer	Annual	66,880.00	69,220.00	71,643.00	74,150.00	76,746.00	79,431.00	82,211.00	85,089.00	88,067.00	91,150.00
	Police Corporal	Monthly	5,573.33	5,768.33	5,970.25	6,179.17	6,395.50	6,619.25	6,850.92	7,090.75	7,338.92	7,595.80
	Police Detective	Bi-Weekly	2,572.31	2,662.31	2,755.50	2,851.92	2,951.77	3,055.04	3,161.96	3,272.65	3,387.19	3,505.70
	Warrant Officer	Police Hourly	32.15	33.28	34.44	35.65	36.90	38.19	39.52	40.91	42.34	43.80
P4	Police Sergeant	Annual	83,636.00	86,564.00	89,594.00	92,729.00	95,974.00	99,333.00	102,810.00	106,408.00	110,133.00	113,987.00
		Monthly	6,969.67	7,213.67	7,466.17	7,727.42	7,997.83	8,277.75	8,567.50	8,867.33	9,177.75	9,498.90
		Bi-Weekly	3,216.77	3,329.38	3,445.92	3,566.50	3,691.31	3,820.50	3,954.23	4,092.62	4,235.88	4,384.10
		Police Hourly	40.21	41.62	43.07	44.58	46.14	47.76	49.43	51.16	52.95	54.80
P5	Police Lieutenant	Annual	95,319.00	98,655.00	102,108.00	105,682.00	109,381.00	113,210.00	117,171.00	121,273.00	125,517.00	129,910.00
	Manager Information Services - Police	Monthly	7,943.25	8,221.25	8,509.00	8,806.83	9,115.08	9,434.17	9,764.25	10,106.08	10,459.75	10,825.80
		Bi-Weekly	3,666.12	3,794.42	3,927.23	4,064.69	4,206.96	4,354.23	4,506.58	4,664.35	4,827.58	4,996.50
		Police Hourly	45.83	47.43	49.09	50.81	52.59	54.43	56.33	58.30	60.34	62.40
P6	Assistant Police Chief	Annual	102,965.00	106,568.00	110,299.00	114,159.00	118,155.00	122,290.00	126,570.00	131,000.00	135,585.00	140,330.00
		Monthly	8,580.42	8,880.67	9,191.58	9,513.25	9,846.25	10,190.83	10,547.50	10,916.67	11,298.75	11,694.10
		Bi-Weekly	3,960.19	4,098.77	4,242.27	4,390.73	4,544.42	4,703.46	4,868.08	5,038.46	5,214.81	5,397.30
		Police Hourly	49.50	51.23	53.03	54.88	56.81	58.79	60.85	62.98	65.19	67.40

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

Appendix C – Fee Schedule

Description

The schedule of proposed FY 2019 fees excludes certain fees, taxes, fines, and penalties which (a) are separately set by City Council ordinance, or (b) are set by state law or otherwise mandated by outside agencies.

Examples of fees/taxes/fines/penalties not included in the fee schedule:

Property tax
 Sales tax
 Franchise fees
 Itinerant merchant fees
 Liquor license fees
 Solicitor's permit fees
 Ambulance service fees
 Traffic fines
 Court costs
 Alarm permit fees
 False alarm response fees
 Copy fees
 Animal control fees
 Wrecker registration fees
 Vending fees
 Bellaire L.I.F.E. activity fees
 Various recreation program / activity fees for classes
 Penalties for noncompliance with various ordinances

The schedule of proposed FY 2019 fees includes some changes to Parks and Recreation fees. Those changes are proposed to become effective January 1, 2019 to correspond with the publication of the Fall Leisure Guide.

FY 2019 FEES

Parks, Recreation, and Facilities

Aquatics				
Daily Admission Fees - Bellaire Town Square Family Aquatic Center	Resident, Non-Peak (Oct.-April)	Non-Resident, Non- Peak (Oct. - April)	Resident, Peak (May - Sept.)	Non-Resident, Peak (May - Sept.)
Ages 0-2	Free	Free	Free	Free
Ages 3-59	\$ 5.00	\$ 10.00	\$ 8.00	\$ 16.00
Ages 60 & up	\$ 4.00	\$ 8.00	\$ 7.00	\$ 14.00
Daily Admission Fees - Evergreen/Elaine Wood Therapy Pool	Resident	Non-Resident		
Ages 0-2	Free	Free		
Ages 3-59	\$ 5.00	\$ 10.00		
Ages 60 & up	\$ 4.00	\$ 8.00		
Annual Aquatics Membership	Resident	Non-Resident		
Individual	\$ 240.00	\$ 350.00		
Couple	\$ 350.00	\$ 470.00		
Family (6 members per membership)	\$ 360.00	\$ 590.00		
Senior Individual (60+)	\$ 156.00	\$ 333.00		
Senior Couple (both individuals must be 60+)	\$ 228.00	\$ 447.00		
Senior Family (6 members per membership)	\$ 306.00	\$ 561.00		
Additions to family membership	\$ 50.00	\$ 100.00		
Pool Rentals	Resident	Non-Resident	Bellaire, Non-Profit Group	Non-Bellaire, Non Profit
BTSFAC Private 2 hours	\$ 800.00	\$ 1,200.00	\$ 400.00	\$ 600.00
BTSFAC Table Rental - 4 tables 2 hours (\$50.00/each additional hour per table)	\$ 100.00	\$ 200.00		
Evergreen Private 2 hours				
1-50 People	\$ 200.00	\$ 200.00	\$ 100.00	\$ 100.00
51-75 People	\$ 250.00	\$ 250.00	\$ 125.00	\$ 125.00
76-100 People	\$ 300.00	\$ 300.00	\$ 150.00	\$ 150.00
Over 100 People	\$ 350.00	\$ 350.00	\$ 175.00	\$ 175.00
Evergreen Table Rental 2 Hours (\$20.00/each additional hour per table)				
2 Tables	\$ 40.00	\$ 40.00		
4 Tables	\$ 80.00	\$ 80.00		
6 Tables	\$ 120.00	\$ 120.00		
Other Pool Fees	Resident	Non-Resident		
Swim Lessons Per Session	\$ 85.00	\$ 95.00		
Swim Team Per Season	\$ 175.00	\$ 190.00		
Camp Evergreen (Teen Leadership Camp)	\$ 125.00	\$ 145.00		

FY 2019 FEES

Recreation Center				
Annual Recreation Center Membership	Resident	Non-Resident		
Individual	\$ 30.00	\$ 40.00		
Couple	\$ 40.00	\$ 50.00		
Family (max 5 per family)	\$ 50.00	\$ 60.00		
Senior Discount (60+)	10%	5%		
Recreation Center Visitor Day Pass	Resident	Non-Resident		
Recreation Center Visitor Day Pass	\$ 10.00	\$ 10.00		
Camp Paseo	Resident	Non-Resident		
Camp Paseo Per Weekly Session	\$ 150.00	\$ 165.00		
Camp Paseo Per Weekly Session with Field Trip	\$ 165.00	\$ 180.00		
Camp Paseo Before Camp	\$ 10.00	\$ 15.00		
Camp Paseo After Camp	\$ 20.00	\$ 30.00		
Winter Camp	Resident Full Session	Non-Resident Full Session	Resident Per Day	Non-Resident Per Day
Winter Camp (6 days of camp)	\$ 150.00	\$ 200.00	\$ 30.00	\$ 40.00
Winter Camp Before Camp	\$ 10.00	\$ 15.00	\$ 2.00	\$ 5.00
Winter Camp After Camp	\$ 20.00	\$ 30.00	\$ 5.00	\$ 10.00
Youth Sports	Resident	Non-Resident		
Youth Soccer	\$ 105.00	\$ 130.00		
Youth Basketball	\$ 105.00	\$ 130.00		

Facility and Park Rentals							
Facility Rentals Per Hour	Resident	Non-Resident	Bellaire, Non-Profit Group	Non-Bellaire, Non-Profit Group	Security Deposit Resident and Bellaire, Non-Profit	Security Deposit Non-Resident and Non-Bellaire Non-Profit	
Civic Center Hall Auditorium	\$ 140.00	\$ 280.00	\$ 70.00	\$ 140.00	\$ 500.00	\$ 750.00	
Civic Center Meeting Room	\$ 55.00	\$ 75.00	\$ 25.00	\$ 50.00	\$ 500.00	\$ 750.00	
Civic Center Meeting Room w/Kitchen	\$ 75.00	\$ 95.00	\$ 35.00	\$ 70.00	\$ 500.00	\$ 750.00	
Civic Center Both Meeting Rooms and Kitchen	\$ 215.00	\$ 375.00	\$ 105.00	\$ 210.00	\$ 500.00	\$ 750.00	
CenterPoint Energy Community Center	\$ 100.00	\$ 200.00	\$ 50.00	\$ 100.00	\$ 500.00	\$ 750.00	
Rec Center Gymnasium	\$ 175.00	\$ 225.00	\$ 50.00	\$ 75.00	\$ 100.00	\$ 200.00	
Rec Center Meeting Room	\$ 50.00	\$ 100.00	\$ 25.00	\$ 50.00	\$ 100.00	\$ 200.00	
Rec Center Craft Room	\$ 35.00	\$ 70.00	\$ 15.00	\$ 35.00	\$ 100.00	\$ 200.00	
Rec Center Youth Room	\$ 35.00	\$ 70.00	\$ 15.00	\$ 35.00	\$ 100.00	\$ 200.00	
Park Facility Rentals							
Event Lawn/Pavilion Per 12 Hrs. Day	\$ 500.00	\$ 1,000.00	\$ 250.00	\$ 500.00	\$ 500.00	\$ 500.00	
Event Lawn Min 2 Hour Block (\$25 Addtl Hrs.)	\$ 50.00	\$ 100.00	\$ 25.00	\$ 50.00	\$ 500.00	\$ 500.00	
Pavilion Min 2 Hour Block (\$25 Addtl Hrs.)	\$ 50.00	\$ 100.00	\$ 25.00	\$ 50.00	\$ 500.00	\$ 500.00	
Gazebo Min 2 Hour Block (\$25 Addtl Hrs.)	\$ 50.00	\$ 100.00	\$ 25.00	\$ 50.00	\$ 500.00	\$ 500.00	
Bellaire Picnic Table Per 2 Hour Block	\$ 20.00	\$ 40.00	\$ 10.00	\$ 20.00	\$ 50.00	\$ 50.00	
Loftin Park Picnic Table Per 2 Hour Block	\$ 20.00	\$ 40.00	\$ 10.00	\$ 20.00	\$ 50.00	\$ 50.00	
Outside Lights and Electrical Power Per Hour With Rental	\$ 25.00	\$ 50.00	\$ 20.00	\$ 25.00	\$ 20.00	\$ 20.00	
Athletic Field Per Hour	\$ 25.00	\$ 50.00			\$ 50.00	\$ 50.00	
Athletic Field With Lights Per Hour	\$ 35.00	\$ 70.00			\$ 50.00	\$ 50.00	
Tennis Court Per Hour	\$ 3.00	\$ 5.00					
Banner Permit							
Esplanade Banner	\$ 30.00	\$ 30.00					

FY 2019 FEES

Library

Printed Material

	Daily Charge	Maximum Fine	Replacement Fee	Processing Fee
Hardcover Books	\$ 0.20	Cost of Item	Cost of Item	\$ 10.00
Paperback Books - Cataloged	\$ 0.20	Cost of Item	Cost of Item	\$ 10.00
Paperback Books - Adult - Uncataloged	\$ 0.20	\$ 6.00	\$ 6.00	\$ 1.00
Paperback Books - Children's - Uncataloged	\$ 0.20	\$ 4.00	\$ 4.00	\$ 1.00
Magazines	\$ 0.20	Twice the Cost of Current Issue	Twice the Cost of Current Issue	\$ 5.00

Non-Book and Equipment

	Daily Charge	Maximum Fine	Replacement Fee	Processing Fee
Videocassettes	\$ 1.00	Cost of item. If not known, \$10.00	Cost of item. If not known, \$25.00	\$ 10.00
Audio Books (Includes Playaway)	\$ 0.20	Cost of Item. If not known, \$30.00	Cost of item. If not known, \$30.00	\$ 10.00
DVD	\$ 1.00	Cost of Item	Cost of Item	\$ 10.00
Cameras	\$ 0.25	Cost of item. If not known, \$30.00	Cost of item. If not known, \$30.00	\$ 10.00
16 mm and 8 mm Projectors	\$ 10.00	Cost of item. If not known, \$300.00	Cost of item. If not known, \$300.00	\$ 10.00
Slide Projector	\$ 10.00	Cost of item. If not known, \$300.00	Cost of item. If not known, \$300.00	\$ 10.00

Non-Book and Equipment

	Daily Charge	Maximum Fine	Replacement Fee	Processing Fee
Videocassette Projector	\$ 25.00	Cost of item. If not known, \$1,000.00	Cost of item. If not known, \$1,000.00	\$ 10.00
Data Projector	\$ 25.00	Cost of Item	Cost of Item	\$ 10.00
Filmstrip Projector	\$ 0.25	Cost of item. If not known, \$25.00	Cost of item. If not known, \$25.00	\$ 10.00
Cassette Player	\$ 0.25	Cost of item. If not known, \$25.00	Cost of item. If not known, \$25.00	\$ 10.00
Playaway View	\$ 0.20	Cost of item, If not known, \$99.00	Cost of item. If not known, \$99.00	\$ 10.00
Playaway Bookpacks	\$ 0.20	Cost of item. If not known, \$99.00	Cost of Item. If not known, \$99.00	\$ 10.00

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Miscellaneous Charges				
Photocopying	B&W	\$	0.10	Per Page
	Color	\$	0.25	Per Page
Printing From Computer	B&W	\$	0.10	Per Page
	Color	\$	0.25	Per Page
Printing From Microfilm		\$	0.25	Per Page
Send & Receive Faxes		\$	1.00	Per Page - Local
		\$	2.00	Per Page - Long Distance
		\$	3.00	Per Page - International
Typewriter		\$	1.00	Per Hour / Part of an Hour
Postage for Interlibrary Loan		\$	3.00	Per Item
Returned Check Fee		\$	35.00	
Replacement Library Borrower Cards		\$	1.00	

Material that is damaged beyond normal wear and tear will be assessed a mending fee, or charged a bindery or a replacement fee. Items with multiple parts that have one or more pieces missing making the item unusable will be charged replacement costs for the item. Damaged material or damaged pages are assessed a fee by the Library Director on each item, dependent on damage and possible repair.

Miscellaneous Charges				
Bindery Fee (if Available)		\$	8.00	
Lost or Damaged Items May Include:				
Videocassette Boxes		\$	1.00	
Cassette Boxes for Audiobooks		\$	5.00	
Camera Case		\$	5.00	
Plastic Book Jacket		\$	1.00	
Jewel Case (for CD's)		\$	1.00	Plus Cost of Barcodes
Missing Liner or Cover Information from Videos, DVD's or Audiobooks		\$	1.00	Plus Cost of Barcodes
Plastic Bags (AV Kits)		\$	1.00	
Videocassette Case		\$	1.00	
Replacement Audiotapes (if available)		\$	8.00	
Missing Barcode		\$	1.00	

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Development Services

All Permits

Processing Fee	\$	30.00
Work Begun w/o Permit	Twice required fee	
Permit Refund	\$	25.00

Contractor Registration

Builder	\$	85.00
Irrigation/Drainage	\$	85.00
Mechanical	\$	85.00
Electrical	Master	\$ 85.00
	Journeyman	\$ 45.00
	Apprentice	\$ 10.00

Food Dealer/Health Inspection

Consulting Fee/Hour	\$	75.00
Plan Review	\$	75.00
Permit reinstatement	Half Original	
Food Dealer's Permit	No Seating	\$ 160.00
	Seating	\$ 210.00
	Institutional/Grocery	\$ 260.00
	Church	\$ 225.00
	Mobile Unit	\$ 125.00
	Temporary	\$ 50.00

Commercial and Multi-Family Construction

Less than \$10,000	\$	140.00
\$10,000 to \$24,999	\$159.00 for the first \$10,000 plus \$21.73 for each additional \$1,000	
\$25,000 to \$49,999.99	\$485.00 for the first \$25,000 plus \$12.48 for each additional \$1,000	
\$50,000 to \$99,999.99	\$797.00 for the first \$50,000 plus \$8.66 for each additional \$1,000	
\$100,000 to \$499,999.99	\$1230.00 for the first \$100,000 plus \$6.94 for each additional \$1,000	
\$500,000 to \$999,999.99	\$4005.00 for the first \$500,000 plus \$5.83 for each additional \$1,000	
\$1,000,000 and Up	\$6943.00 for the first \$1,000,000 plus \$4.78 for each additional \$1,000	
Commercial and Multi-Family Construction Plan Review Fee	65% of Permit Fee	

Drainage Review

Commercial	Actual Cost Plus 10%	
Residential	Initial and As-Built Plus 1 Resub Each	\$ 160.00
	Additional Submittals	\$ 80.00

Certificate of Occupancy

Commercial	\$	100.00
Residential	\$	50.00
Temporary	Same as Regular	

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Residential, non Multi-Family, Construction		
Less than \$5,000	\$	60.00
Less than \$10,000	\$	65.50
\$10,000 to \$24,999.99	\$92.50 for the first \$10,000 plus \$7.14 for each additional \$1,000	
\$25,000 to \$49,999.99	\$199.60 for the first \$25,000 plus \$5.16 for each additional \$1,000	
\$50,000 to \$99,999.99	\$328.60 for the first \$50,000 plus \$3.58 for each additional \$1,000	
\$5,000 to \$99,999	\$65.00 for the first \$1,000 plus \$5.60 for each additional \$1,000	
\$100,000 to \$499,999.99	\$602.00 for the first \$100,000 plus \$3.40 for each additional \$1,000	
\$500,000 to \$999,999.99	\$1960.00 for the first \$500,000 plus \$2.88 for each additional \$1,000	
\$1,000,000 and up	\$3,400.00 for the first \$1,000,000 plus \$2.44 for each additional \$1,000	
Residential Plan Review Fee	50% of Permit Fee	

Fire Marshal Review		
Plan Review	\$	50.00
Reinspection	\$	50.00
After Hours Inspection	Weekdays	\$105/hour, two hour minimum
	Weekends	\$150/hour, two hour minimum

Other/General Permits		
Fence (New/Repair)	\$	50.00
Residential Re-Roof (Non-Structural)	\$	50.00
House Moving	\$	350.00
Addressing Fee	\$	50.00
<i>Signs</i>	Application Fee	\$ 30.00
	Permit Fee	\$1.75 per sq. ft. of sign face
	Minimum Fee	\$ 25.00
	Site Inspection Fee	\$ 60.00
	Electronic Message Display	\$ 30.00
	Banner Permit	\$20.00 per sign face
<i>Demolition</i>	Commercial	\$170, plus \$100 per additional story
	Residential	\$ 175.00
	New Construction	\$ 200.00
	Remodel/ Addition	\$ 100.00
	Re-inspection Fee	\$ 35.00
	Desirable Tree Removal/ Each	\$ 50.00
Garage Sales	\$	15.00
Estate Sales	\$	25.00
Special Events	\$	75.00
Elevator	Commercial	\$ 60.00
	Residential	\$ 25.00

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Board/Commission Related Fees		
Plats and Replats	\$650 plus \$15 per lot	
Minor Replat (no streets & less than 4 lots)	\$295 plus \$15 per lot	
Amending Plats	\$	275.00
Vacating Plats	\$	275.00
Consultant Review (Legal, Engineering, Arborist etc.)	Actual Cost plus 10%	
Request to Rezone	\$	900.00
Zoning Text Amendment (each)	\$	900.00
Zoning Verification Letter	\$	50.00
Specific Use Permit	\$	900.00
Planned Development	\$	1,200.00
PD - Residential Amend minor (less than 4 lots)	\$	800.00
ZBOA Action Request (each)	\$	295.00
B&SC Action Request (each)	\$	295.00
Board/Commission/Council item rescheduling	\$150.00 plus legal notice fees if required	
Sign Posting Fee (non refundable)	\$	175.00
Legal Notice Required (per notice, Boards and Council)	\$	125.00
Cost of mailing public hearing notices (per notice, Boards and Council)	Applicant is responsible for the City's actual	
Plat Recordation	Actual Cost plus \$50.00 handling	

FY 2019 FEES

Plumbing Fees		
Residential Sewer Tap	\$	1,000.00
Residential Water Tap	\$	1,000.00
Sprinkler Meter	\$	1,000.00
Plumbing Issuing Fee	\$	30.00
Fixtures Or Traps-Each	\$	10.00
Connect To Existing Sewer and/or City Sewer	\$	30.00
Sewer Replacement	\$	30.00
New Sewer Line	\$	30.00
Partial Sewer Replacement	\$	30.00
Disconnect And Plug Sewer	\$	35.00
Hose Bibb W/Vacuum Breaker	\$	10.00
Water Service Line-New	\$	20.00
Water Line Replacement	\$	20.00
Water Heater And/or Vent	\$	20.00
T&P Valve Only	\$	20.00
Water Treatment Equip.-New	\$	25.00
Replacement	\$	25.00
Grease Trap	\$	60.00
Foundation Watering System	\$	-
Lawn Sprinkler System	\$	50.00
Gas Piping System (1-5 Outlets)	\$	20.00
Additional Outlets	\$	5.00
Gas Piping Re-Inspection	\$	26.00
Temporary Gas Connection	\$	30.00
GTO	\$	30.00
Gas Meter Relocation	\$	30.00
Swimming Pool H2O Line	\$	20.00
Yard Lights	\$	15.00
Bar-B-Q Grills	\$	15.00
<i>Fire System Related</i>		
Fire Protection Sprinkler System (per floor)	Residential	\$ 80.00
	Commercial	\$ 105.00
<i>Standpipe System</i>		
1-25 Hose Connections	\$	125.00
Each Additional Connection	\$	5.00
Hydro Test	\$	50.00
<i>Drainage Related</i>		
Runoff To Storm Water Drainage System	\$	35.00
Connect Down Spouts-Each	\$	8.00
Catch Basins-Each	\$	15.00
Connect To City Storm Drain System	\$	4.00
Gutter Installation	\$	35.00
Minimum Fee	\$	45.00
Re-Inspection Fee	\$	52.00
Other	\$	40.00

FY 2019 FEES

Electrical Fees		
Electrical Issuing Fee	\$	30.00
Temporary Sawpole	\$	35.00
Reconnect	\$	40.00
Other	\$	40.00
Electric Dryer	\$	5.00
Range Outlet	\$	5.00
Range Table Top	\$	5.00
Range Oven	\$	5.00
Garbage Disposal	\$	5.00
Dishwasher	\$	5.00
Window A/C Receptacle	\$	5.00
Microwave	\$	4.00
Electric Water Heater		
(>1500 watts)	\$	6.00
Electric Water Heater		
(<1500 watts)	\$	8.00
KW: 0-5 Per KW	\$	4.00
Over 5 KW Add Per KW	\$	2.00
Sign: Per Ballast	\$	5.00
Sign: Per Transformer	\$	8.00
Motion Picture Machines	\$	15.00
Commercial Sound Equipment	\$	4.00
X-Ray Machine	\$	10.00
Minimum Permit Fee	\$	45.00
Re-Inspection Fee	\$	50.00
Other	\$	40.00

HVAC Fees		
HVAC Issuing Fee	\$	30.00
Heating (per 100 kBTU or part thereof)	\$	30.00
Air Conditioning per unit	\$	30.00
Air Conditioning (per ton or part thereof)	\$	10.00
Cooling Tower per unit	\$	30.00
Cooling Tower (per ton or part thereof)	\$	10.00
Change Out Heating and/or Cooling (Large Commercial)	\$	35.00
Change Out Cooling Tower	\$	100.00
Ventilating System (2,000 CFM & Higher)	\$	45.00
Minimum Fee	\$	45.00
Re-Inspection Fee	\$	50.00
Other	\$	40.00

FY 2019 FEES

Utilities

Water/Sewer Rates

Monthly Minimum Charge – Based on Water Meter Size

Meter Size	Base Water Rate	Base Sewer Rate
5/8 & 3/4 – Inch	\$ 7.34	\$ 7.64
1 – Inch	\$ 18.36	\$ 7.64
1 ½ - Inch	\$ 36.75	\$ 7.64
2 – Inch	\$ 58.75	\$ 7.64
2 ½ - Inch	\$ 88.13	\$ 7.64
3 – Inch	\$ 110.16	\$ 7.64
4 – Inch	\$ 183.59	\$ 7.64
6 – Inch	\$ 367.19	\$ 7.64
8 – Inch	\$ 587.50	\$ 7.64

Volumetric Rates – Per 1,000 Gallons

Volume Consumed	Base Water Rate	Base Sewer Rate
0 – 2,000	\$ 1.76	\$ 2.94
2,001 – 4,000	\$ 2.35	\$ 2.94
4,001 – 6,000	\$ 2.94	\$ 2.94
6,001 – 8,000	\$ 3.23	\$ 2.94
8,001 – 10,000	\$ 3.82	\$ 2.94
10,001 – 15,000	\$ 4.41	\$ 2.94
15,001 – 20,000	\$ 4.70	\$ 2.94
20,000+	\$ 5.29	\$ 2.94

Winter Averaging – for Residential Customers

Water consumption for the three highest months of November, December, January, and February will be totaled and an average consumption for those three months will be calculated. That average usage will then become the "winter average" on which the sewer volumetric charge is based for the next twelve months.

Other Utility Fees

New Service Fee	\$ 35.00
Reconnect Fee	\$ 35.00
Recycling Fee	\$ 2.50
Sanitation Fee	\$ 20.51
Returned Check Fee	\$ 35.00
Late Fee	10% of past due balance
Recycling Bin	\$ 10.00
Roll of Garbage Bags	\$ 5.95
Excess Garbage Sticker	\$ 1.00

Records Management (City Hall)

Fees

See: Texas Administrative Code, Title 1, Administration, Part 3, Office of the Attorney General, Chapter 70, Cost of Copies of Public Information, Rule §70.3, Charges for Providing Copies of Public Information.

City of Bellaire

FY 2019

Appendix D – Comprehensive
Financial Management Policy
Statement

City of Bellaire

COMPREHENSIVE FINANCIAL MANAGEMENT POLICY STATEMENT

Comprehensive Financial Management Policy Statement (CFMPS) assembles all of the City's financial policies in one document. Financial policies are statements of principles or goals adopted by the governing body. Bellaire's CFMPS provides guidelines for operational and long range planning, ensuring that the City is financially able to meet its immediate and long-term service objectives. The City intends for this document to guide its fiscal management and will make best efforts to comply.

- I. **Accounting, Auditing and Financial/Fiscal Reporting and Monitoring:** Maintain accounting practices that conform to generally accepted accounting principles and comply with prevailing federal, state, and local statutes and regulations. Prepare and present regular reports that analyze and evaluate the City's financial performance and economic condition.
- II. **Financial Consultants:** The City will employ the assistance of qualified financial advisors and consultants as needed in the administration and management of the City's financial functions. These areas include but are not limited to audit services, debt administration, and delinquent tax collections. The principal factors in the selection of these consultants will include experience/expertise, ability to perform the services, references, methodology and price.
- III. **Budget and Long Range Financial Planning:** Establish guidelines for budgeting to ensure a financially sound City and establish a long-range financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets.
- IV. **Revenues and Resources:** Maintain a balanced and diverse revenue stream that minimizes the City's exposure to economic cycles and risk.
- V. **User Fees:** Design, maintain, and administer a fee structure for fee-based services that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.
- VI. **Expenditures and Services (non-capital):** Identify and set priorities for services, establish appropriate service levels and administer the expenditure of available resources to help ensure fiscal stability and the effective and efficient delivery of services.
- VII. **Fund Balance/Working Capital:** Maintain the fund balance and net assets of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its ability to withstand emergencies or economic fluctuations.
- VIII. **Capital Expenditures and Improvements:** Annually review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

- IX. **Debt:** Establish guidelines for debt financing that will minimize the impact of debt payments on current revenues and protect the City's creditworthiness.
- X. **Cash Management/Investments:** Invest the City's operating cash in a manner that will ensure its absolute safety of principal, provide for the necessary liquidity needs of the City, and optimize yield relative to those constraints.
- XI. **Grants:** Seek, apply for and effectively administer federal, state and local grants, to support the City's priorities and policy objectives.

I. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

Maintain accounting practices that conform to generally accepted accounting principles and comply with prevailing federal, state, and local statutes and regulations. Prepare and present regular reports that analyze and evaluate the City's financial performance and economic condition.

A. Accounting Practices and Principles

The City will maintain accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. All city financial documents, except monthly interim financial reports, including official statements accompanying debt issues, Comprehensive Annual Financial Reports and continuing disclosure statements will meet standards. Monthly interim financial reports are on a modified accrual basis and will be reported as budgeted. At year-end the general ledger and financials will be converted to full accrual basis.

B. Financial and Management Reports

Monthly Financial Reports will be prepared and reviewed by the City Manager and will be made available for the City Council and public review.

Quarterly reports will be prepared and presented to the City Council that explain key economic and fiscal developments, note significant deviations from the budget, report on the status of the City's strategic and capital improvement projects, and when required, outline any remedial actions necessary to maintain the City's financial position.

C. Annual Audit

Pursuant to State law, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit and filed with the City Clerk within 180 days after the last day of the fiscal year. The audit shall be performed by a certified public accounting (CPA) firm, licensed to practice in the State of Texas. The audit firm shall provide a management letter to the City prior to the filing of the audit. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary. An official Comprehensive Annual Financial Report (CAFR) shall be issued no later than six (6) months following the end of the fiscal year. The Chief Financial Officer shall be responsible for establishing a process to ensure timely resolution of audit recommendations.

D. Audit Finance Board (Chapter 2, Article VII, Division 3, Sec. 2-120 Audit Finance Board)

The Mayor shall appoint three council members and the City Council shall appoint a citizen member to serve on the Audit Finance Board. The role of the board is to advise the city council concerning audits of the city and any auditing matters as may be referred to it by the Chief Financial Officer of the City and/or the City Council. The Audit Finance Board shall be responsible for the following:

- Recommending an auditor to city council during those years in which an auditor must be appointed by the City.
- Reviewing the audit of the city prior to submission to the city council

- Assisting the auditor and city staff with the presentation of the audit to city council
- Providing a communication link between the auditor and city council regarding any major issues/concerns/findings that may arise.

E. Annual Financial Disclosure

As required by the Securities and Exchange Commission (SEC) Rule 15c2-12, the City, with support of the City's financial advisor and bond counsel, will provide certain annual financial information to various information repositories through disclosure documents that include the necessary information within six months of fiscal year end. The City will also provide timely notices, not in excess of ten business days after the occurrence of a material event as defined in Rule 15c2-12, paragraph (b)(5)(i)(c).

F. Signature of Checks

All checks shall have two signatures. Three persons shall be authorized to sign checks: the City Manager, the Chief Financial Officer, and the Assistant City Manager. Signatures shall be affixed to all City checks via facsimile signatures, made with a secure laser check printing system, or through handwritten signatures affixed to each check.

G. Compliance with Council Policy Statements

Policy statements adopted by City Council are guidelines, and occasionally exceptions may be appropriate and required. Exceptions to stated policies will be specifically identified and the need for the exception will be documented and explained to City Council and/or the City Manager.

II. FINANCIAL CONSULTANTS

The City will employ the assistance of qualified financial advisors and consultants as needed in the administration and management of the City's financial functions. These areas include but are not limited to audit services, debt administration, and delinquent tax collections. The principal factors in the selection of these consultants will include experience/expertise, ability to perform the services, references, methodology and price.

A. Selection of Auditors

At least every five years, the City shall request proposals from qualified firms, including the current auditors if their past performance has been satisfactory. The City Council shall select an independent firm of certified public accountants to perform an annual audit of the accounts and records, and render an opinion on the financial statements of the City.

- It is the City's preference to rotate auditor firms every five years to ensure that the City's financial statements are reviewed and audited from an objective, impartial, and unbiased point of view. The rotation of the audit firm will be based upon the proposals received, the qualifications of the firm, the firm's ability to perform a quality audit and price.

- However, if through the proposal and review process, management and the Audit Finance Board select the current audit firm, then, it is the City's preference that the lead audit partner be rotated as well as the lead reviewer after a maximum of five years.
- Annually, the independent auditor will provide a letter of engagement to the City Council for annual audit services.

B. Arbitrage

Arbitrage calculation and reporting shall be contracted out to a qualified firm.

- The Chief Financial Officer and the Arbitrage Consultant shall complete a risk assessment of positive arbitrage on each bond issue annually to determine the necessity for a calculation of positive/negative arbitrage in the current year.
- All bond issues, in accordance with arbitrage regulations, shall have each fifth year and final arbitrage calculations completed.

C. Delinquent Tax Collection Attorney

Due to the nature of services and expertise required, the City shall hire a delinquent tax collection attorney to collect delinquent taxes, represent the City in filing bankruptcy claims, foreclose on real property, seize personal property, and represent the City in court cases and property sales.

- If the City chooses to contract directly for delinquent tax collection services, requests for proposals or statements of qualifications are to be solicited at least every five years.
- The City may contract with the same firm used previously if based on the review process, it is determined it offers the best value.

D. Bond Counsel

Bond Counsel to the City has the role of an expert who provides an objective legal opinion concerning the issuance and sale of bonds and other debt instruments. As bond counsel are specialized attorneys who have developed necessary expertise in a broad range of practice areas, the City will always contract such counsel for these services. Generally, bonds are not marketable without an opinion of bond counsel stating that the bonds are valid and binding obligations, stating the sources of payment and security for the bonds and that the bonds are exempt from State and Federal income taxes.

- Due to the complexity of the City's financial structure and the benefits that come with a working historical knowledge of the City, the City prefers to use the same bond counsel for many years.
- His/her contract will be considered annually.
- In order to ensure that the City is still receiving services for fair market value, staff will conduct a survey every five years of bond counsel fees and present a comparison and analysis to the City Manager.

E. Financial Advisory Services

The City issues various types of securities to finance its capital improvement program. Debt structuring and issuance requires a comprehensive list of services associated with municipal transactions, including but not limited to: method of sale; analysis of market conditions; size and structure of the issue; preparation of disclosure documents; coordinating rating agency relations; evaluation of and advice on the pricing of securities; assisting with closing and debt management; calculating debt service schedules; and advising on financial management.

- As financial advisors to governmental entities have developed the necessary expertise in a broad range of services, the City will use a consultant for these services.
- Due to the complexity of the City's financial structure and the benefits that come with a working, historical knowledge of the City, the contract with the Financial Advisor shall be considered evergreen, however with a termination clause.
- In order to ensure that the City is still receiving services for fair market value, staff will conduct a survey every five years of Financial Advisory fees and present a comparison and analysis to the City Manager.

III. BUDGET AND LONG RANGE FINANCIAL PLANNING

Establish guidelines for budgeting to ensure a financially sound City and to establish a long-range financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets.

A. Balanced Budget

The City Manager shall file annually with City Council, a structurally balanced budget for the ensuing fiscal year pursuant to the prevailing state and local law. A structurally balanced budget is defined as a budget in which recurring revenues fund recurring expenditures and adherence to fund balance policies. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. A structurally imbalanced budget proposal shall be accompanied by a plan to return the budget to structural balance and the resulting five year financial forecast that reflects steps to be taken to return the budget to structural balance.

B. Current Funding Basis

The City shall budget and operate on a current funding basis. Revenues and expenditures shall be budgeted on a cash basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues. Recurring expenses will be funded exclusively with recurring revenue sources to facilitate operations on a current funding basis.

C. Use of Non-Recurring Revenues

Non-recurring revenue sources, such as a one-time revenue remittance or fund balance in excess of policy can only be budgeted and used to fund non-recurring expenditures, such as capital purchases or capital improvement projects. This will ensure that recurring expenditures are not funded by non-recurring sources.

D. Tax Rate

The City Manager will recommend a tax rate that the City finances require in order to operate efficiently, yet effectively, and pay its debt service for current and anticipated capital projects. The City shall strive to maintain stable, predictable tax revenues that do not fluctuate from year to year.

The tax rate will be adopted by the City Council in full compliance with Truth in Taxation Requirements, Texas Constitution Article VIII, Sec 21 and the Tax Code Chapter 26.

E. Revenue Forecasting

In order to protect the City from revenue shortfalls and to maintain a stable level of services, the City shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends. This approach should reduce the likelihood of actual revenues falling short of budget estimates and should avoid mid-year service changes.

F. Avoidance of Operating Deficits

The City shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue projections are such that an operating deficit is projected at year end. Corrective actions in order of precedence are as identified in the Fund Balance Policy adopted by Resolution No. 11-15:

1. Budget amendment from Unassigned Fund Balance in excess of 60 day requirement
2. Reduce transfers to Capital Improvement Fund if project timing allows
3. Defer purchase of capital items
4. Reduce budgeted expenditures
5. Increase fees
6. Use of Minimum Unassigned Fund Balance – 60 Day of Normal Operating Expenditures

Excess fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit only with prior approval of a plan to replenish the fund balance if it is brought down below policy level.

G. Five-year Forecast of Revenues and Expenditures

A five-year forecast of revenues and expenditures shall be prepared in conjunction with the annual budget process for the following funds:

- General Fund
- Debt Service Fund
- Enterprise Fund

The forecast assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve the City's goals. The forecast will provide an understanding of available funding, evaluate financial risk, assess the likelihood that services can be sustained, assess the level at which capital investment can be made, identify future

commitments and resource demands, and identify the key variables that may cause change in the level of revenue. The forecast will be used to identify anticipated financial issues so that a plan can be developed to correct anticipated issues before they become reality.

H. Budget Amendment or Adjustment

Under the provisions of State Law and the City's Code of Ordinances (Art. V. The Budget Sec.2 (d) Annual Budget and Art. VII. Finance Administration Sec.5 Transfer of Appropriations) the budget may be amended or adjusted.

Amendment of the budget involves an addition to or reduction of existing appropriations. At the request of the City Manager, the City Council may by resolution transfer unencumbered appropriation balance from one department to another or increase total appropriations with the identified funding source.

Adjustment of the budget involves a reallocation of existing appropriations between general classifications of expenditures within a department and does not change the budget total. No City Council action is needed as State Law and our Code of Ordinances allows budget adjustments to be done administratively.

IV. REVENUES AND RESOURCES

The City will maintain a balanced and diverse revenue stream that minimizes the City's exposure to economic cycles and risk.

A. User Fees

For services that benefit specific users (private/individual or mixed services), the City shall establish and collect fees to recover the cost of those services.

B. Property and Sales Tax

Where services provide a general public benefit, the City shall finance those services through property and sales taxes.

C. Administrative Services Charges

The City shall establish a method to determine annually the administrative services charges due the General Fund from the Enterprise Fund for overhead and staff support. Where appropriate, the Enterprise Fund shall pay the General fund for direct services rendered.

D. Enterprise Fund Transfer for funding of Capital Improvement Projects

Annually during the budget and capital improvement development process, the amount to be transferred from the Enterprise Fund for capital funding will be determined and budgeted accordingly.

E. Enterprise Fund Transfer to the Debt Service Fund

When debt is issued for Enterprise projects, the amount will be determined and an annual allocation of debt service will be calculated and transferred from the Enterprise Fund to the Debt Service Fund for debt payment.

F. Water/Wastewater Revenue Billings

Water and wastewater revenues are billed in arrears, as customer meters are read monthly for the previous month's water usage. At year end, revenue is accrued to adjust revenues to full accrual basis but during the year, revenues are recorded on a cash basis.

G. Revenue Collections

The City shall maintain high collection rates for all revenues by monitoring monthly receivables. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent taxpayers and others overdue in payments to the City.

H. Write-off of Uncollectible Receivables (excludes court fines and warrants)

Receivables shall be considered for write-off as follows:

- Undeliverable mail – accounts that remain outstanding for 6 months and all steps have been exhausted
- The release or extinguishment, in whole or in part, of any indebtedness, liability, or obligation as authorized by state law
- Accounts outstanding for 3 years, identified as uncollectible, and all attempts to collect have been taken
- The write-off of uncollected accounts is a bookkeeping entry only and does not release the debtor from any debt owed to the City.

I. Use of One-time or Unpredictable Revenues

The City will use one-time revenue for non-recurring expenditures and will exercise caution with the use of unpredictable revenues for recurring expenditures.

V. USER FEES

Design, maintain, and administer a fee structure for fee-based services that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. The City Council shall determine the appropriate cost recovery level and establish the fees. Where feasible and desirable, the City shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

1. In determining a charge or fee each department should identify what factors are to be taken into account when pricing services. They should determine whether the City intends to recover the full cost of providing services. If the full cost of a service is not recovered, then an explanation of the department's rationale for this deviation should be provided.
2. The full cost of providing a service should be calculated in order to provide a basis for setting the charge or fee. Full cost incorporates direct and indirect costs, including operations and maintenance, overhead, and charges for the use of capital facilities.
3. Charges and fees should be reviewed and updated periodically based on factors such as the impact of inflation, other cost increases, the adequacy of the coverage of costs, and current competitive rates.
4. User Fees – General Fund
 - a. For services that benefit specific users (private/individual or mixed services), the City shall establish and collect fees to recover the costs of those services. Where services provide a general public benefit, the City shall finance those services through property and sales taxes.
 - b. Costs of Services are defined as full-cost; direct, indirect, and overhead.
 - c. Factors in setting of fees shall include but not be limited to: market and competitive pricing, effect on demand for services, and impact on users, which may result in recovering something less than full cost.
5. User Fees – Enterprise Funds
 - a. Utility rates and other fund user fees shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage, provide pay-as-you-go funding for capital improvements, and provide adequate levels of working capital.
 - b. The City shall seek to eliminate all forms of subsidization to the Enterprise Fund from the General Fund.
 - c. The Five-Year Forecast shall serve as the basis for rate increase considerations.
 - d. If necessary, the Five-Year Forecast shall be built around smaller rate increases annually versus higher rate increases periodically.

Once a fee has been proposed for a particular service, the fee will be compared to market, evaluated for potential effects on users such as low-income households, market demands of service, etc. A fee will then be recommended to the City Manager and City Council based on all information gathered through the fee evaluation.

VI. EXPENDITURES AND SERVICES (non-capital)

Identify and set priorities for services, establish appropriate service levels and administer the expenditure of available resources to help ensure fiscal stability and the effective and efficient delivery of service

A. Annual Expenditures

The City will only propose operating expenditures which can be supported from on-going operating revenues. Before the City undertakes any agreements that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years. Capital expenditures may be funded from onetime revenues, but the operating budget expenditure impacts of capital expenditures will be reviewed for compliance with this policy provision.

B. Departmental Service Plans

Each department will on a three year cycle prepare a service plan. The service plan will define services, service levels, and describe the resources necessary to provide current (base) level of service. A three year projection of resources needed to provide those services will be prepared. Any anticipated changes in services or service levels will be listed. Every effort shall be made to link services to Council priorities. Service plans developed in a given year will be presented to the City Council prior to the development of the City Manager's proposed annual budget.

C. Maintenance of Capital Assets

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

D. The City will assess administrative services provided by the General Fund to the Enterprise Fund. The cost of the service provided will be budgeted as a transfer to/transfer from each budget year.

E. Purchasing

The City shall conduct its purchasing and procurement functions efficiently and effectively, fully complying with applicable State laws and City ordinances. Staff shall make every effort to capitalize on savings available through competitive processes and "best value" purchasing.

VII. FUND BALANCE/WORKING CAPITAL

Maintain the fund balance and net assets of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its ability to withstand emergencies or economic fluctuations. (City of Bellaire Fund Balance Policy)

A. The City will strive to maintain in the General Fund a minimum unassigned fund balance equal to 60 days of normal operating expenditures. This amount is projected each year at the end of the fiscal year, recognizing that fund balance levels can fluctuate from month to month in normal course of operations. During each budget process, the level of unassigned fund balance will be reviewed and if

based on current economic and financial conditions a change is determined to be in the best interest of the City, it will be proposed during the budget process for City Council approval.

B. The City will strive to maintain working capital sufficient to provide for reserves for emergencies and revenue shortfalls in the Enterprise Fund. The reserve will be a minimum of 60 days of normal operating expenditures in funds that have major infrastructure or assets. Funds without major infrastructure or assets will have no minimum balance requirement.

C. Debt Service Funds

The City shall maintain sufficient reserves in its Debt Service Fund, which shall equal or exceed the requirements dictated by its bond ordinances.

VIII. CAPITAL EXPENDITURES AND IMPROVEMENTS

Annually review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

A. Capitalization Threshold for Tangible Capital Assets

Tangible capital items should be capitalized only if they have an estimated useful life of at least four years following the date of acquisition or significantly extend the useful life of the existing asset and cannot be consumed, unduly altered, or materially reduced in value immediately by use and have a cost of not less than \$10,000 for any individual item.

The capitalization threshold of \$10,000 will be applied to individual items rather than to a group of similar items. (i.e.: desks, chairs, etc.)

Computer software, regardless of cost, will not be capitalized.

B. Five-Year Capital Improvement Plan (CIP)

The City shall annually prepare a five-year capital improvement plan based on the needs for capital improvements and equipment, the status of the City's infrastructure, replacement and renovation needs, and potential new projects. For every project identified in the plan, a project scope and project justification will be provided. Also, project costs shall be estimated, funding sources identified and annual operation and maintenance costs computed.

Citizens, Parks and Recreation Advisory Board and the Planning and Zoning Commission will be provided opportunities to review the list of CIP projects for the Five-Year Capital Improvement Plan and may suggest additions and/or changes to the plan as appropriate before it is presented to City Council. Pursuant to the City Charter, the Planning and Zoning Commission makes recommendations to the City Manager and the City Council on the City's Five-Year Capital Improvement Plan.

The City Manager is charged with recommending a Capital Improvement Plan to City Council. Projects submitted, either by staff, through a neighborhood or citizen request, or through joint

participation, will be reviewed in conjunction with the entire capital improvement program and submitted to City Council for final consideration. The Five-Year Capital Improvement Plan shall be filed and adopted with the annual budget.

The Five-Year CIP shall be limited to the affordability limits identified in the long-range financial plans of the City, taking into consideration available cash, bond issuances, operating costs, etc.

Projects that are requested but cannot be funded in the Five Year CIP may be included in the CIP for future reference as an appendix of unfunded requests.

Annually, through the budget process and at year-end, projects are to be reviewed and if identified as complete will be closed by Finance and any remaining funds closed to fund balance, which can then be re-appropriated during the next fiscal year capital budget. Funds remaining from bond proceeds will only be used in accordance with the legal use of those funds.

Appropriations for capital projects are for the life of the project; therefore re-appropriation of capital funding for budgeted projects will not be necessary.

C. Replacement of Capital Assets on a Regular Schedule (Fleet and Technology)

The City shall annually prepare a schedule for the replacement of its fleet and high technology capital assets. Funding for the replacement of these assets will be accomplished through the use of an annual depreciation structure charged to each participating fund at 100% of annual depreciation based on lifecycle or useful life of the asset. Within the resources available each fiscal year, the City shall replace these assets according to the Vehicle and Equipment and Technology Replacement Policies.

D. Capital Expenditure Financing

The City recognizes that there are three basic methods of financing its capital requirements: Funding from current revenues; funding from fund balance as allowed by the Fund Balance Policy; or funding through the issuance of debt. Types of debt and guidelines for issuing debt are set forth in the Debt Policy Statements, below.

E. Capital Improvements/Project Reporting

Capital project status reports shall be updated monthly and included in each quarterly reporting by the City Manager to the City Council.

IX. DEBT

Establish guidelines for debt financing that will minimize the impact of debt payments on current revenues and protect the City's creditworthiness.

A. Use of Debt Financing

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligations, lease/purchase agreements, and other obligations permitted to be issued or incurred under Texas

law, shall only be used to acquire capital assets and refinance existing debt obligations. In deliberations to issue debt, the City will first consider whether it is prudent to finance such assets from other available sources including current revenues or fund balance. Such deliberations will consider the effect on the City's fund balance policy and liquidity, particularly in the context of prudent financial management and credit rating implications. When possible, the City will pay cash for capital expenditures and improvements within the financial affordability of each fund versus issuing debt. Debt maturing beyond the current fiscal year will not be used to fund current operating expenditures. The City, when appropriate, may issue short-term obligations maturing within the current fiscal year for cash flow management purposes.

B. Debt Financing

1. Affordability

The City shall use an objective analytical approach to determine whether it can afford to issue new general-purpose debt, both General Obligation bonds and Certificates of Obligation. This process shall compare standards of affordability to the current values for the City. For tax-backed debt, such standards of affordability may include debt per capita, debt as a percent of taxable value, taxable value per capita, and tax rate. The process shall also examine the direct costs and benefits of the proposed expenditures. The decision on whether or not to issue new debt shall be based on these costs and benefits, current conditions of the municipal bond market, City's ability to "afford" new debt as determined by the aforementioned standards and a review of the project's cash requirements as determined by the project's proposed timeline.

2. Debt Capacity

The City shall complete an annual debt capacity assessment to ensure that proposed debt is affordable and contributes to the financial strength of the City. The debt capacity is the upper limit on the dollar amount of capital improvements that the City can afford to fund from debt.

Debt capacity calculations for long-term planning shall assume market rates or higher for the average annual interest costs at the time the capacity is determined. The analysis shall not assume future refunding of any outstanding bonds and shall consider debt service requirements on both current and proposed debt.

For tax supported debt, maximum capacity shall be determined by an amount of annual debt service that the City can absorb within the current or proposed tax rate allocation for debt based on assumed growth in assessed valuation.

For revenue debt, maximum capacity shall be determined by the amount of annual debt service that the City can absorb within a proposed rate structure that has been reviewed with City Council and which can support the proposed debt within the additional bonds test as defined in the revenue bond covenants. The City shall not exceed debt capacity as defined through bond covenants or fall below bond coverage ratios for additional revenue bonds. The City may choose to maintain target coverage margins in excess of legal requirements under bond covenants.

Factors that will be included in the annual debt capacity determination shall include:

- Existing debt obligations
- Evaluation of revenue and expenditure trends
- Debt per capita
- Debt to assessed value ratio
- Taxable value per capita
- Statutory or constitutional requirements
- Market factors such as interest rates, credit ratings or market status

C. General Obligation Bonds (GO)

General Obligation bonds require voter approval except refunding bonds.

1. General Obligation bonds must be issued to accomplish projects identified in the bond referendum and associated material.
2. General Obligation bonds must be issued for projects that are in accordance with the wording in the bond propositions.

D. Certificates of Obligation and Tax Notes

Certificates of Obligation may be issued without voter approval to finance any public works project or capital improvement, as permitted by State law. Should the City's capital funding evaluation support the issuance of Certificate of Obligations, they shall be issued only after determining the City's ability to assume additional debt based on the standards identified above.

Circumstances in which Certificates or Tax Notes might be issued include, but are not limited to the following:

- The City may issue CO's when there is insufficient funding on a general obligation bond-financed capital improvement;
- The City may issue CO's when "emergency" (urgent, unanticipated) conditions require a capital improvement to be funded rapidly;
- The City may issue CO's for projects when there is no other funding source available and the project is determined to be in the best interest of the City.
- The City may issue CO's or Tax Notes for projects to comply with regulatory mandates.

E. Revenue Bonds

For the City to issue revenue bonds, revenues, as defined in the ordinance authorizing the revenue bonds in question shall be established and maintained to provide debt service coverage at least to comply fully with all bond covenants. Annual adjustments to the City's rate structures for enterprise funds shall be considered during the budget process and will be made as necessary to maintain the coverage factor. The City may choose to maintain target coverage margins in excess of legal requirements under bond covenants.

F. Debt Structures

The City shall normally issue bonds with a life not to exceed 25 years for general obligation bonds and revenue bonds, but in no case longer than the useful life of the asset.

1. The City shall seek level or declining debt repayment schedules.
2. The City shall seek to retire its debt with as short an average life as possible.
3. There should be no debt structures that include increasing debt service levels in years beyond the first and second year, except as special situations may warrant.
4. There shall be no “balloon” bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term.
5. There shall always be at least interest paid in the first fiscal year after a bond sale and principal payments starting generally no later than the second fiscal year after the bond issue.

G. Refunding

The City’s financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the net present value savings of a particular refunding should exceed 3.0% of the refunded maturities unless (1) a debt restructuring is necessary or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt.

H. Interest Earnings on Debt Proceeds

The expenditure of interest earnings on debt issued will be limited to funding changes to the bond financed Capital Improvement Plan in compliance with the voted propositions, cost overruns on bond projects, or be applied to debt service payments on the bonds issued.

I. Bond Elections

Timing of general obligation bond elections shall generally be determined by the inventory of current authorized, unissued bonds remaining to be sold and the Five-Year Capital Improvement Program. The total dollar amount of bond election propositions recommended to the voters may not exceed the City's estimated ability to issue the bonds within a 10-year period.

An analysis showing how the new debt combined with current debt impacts the City’s tax rate and debt capacity will accompany every future bond issue proposal.

J. Sale Process

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. The City may utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing. The City may issue certain issues as direct placements to state or federal agencies. Except for direct placements to state or federal agencies, the City shall award the bonds based on a true interest cost (TIC) basis.

K. Rating Agency Presentations

Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. City staff, with the assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies. Credit ratings will be sought from one or more of the

nationally recognized municipal bond rating agencies, currently Moody's Investor Services, Standard and Poor's, and Fitch Inc., as recommended by the City's financial advisor.

L. Bond Ratings

The City will prudently manage the General and Enterprise Fund and attempt to issue and structure debt to help maintain or increase the current bond ratings.

M. Lease/Purchase Agreements

The City will use lease/purchase agreements when it is cost-efficient and provides for more attractive terms than other alternatives.

N. The City will comply with its continuing disclosure obligations to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements.

X. CASH MANAGEMENT AND INVESTMENTS

Invest the City's operating cash in a manner that will ensure its absolute safety of principal, provide for the necessary liquidity needs of the City, and optimize yield relative to those constraints.

A. Investment Management

1. All aspects of cash/investment management shall be designed to ensure safety and integrity of the City's financial assets.
2. Cash/Investment management activities shall be conducted in full compliance with prevailing local, state, and federal regulations. (See City Investment Policy and Investment Strategy)
3. The City will utilize competitive bidding practices wherever practical, affording no special advantage to any individual or corporate member of the financial or investment community.
4. The City will only do business with City authorized, as approved by the City Council, broker/dealers and/or financial institutions and who have executed a written certification of their review of the City's Investment Policy.
5. The City shall design and establish policies relating to a variety of cash/investment management issues, such as the eligibility and selection of various broker/dealers, safekeeping requirements, collateral requirements, delivery versus payment requirements, weighted average maturity requirements and such other aspects of the program, which necessitate standard setting in pursuit of appropriate prudence and enhanced protection of assets. (See Investment Policy)
6. Investments of the City shall be made with the exercise of judgment and care which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment.

B. Investment Strategy

The City of Bellaire maintains a consolidated portfolio in which it pools its funds for investment purposes. The City's investment program seeks to achieve safety of principal, adequate liquidity to meet cash needs, and reasonable yield commensurate with the preservation of principal and liquidity. Refer to the City's Investment Strategy as adopted by City Council annually for detail.

C. Interest Income

Interest earned from investments shall be distributed to the funds from which the funds were provided.

D. Arbitrage Investments and Reporting

The City's investment position as it relates to arbitrage is as follows: Investments on bond proceeds will be made with safety of principal and liquidity in mind, but with a competitive rate of return. Bond proceeds will be invested in separate instruments and not commingled with other investment purchases. Arbitrage rebate calculations will be performed as required on all debt issues and funds set aside annually for any positive arbitrage. Arbitrage will be rebated to the Internal Revenue Service, as necessary.

E. Depository

The City of Bellaire will select its official bank depository through a formal bidding process in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available. The City will at a minimum, bid depository services every five years.

F. Collateralization of Deposits

1. The City of Bellaire shall have pledged collateral held at an independent third-party institution and evidenced by a written receipt.
2. The value of the pledged collateral should be marked to market monthly and shall be at least 103 percent of par or market value of the investments, whichever is greater.
3. Substitutions of collateral shall meet the requirements of the collateral agreement and have prior written approval. Collateral shall not be released until the replacement collateral has been received.
4. The pledge of collateral shall comply with the City's Investment Policy.

XI. GRANTS

The City will seek, apply for, and effectively administer federal, state and local grants, to support the City's priorities and policy objectives.

A. Grant Guidelines

The City shall apply and facilitate the application for only those grants that are consistent with the objectives and high priority needs identified by Council and City Management.

Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs.

The potential for incurring ongoing costs, to include assumptions of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

B. Grant Review

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the City's goals. If there is a cash match requirement, the source of funding shall be identified prior to application.

The City Manager shall approve all grant submissions and City Council shall approve all grant acceptances over \$25,000 and any grant acceptance regardless of the dollar amount if a budget adjustment is required.

C. Grant Termination and/or Reduced Grant Funding

In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process, unless the City is obligated through the terms of the grant to maintain the positions.

The City shall terminate grant-funded programs and associated positions when grant funds are no longer available, and it is determined that the program no longer supports City goals and/or is no longer in the best interest of the City, unless the City has obligated itself through the terms of the grant to maintain the positions.

City of Bellaire

FY 2019

Appendix E – Investment Policy

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

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(±)-(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 assistant director of finance 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 investments 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: FTN Financial; 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.

Attachment: FY 2019 Proposed Budget (2595 : Adopt FY 2019 Budget)

City of Bellaire

FY 2019

Appendix F – City Council
Priorities

City Council of the City of Bellaire, Texas



Council Priorities

As of June 18, 2018



Date of Adoption: March 19, 2012
Revised: June 18, 2018

A. RESIDENTIAL/COMMERCIAL SAFETY FOCUS AREA:**Statement:**

The City Council of the City of Bellaire, Texas, is dedicated to providing a safe and secure community, as well as to enhance the quality of life, for its residents and corporate citizens.

It is a priority of this council to:

- Ensure that the Bellaire public is fully aware that safety and security are the City's number one priorities.
- Ensure that the Bellaire Police and Fire Departments are provided the resources to remain fully staffed, equipped, trained and ready to respond to provide maximum protection to our citizens.
- Maintain effective community outreach and education programs in the Fire and Police Departments to ensure that citizens are informed and aware of programs and activities designed to enhance the safety of the public.
- Develop a comprehensive community pathways plan, including sidewalks, with public input that is designed to enhance the safety of the public.

B. PUBLIC INFRASTRUCTURE AND FACILITIES FOCUS AREA:**Statement:**

The City Council of the City of Bellaire, Texas, is dedicated to ensuring that the existing public infrastructure and facilities are reviewed, evaluated, and maintained to the highest possible standard for its residents and corporate citizens and that the acquisition of new public infrastructure and facilities, if appropriate, will be considered with the best interests of Bellaire's residents and corporate citizens in mind.

It is a priority of this council to:

- Proceed with Bonds for Better Bellaire 2016 program to improve drainage, reduce flooding, and replace failing water and wastewater lines.
- Ensure that streets, sanitary and storm sewers, and water lines are constructed and maintained using state of the art methods and materials, and that infrastructure failure is analyzed to provide information for continual process improvement.
- Continue to plan for new public works and library buildings.
- Continue to coordinate with partner entities (TxDOT, Harris County Flood Control, City of Houston, West University Place, Union Pacific, Metro, and other applicable parties) on regional drainage projects.

- Support and implement Parks Master Plan
- Proactively evaluate and seek opportunities to proceed with recommendations from the Flood Hazard Mitigation Plan.

C. BUDGET AND FINANCE FOCUS AREA:

Statement:

The City Council of the City of Bellaire, Texas, is dedicated to ensuring the continued development of sound fiscal policies and effective budget oversight.

It is a priority of this council to:

- Be viewed as a premier employer, including by maintaining competitive employee salary and benefits plan.
- Enhance operational efficiency by leveraging internal services.
- Proactively protect city's AAA bond rating.
- Proactively pursue refunding opportunities for existing bond issuances.

D. COMMERCIAL REDEVELOPMENT FOCUS AREA

Statement:

The City Council of the City of Bellaire, Texas, is dedicated to proactively seeking ways to enhance economic viability of the Bellaire business community in concert with the Comprehensive Plan.

It is a priority of this council to:

- Draft and adopt ordinances to facilitate the implementation of the Comprehensive Plan.
- Encourage new business development; facilitate business expansion and provide a diverse basis of business opportunities.
- Continue proactive dialogue with the business community.
- Remain sensitive to and address commercial and institutional impact on adjacent residential areas.

E. COMMUNITY IMAGE FOCUS AREA**Statement:**

The City Council of the City of Bellaire, Texas, is dedicated to developing, presenting, and implementing a consistent and repeatable reflection of the City's image, quality of life, and high standard of professional service delivery.

It is a priority of this council to:

- Continue to encourage commercial redevelopment in accordance with the Comprehensive Plan.
- Upon the approved identification of the City's brand identity, proactively and consistently seek opportunities to reflect that identity in print, digital media, capital projects, signage, and design standards.
- Look for opportunities to improve the appearance of neglected residential properties.
- Ensure that City rights-of-way and public facilities and open spaces are maintained and developed in a consistent and orderly fashion and continue to seek opportunities to implement urban design elements.

Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM
Department: Development Services
Category: Ordinance
Department Head: ChaVonne Sampson
DOC ID: 2611

SCHEDULED**ACTION ITEM (ID # 2611)****Item Title:**

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager of the City of Bellaire, Texas, to execute, for and on behalf of the City of Bellaire, Texas a License, Use, and Development Agreement by and among the City of Bellaire, Texas, Sagstex Investments, LP, and Wolfie's Swim School, LLC, for the use of city property within the right-of-way generally located between 5200 and 5230 Cedar Street for commercial parking - Submitted by ChaVonne Sampson, Director of Development Services.

Background/Summary:

The ordinance under consideration would grant Sagstex/Wolfie's, the right to redevelop an approximately 3,125 square foot portion of the right-of-way, generally located between 5200 and 5230 of Cedar Street, as a parking lot to support the commercial buildings located at 5200 and 5230 Cedar. The additional parking would afford the property owner the added flexibility of finding tenants that better meet the local service needs. 5200 Cedar is currently undergoing a soon to be completed renovation.

The agreement gives Sagstex/Wolfie's exclusive use of the property and allows them to develop and maintain a parking lot for an initial period of 15 years, with the option of an additional 15 years. Included in the agreement is their responsibility for maintenance of the landscaping for the area. No fee for this use is proposed.

Previous Council Action Summary:

On May 21st, 2018, City Council considered a petition for the abandonment and subsequent sale of an interest of the (3,125 sqft) alley for the amount of \$155,000.00. The Development Services & Public Works Directors' recommendation was a lease agreement as an alternative. At that time, the petitioner preferred to purchase the alley.

The request was denied .

Fiscal Impact:

None

City Attorney Review:

The City Attorney has reviewed the proposed Ordinance.

Recommendation:

This agreement is being proposed in order to promote revitalization of the City's Urban Village Downtown Zoning District, as outlined in the City's Code of Ordinances and Comprehensive Plan. The proposal is also aligned with the City Council priority of

commercial redevelopment, and therefore, the Director of Development Services recommends approval of the ordinance.

ATTACHMENTS:

- License of Alley for Sagstex and Wolfies (00198917xD8318) (DOCX)
- Development Agreement - Cedar Street - Sagstex Investments and Wolfies Swim School (DOCX)
- Proposed Site Plan - Cedar Street Parking (PDF)

City of Bellaire

ORDINANCE NO. 18-____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, AUTHORIZING THE CITY MANAGER OF THE CITY OF BELLAIRE, TEXAS, TO EXECUTE, FOR AND ON BEHALF OF THE CITY OF BELLAIRE, TEXAS, A LICENSE, USE AND DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF BELLAIRE, TEXAS, SAGSTEX INVESTMENTS, LP, AND WOLFIE'S SWIM SCHOOL, LLC, FOR THE USE OF CITY PROPERTY WITHIN THE RIGHT-OF-WAY GENERALLY LOCATED BETWEEN 5200 AND 5230 CEDAR STREET FOR COMMERCIAL PARKING.

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

THAT the City Manager of the City of Bellaire, Texas, is hereby authorized to execute, for and on behalf of the City of Bellaire, Texas, a License, Use and Development Agreement by and among the City of Bellaire, Texas, Sagstex Investments, LP, and Wolfie's Swim School, in a form as attached hereto and marked as "Attachment A," for the use of city property within the right-of-way generally located between 5200 and 5230 Cedar Street for commercial parking.

PASSED and **APPROVED** this 17th day of September, 2018.

(SEAL)

ATTEST:

SIGNED:

Tracy L. Dutton, TRMC
City Clerk

Andrew S. Friedberg
Mayor

APPROVED AS TO FORM:

Alan P. Petrov
City Attorney

Attachment: License of Alley for Sagstex and Wolfies (00198917xD8318) (2611 : chav)

Attachment "A"

Attachment: License of Alley for Sagstex and Wolfies (00198917xD8318) (2611 : chav)

LICENSE, USE AND DEVELOPMENT AGREEMENT

This License, Use and Development Agreement (this “Agreement”) is made and entered into on _____, 2018, by and among the CITY OF BELLAIRE (“Bellaire”), and Sagstex Investments, LP,, a Texas limited partnership (“Sagstex”) and Wolfie’s Swim School, LLC, a Texas limited liability company (“Wolfie’s”).

RECITALS

Bellaire is the owner of that certain roughly rectangular tract of land, being a portion of an alley, depicted on the attached Exhibit A (the “Property”), located on Cedar Street, between the property owned by Sagstex at 5224 Cedar Street, Bellaire, Texas, and the property owned by Wolfie’s located at 5230 Cedar Street, and being described on Exhibit B attached hereto (“the Alley”).

Sagstex and Wolfie’s desire to obtain from Bellaire an agreement and right to develop, landscape and use the Property for additional parking spaces servicing the properties at 5224 Cedar Street and 5230 Cedar Street.

Bellaire is willing to grant a license to Sagstex and Wolfie’s for use of the Property upon the terms, covenants and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, for and in consideration of good and valuable consideration paid by Sagstex and Wolfie’s, and the mutual covenants and agreements herein contained, Bellaire and Sagstex and Wolfie’s hereby agree as follows:

1. Grant of Rights. Bellaire hereby grants a license to Sagstex and Wolfie’s upon and subject to the terms, covenants and conditions hereinafter set forth, to the Property and the exclusive right to develop, improve and use the Property as provided herein and for no other use. Bellaire hereby consents and approves the development and improvement of the Property in substantial accordance with the site plan for the Property attached as Exhibit C hereto, provided such improvements are effected (i) in accordance with all applicable federal, state, county or local laws, statutes, ordinances, codes, regulations and/or orders, including compliance with all permitting requirements of Bellaire (collectively the “Laws”), (ii) at Sagstex and Wolfie’s sole cost and expense, and (iii) within one (1) year of the date of this Agreement.
2. Landscaping/Signage. Bellaire additionally grants Sagstex and Wolfie’s the right to landscape and/or otherwise decorate the Property as Sagstex and Wolfie’s may determine, as well as install signage on the Property relating to 5224 Cedar Street and/or 5230 Cedar Street or any business thereon, provided the same comply with all applicable Laws and will not materially, negatively affect the drainage on the Property or any improvements located therein.
3. No Obligation of Bellaire. Sagstex and Wolfie’s expressly acknowledges and agrees that Bellaire shall have no obligation or any duty to monitor or enforce in any way Sagstex and Wolfie’s rights to use the Property or the parking thereon on behalf of Sagstex and Wolfie’s or for the benefit of the properties at 5224 Cedar Street and 5230 Cedar Street. Bellaire hereby allows and

consents to Sagstex and Wolfie's to mark, designate or otherwise install signage indicating the use of such parking spaces for the properties at 5224 Cedar Street and 5230 Cedar Street or any tenants or occupants thereon.

4. Term. The Term of this Agreement shall commence on the date first written above and end on the last day of the one hundred eightieth (180th) full calendar month hereafter (the "Initial Term"), after which time this Agreement shall be automatically extended for one (1) additional period of fifteen (15) years, provided, however, that either party may terminate this Agreement at the end of the Initial Term by providing written notification of such termination to the other party at least one (1) year in advance of such termination.

5. Consideration. As consideration to Bellaire for entering into this Agreement, Sagstex and Wolfie's agree to improve, operate, maintain, insure, and repair the Property in accordance with the specific terms contained herein.

6. Property Condition, Maintenance and Repair. SAGSTEX AND WOLFIE'S ACKNOWLEDGE THAT BELLAIRE HAS NOT MADE, AND DOES NOT MAKE, ANY REPRESENTATIONS OR WARRANTIES CONCERNING THE CONDITION OR STATE OF REPAIR OF THE PROPERTY, AND THAT SAGSTEX AND WOLFIE'S HAVE MADE THEMSELVES FAMILIAR WITH THE PROPERTY AND ITS CONDITION. SAGSTEX AND WOLFIE'S ACCEPT POSSESSION OF THE SPACES AND THE PROPERTY IN THEIR AS IS, WHERE IS CONDITION AND WITH ALL FAULTS. Except for those improvements shown or that can be inferred from the site plans attached hereto as Exhibit C, and except for the landscaping and decorations referred to in Par. 2 above, Sagstex and Wolfie's shall make no other alterations, improvements, or modifications to the Property, or any part thereof without the consent of Bellaire, not to be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, however, Sagstex and Wolfie's improvements must comply with Bellaire's permitting requirements.

Sagstex and Wolfie's agree to keep the Property in a good, attractive condition, and shall periodically remove all trash and debris therefrom in accordance with reasonable and prudent commercial property management practices.

7. Liability. Sagstex and Wolfie's RELEASE AND WAIVE all liabilities, claims, damages, and causes of action against Bellaire or any of Bellaire's employees, representatives or agents (with Bellaire collectively, the "Bellaire Parties") for damage to property and for injuries or death to persons, from any cause arising, at any time, out of, or in connection with, the use and exercise by Sagstex and Wolfie's of the rights granted herein, INCLUDING, WITHOUT LIMITATION, ANY LIABILITIES, CLAIMS, DAMAGES OR CAUSES OF ACTION THAT MAY ARISE IN WHOLE OR IN PART FROM THE NEGLIGENT ACTS OR OMISSIONS OF BELLAIRE OR ANY OF THE BELLAIRE PARTIES.

Further, Sagstex and Wolfie's hereby agree to INDEMNIFY, DEFEND AND HOLD the Bellaire Parties, and each of them, harmless from and against any and all liabilities, claims, demands, damages, causes of action, fines, costs and expenses, including reasonable attorneys' fees and court costs, which may be asserted against or suffered by the Bellaire Parties or any of them, and arising out of or in connection with, directly or indirectly, the exercise of the rights granted herein by Sagstex and Wolfie's or any other person or entity using the Property, or from any act or occurrence pertaining

to the exercise of this Agreement granted herein that occurs on or about the Property, INCLUDING, WITHOUT LIMITATION ANY LIABILITIES, CLAIMS, DEMANDS, DAMAGES, CAUSES OF ACTION, FINES, COSTS AND EXPENSES THAT MAY ARISE IN WHOLE OR IN PART FROM THE NEGLIGENT ACTS OR OMISSIONS OF THE BELLAIRE PARTIES, OR ANY OF THEM.

The terms of this Paragraph 7 shall survive the expiration or termination of this Agreement.

8. Insurance. During the entire term of this Agreement, Sagstex and Wolfie's shall, at their sole cost and expense, but for the mutual benefit of Bellaire and Sagstex and Wolfie's, maintain commercial general public liability insurance with a combined single limit of not less than \$2,000,000.00. Such insurance policy or policies shall expressly cover Sagstex and Wolfie's indemnity obligations under this Agreement. All such policies of insurance shall be carried with companies reasonably satisfactory to Bellaire and shall name Bellaire as an additional insured. Copies of such policies, and certificates of insurance, shall be delivered to Bellaire upon request.

In addition, Sagstex and Wolfie's agree that they, and not the Bellaire, shall be responsible for the repair or restoration any damage or destruction to the parking surface of the Property, whether or not caused or in any way arising because of Sagstex and Wolfie's, their guests or invitees, or any tenants of Sagstex and Wolfie's or their respective guests of invitees.

9. Assignment. Sagstex and Wolfie's shall have no right to assign this Agreement, or sublet or license all or any portion of the Property.

10. No Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Property to the general public or to any governmental body or agency, or for the general public or for any public use or purpose whatsoever; it being the intention and understanding of the parties hereto that this Agreement shall be strictly limited to and for the purposes herein expressed solely for the private benefit of the parties hereto.

11. Sagstex and Wolfie's Default/Remedies. The occurrence of the following event shall constitute a default and breach of this Agreement by Sagstex and Wolfie's:

(a) The failure by Sagstex and Wolfie's to observe or perform any of the covenants, conditions or provisions of this Agreement to be observed or performed by Sagstex and Wolfie's, where such failure shall continue for a period of thirty (30) days after written notice thereof by Bellaire to Sagstex and Wolfie's, provided, however, that in the event that such failure cannot be reasonably cured within such 30-day period, Sagstex and Wolfie's shall not be in default hereunder and shall have a reasonable period of time thereafter to cure the same exercising due diligence.

Upon an uncured event of default hereunder, Bellaire shall have the right, but not the obligation, to cure such default, and Sagstex and Wolfie's shall promptly reimburse Bellaire for all sums reasonably expended in connection therewith, together with interest thereon at the rate (herein referred to as the "Default Rate") equal to the lesser of (i) the maximum non-usurious rate allowed by applicable law, or (ii) eighteen percent (18%) per annum, from the date of demand by Bellaire for reimbursement until paid. Further, Bellaire pursue any and all rights and remedies

at law or in equity to recover all of such sums. Further, if Sagstex and Wolfie's fail to cure a default after notice as provided in this paragraph, Bellaire may enforce the terms of this Agreement by restraining order and by temporary and permanent injunction prohibiting such breach and commanding Sagstex and Wolfie's to comply with all of the terms hereof, however, that the act of obtaining an injunction or restraining order shall not be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

Notwithstanding anything to the contrary contained herein, no breach of this Agreement shall entitle any party to cancel, rescind, or otherwise terminate the same, but such limitation shall not affect, in any manner, any other rights or remedies which the parties may have hereunder by reason of any breach of this Agreement.

12. Right to Purchase. Bellaire hereby grants Sagstex and Wolfie's the sole and exclusive right to purchase the Property in accordance with the procedures set forth in Chapter 27 of Bellaire's City Code. Sagstex and Wolfie's may exercise its right to purchase hereunder by giving Bellaire written notice of its election to purchase at any time during the term hereof. For purposes of such purchase, it is agreed that the value of the Property shall be calculated as of the date of this Agreement before any improvement by Sagstex and Wolfie's.

13. Limitation of Liability. Under no circumstances whatsoever shall any party hereunder ever be liable hereunder for consequential, speculative, punitive, or any other special damages, all of which are hereby deemed waived by the parties. Further, the liability of either party hereto shall be limited to the time period(s) during which any party owned in fee simple all or any portion of the Property and/or the Alley, and upon the conveyance of such fee simple interest such party shall have no liability or obligations hereunder arising or accruing on or after the date of such conveyance.

14. Notice. Any written notice or communication permitted hereunder shall be delivered to the address of the intended recipient set forth below. Any such notice is deemed delivered and received by the intended recipient (i) three (3) days after being deposited in the United States mail properly addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested; (ii) upon delivery of the same in person to such party; (iii) when sent by telecopy transmission, on the date of transmission if prior to 5:00 p.m. local time of the recipient, otherwise the next business day, or (iv) when sent by nationally recognized overnight express delivery service, upon actual receipt as indicated on the signed receipt. For purposes of notice, the addresses of the parties are as follows:

If to Bellaire: City of Bellaire
7008 S. Rice Avenue
Bellaire, TX 77401
Attn: Director of Community Development

If to Sagstex: Sagstex Investments, LP
5212 Bissonnet, Suite 100
Bellaire, TX 77401
Attn: Sion Saghian

If to Wolfie's: Wolfie's Swim School, LLC
 5230 Cedar Street
 Bellaire, TX 77401
 Attn: Richard Meador

15. Attorneys' Fees. In the event it becomes necessary for either party hereto to file suit to enforce this Agreement or any provision contained herein, the party prevailing in such suit shall be entitled to recover, in addition to all other damages, as provided herein, reasonable attorneys' fees incurred in such suit.

16. Estoppel Certificates. Sagstex and Wolfie's and Bellaire agree at any time and from time to time (but not more than two times in any consecutive 12 month period), upon not less than ten (10) business days' prior written request from the other party, to execute, acknowledge and deliver to the requesting party a statement in writing, in form and content reasonably acceptable to both parties, an estoppel certificate certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), certifying that it is not in default (or if a default is alleged, stating the nature of the alleged default), and further certifying such other reasonable matters as the requesting party shall require. It is intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser, lender, subtenant, assignee or any entity which is a party to a potential merger, consolidation with or to the acquisition of substantially all of the assets or stock of Bellaire or Sagstex and Wolfie's. In the event either party shall fail to execute and deliver any such instrument within the foregoing time period as requested, the requesting party may send a completed estoppel certificate, along with a second request, which request shall state in bold, capitalized letters that the completed estoppel shall be deemed accurate if the party to whom it is sent does not respond to address any inaccuracies within five (5) business days after receipt of the second request.

17. Entire Agreement. This Agreement embodies the entire agreement between the parties relative to the subject matter hereof, and there are no oral or written agreements between the parties, nor any representations made by either party relative to the subject matter hereof, which are not expressly set forth herein.

18. Amendments. This Agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.

19. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. EACH PARTY HEREBY DESIGNATES THE COURTS OF TEXAS AS THE COURT OF PROPER JURISDICTION AND VENUE OF AND FOR ANY AND ALL LAWSUITS OR OTHER LEGAL PROCEEDINGS RELATING TO THIS AGREEMENT AND IRREVOCABLY CONSENTS TO SUCH DESIGNATION, JURISDICTION, AND VENUE. THIS AGREEMENT IS PERFORMABLE IN HARRIS COUNTY, TEXAS.**

20. Memorandum of Agreement. At the request of either party hereto, Bellaire and Sagstex and Wolfie's agree to execute and record a written Memorandum of Agreement in a form reasonably acceptable to both parties.

21. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid or unenforceable provision or by its severance from this Agreement.

22. Time of the Essence. Time is of the essence in connection with Sagstex and Wolfie's performance of its obligations under this Agreement.

23. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument. A signature sent by telecopy, PDF or similar format will have the same effect as an original signature.

THE NEXT PAGE IS THE SIGNATURE PAGE

EXECUTED as of the date first above written.

BELLAIRE:

CITY OF BELLAIRE, TEXAS

By: _____
Paul A. Hofmann, City Manager

SAGSTEX INVESTMENTS, LP

By: _____
Sion Saghian, President of Robian, Inc.,
General Partner of Sagstex Investments, LP

WOLFIE'S SWIM SCHOOL, LLC

By: _____
Name:
Title:

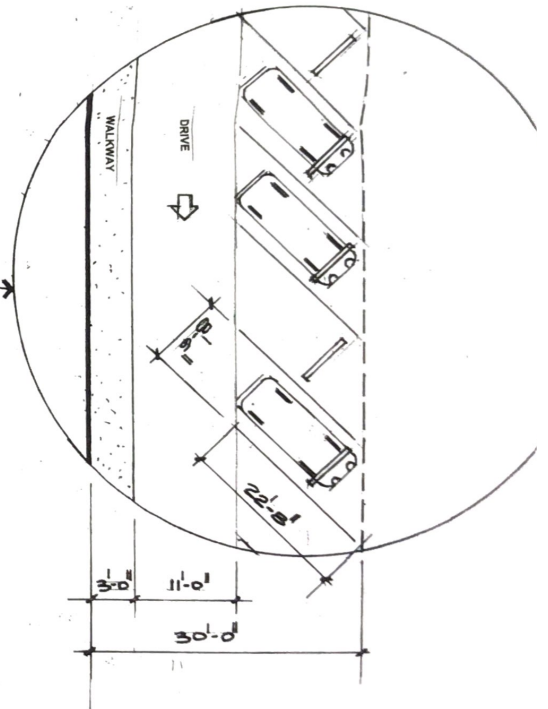
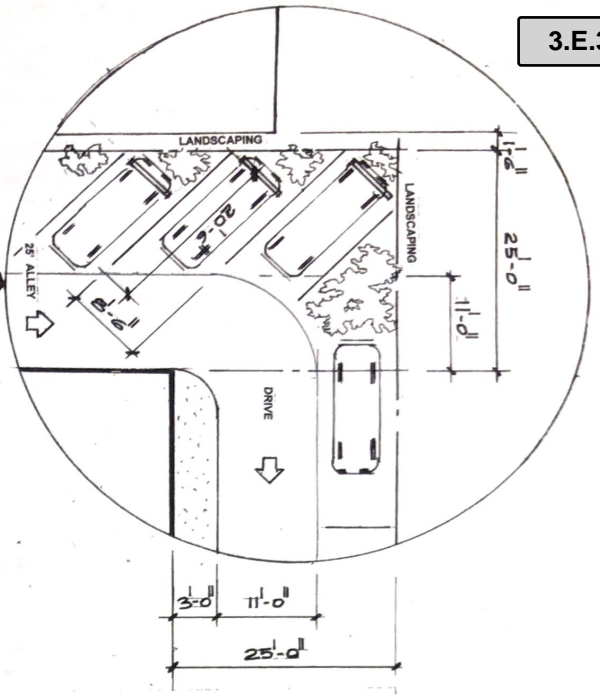
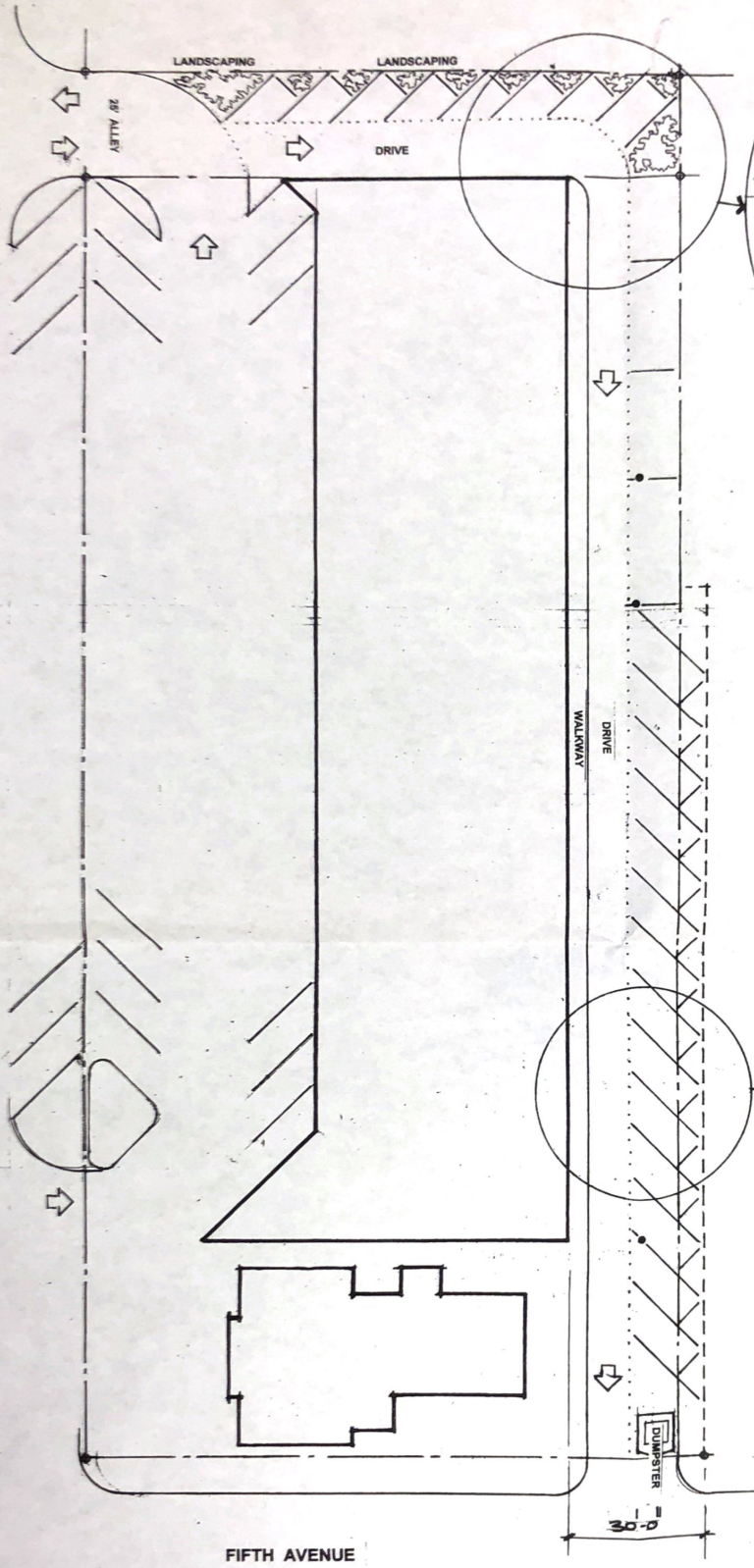
PROPOSED SITE PLAN

CEDAR ST.

NOTE :

THE INFORMATION IN THE DOCUMENT IS BASED ON A SURVEY OF

6220 CEDAR STREET BY "PRO-SURV" DATED 6-27-17, GF# 17201061317



Attachment: Proposed Site Plan - Cedar Street Parking (2611 : chav)

Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM

Department: Public Works

Category: Contract

Department Head: Michael Leech

DOC ID: 2672

SCHEDULED**ORDINANCE (ID # 2672)****Item Title:**

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with RAC Industries, LLC, for the provision of all services, materials, incidentals, and equipment necessary for the construction of the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$1,498,538.60 – Submitted by Michael Leech, Director of Public Works.

Background/Summary:**Previous Council Action Summary:**

At the August 20, 2018 City Council Meeting direction was provided to implement a five-foot width standard for the construction of sidewalk. During the discussion it was mentioned that there would be exceptions to the standard. Reasons for the exceptions included the following:

- If there is existing 4' sidewalk along the block in good condition
- If the existing 4' sidewalk is ADA complaint

The purpose of this agenda item is to request approval of a construction contract for the BBB16 D1 sidewalk project. The locations for D1 were selected with the objective of improving pedestrian connectivity to schools and parks. The streets included in the project are as follows.

- 1000 Block of Pauline Avenue
- 4500 Block of Teas Street
- 4500 Block of Verone Street
- 4500 - 4600 Blocks of Holly Street
- 4600 Block of Laurel Street
- 4600 Block of Oleander Street
- 4700 - 5000 Blocks of Braeburn Drive
- 4800 - 4900 Blocks of Valerie Street
- 5000 - 5100 Blocks of Pine Street
- 5300 Block of Pine Street

After the Council meeting on the 20th Public Works inspected each street in D1 to determine if there were instances where installing sidewalk at less than five feet in width made sense relative to the exceptions listed above. Below is a list of the D1 streets with a recommended width for each. The presentation associated with this agenda item will provide pictures of each location to substantiate the recommendation.

<u>Location</u>	<u>Recommended width</u>
• 1000 Block of Pauline Avenue	5 feet
• 4500 Block of Teas Street	4 feet
• 4500 Block of Verone Street	4 feet
• 4500 - 4600 Blocks of Holly Street	4 feet
• 4600 Block of Laurel Street	4 feet
• 4600 Block of Oleander Street	5 feet
• 4700 - 5000 Blocks of Braeburn Drive	4 feet
• 4800 - 4900 Blocks of Valerie Street	4800 block 5' - 4900 block 4'
• 5000 - 5100 Blocks of Pine Street	4 feet
• 5300 Block of Pine Street	4 feet

The results of the inspection show that there are only three blocks of the fifteen that comprise the project that should be constructed at a width of five feet. This is because each of the remaining twelve blocks not highlighted in yellow have segments of existing 4' sidewalk that can be used. To be clear, there will be instances when the existing sidewalk will need to be removed and replaced due to condition or compliance issues, but the majority of the 4' sidewalk can be used.

To that end the Public Works Department recommends that the D1 sidewalk segments be constructed at a 4' width aside from Pauline, Oleander and the 4800 Block of Valerie which shall be constructed at a 5' width.

Fiscal Impact:

The Group D Phase 1 Sidewalk project bid amount of \$1,498,538.60 will be funded from prior Bonds for Better Bellaire 2016 bond sales for sidewalk projects.

City Attorney Review:

yes

Recommendation:

The Public Works Department recommends City Council approval to award RAC Industries, LLC for a construction contract for the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$1,498,538.60.

NOTE: The general specifications and contract documents for this project are not included in the agenda packet due to its voluminous size. These documents are available for review at City Hall and/or copies will be made available upon request.

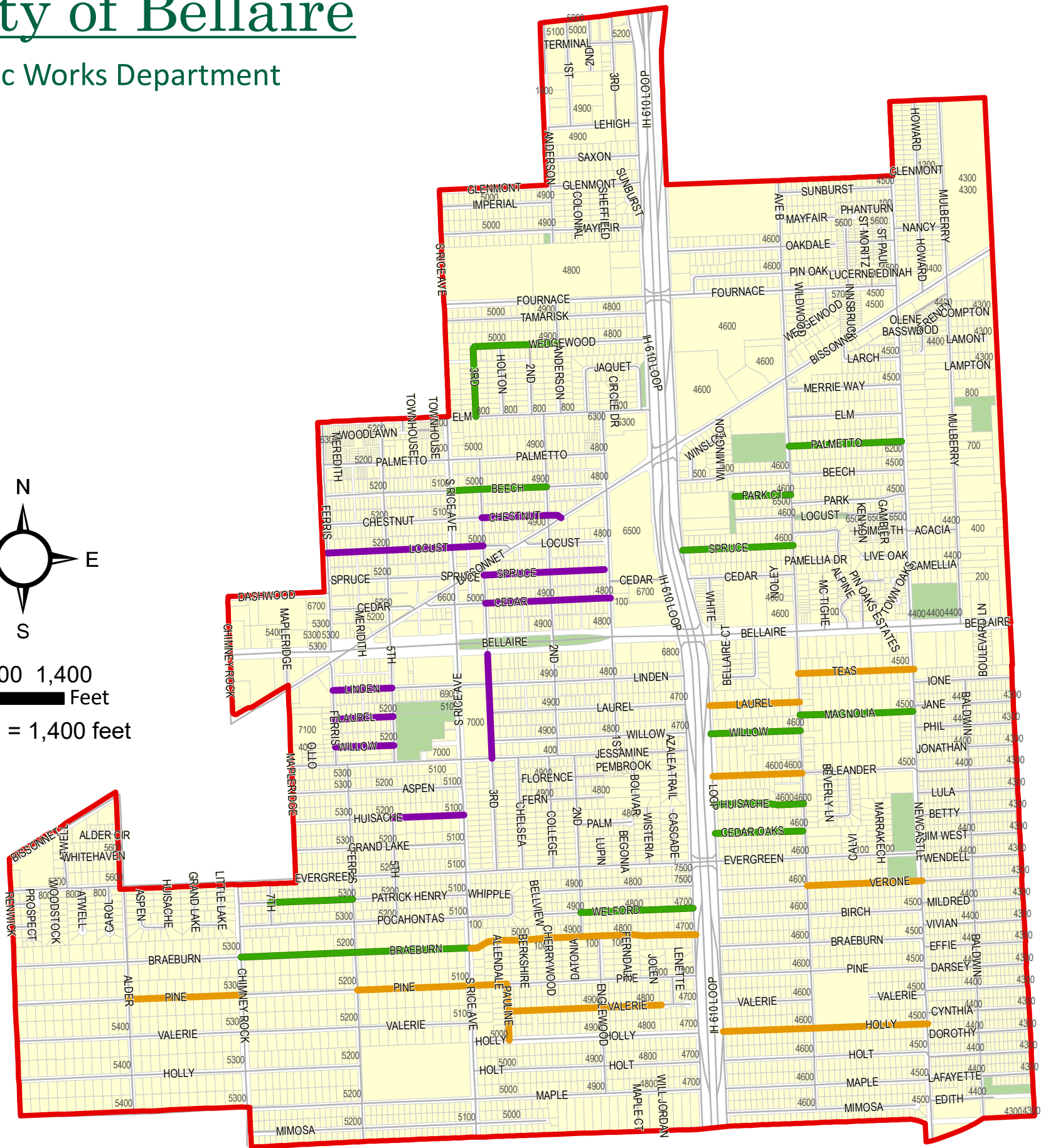
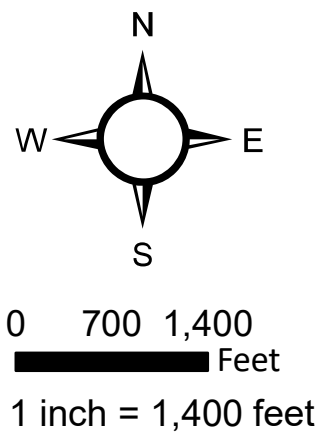
ATTACHMENTS:

- BBB16 sidewalk map (PDF)
- Project time line(PDF)

- Presentation II (PDF)
- Construction_D1 Letter of Recommendation (PDF)
- SFA - Group D Phase 1 - RAC Industries(DOCX)
- Construction_D1 Standard Form of Agreement RAC Industries (DOC)
- Sidewalk Comments_Redacted (PDF)

City of Bellaire

Public Works Department



Map Created: May 25, 2018

SIDEWALK PROJECTS

Construction Dates for each Project Listed Below



City Limits

D1 Sidewalks: Around Schools, Fall 2018

- 1000 Pauline
- 4500 Teas
- 4500 Verone
- 4500-4600 Holly
- 4600 Laurel
- 4600 Oleander
- 4700-5000 Braeburn
- 4800-4900 Valerie
- 5000-5100 Pine
- 5300 Pine

D2 Sidewalks: HEB and City Hall Area, Winter 2018

- 5200 Willow
- 5200 Laurel
- 5200 Linden
- 4800-4900 Cedar
- 4800-4900 Spruce
- 5000-5200 Locust
- 5100 Huisache
- 4800-4900 Chestnut
- 3rd Street from Bellaire to Jessamine

D3 Sidewalks: Community Pathways, Winter 2019

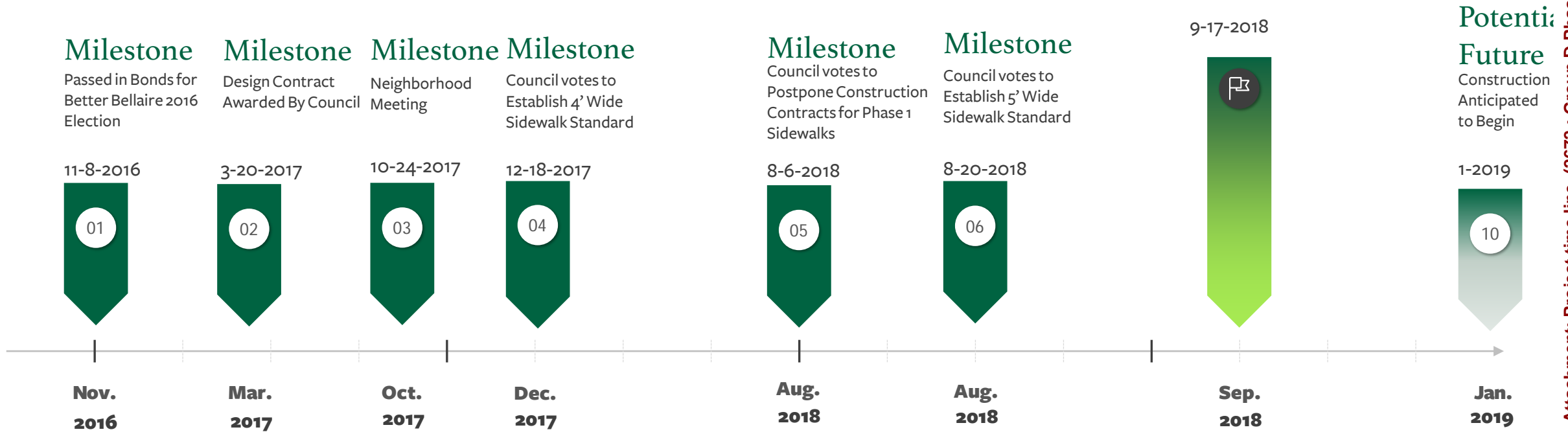
- 800 N Third
- 4900-5000 Wedgewood
- 4900-5000 Beech
- 4500 Palmetto
- 4600 Spruce
- 4600 Park Court
- 4700-4800 Welford
- 5100-5200 Braeburn
- 5300 Patrick Henry
- 4500 Magnolia
- 4600 Willow
- 4600 Cedar Oaks
- 4600 Huisache

Sidewalks Group D Phase I Project (D1) Process Timeline

The streets identified in this project to receive sidewalks were chosen to provide safe & convenient access for residents to neighborhood schools
The scope is to replace or install sidewalks on at least one side of the street
Streets included in this project:

- 4700 - 5000 Blocks of Braeburn Drive
- 4500 - 4600 Blocks of Holly Street
- 4600 Block of Laurel Street
- 4600 Block of Oleander Street
- 1000 Block of Pauline Avenue
- 5000 - 5100 Blocks of Pine Street
- 5300 Block of Pine Street
- 4500 Block of Teas Street
- 4800 - 4900 Blocks of Valerie Street
- 4500 Block of Verone Street

We Are Here
Council To Consider
Awarding Construction
Contracts for D1
Sidewalk Project



Attachment: Project time line (2672 : Group D Phase 1 Sidewalk Construction Contract)

BBB16 D1 Sidewalk Project

STREETS / BLOCK OVERVIEW

BBB16 D1 Sidewalk Project

PRESENTATION OUTLINE

- Photos of each block
- Discussion of width

BBB16 D1 Sidewalk Project

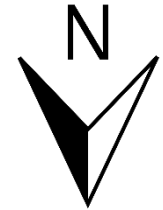
<u>Location</u>	<u>Recommended width</u>
• 1000 Block of Pauline Avenue	5 feet
• 4500 Block of Teas Street	4 feet
• 4500 Block of Verone Street	4 feet
• 4500 - 4600 Blocks of Holly Street	4 feet
• 4600 Block of Laurel Street	4 feet
• 4600 Block of Oleander Street	5 feet
• 4700 - 5000 Blocks of Braeburn Drive	4 feet
• 4800 - 4900 Blocks of Valerie Street	4800 block 5' - 4900 block 4'
• 5000 - 5100 Blocks of Pine Street	4 feet
• 5300 Block of Pine Street	4 feet

BBB16 - D1 Sidewalk Project

1000 Block of Pauline Avenue

5 feet

– Sidewalk to be installed on East side of street

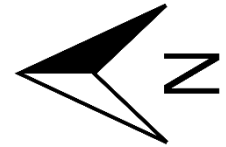


BBB16 - D1 Sidewalk Project

4500 Block of Teas Street

4 feet

– Sidewalk to be installed on North side of street

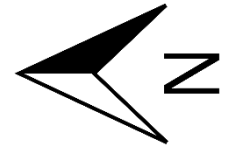


BBB16 - D1 Sidewalk Project

4500 Block of Verone Street

4 feet

– Sidewalk to be installed on North side of street

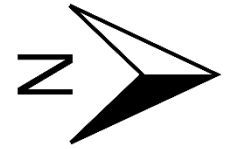


BBB16 - D1 Sidewalk Project

4500 - 4600 Blocks of Holly Street

4 Feet

– Sidewalk to be installed on South side of street



BBB16 - D1 Sidewalk Project

4600 Block of Laurel Street

4 feet

– Sidewalk to be installed on South side of street

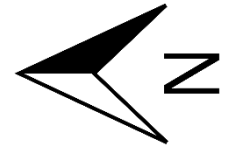


BBB16 - D1 Sidewalk Project

4600 Block of Oleander Street

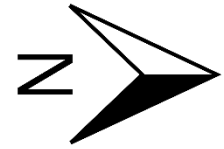
5 feet

– Sidewalk to be installed on North side of street



BBB16 - D1 Sidewalk Project

4700 - 5000 Blocks of Braeburn Drive 4 feet
– Sidewalk to be installed on North side of street

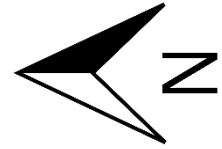


BBB16 - D1 Sidewalk Project

4800 - 4900 Blocks of Valerie Street

4800 block 5'

– Sidewalk to be installed on Both sides of street

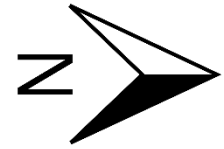


BBB16 - D1 Sidewalk Project

4800 - 4900 Blocks of Valerie Street

4900 block 4'

– Sidewalk to be installed on North side of street

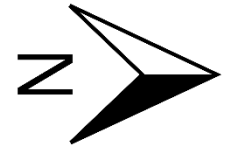


BBB16 - D1 Sidewalk Project

5000 - 5100 Blocks of Pine Street

4 feet

– Sidewalk to be installed on South side of street

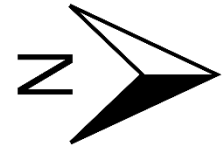


BBB16 - D1 Sidewalk Project

5300 Block of Pine Street

4 feet

– Sidewalk to be installed on North side of street



Letter of Recommendation

for

Bid No. 18-010

BONDS FOR BETTER BELLAIRE 2016 GROUP D PHASE 1 SIDEWALK IMPROVEMENTS

City of Bellaire

JULY 12, 2018

KELLY R. KALUZA & ASSOCIATES, INC.

Consulting Engineers & Surveyors

Engineering Firm No. F-1339

Surveying Firm No. 10010000

3014 Avenue I, Rosenberg, Texas 77471

(281) 341-0808 ■ FAX (281) 341-6333

City of Bellaire
Bonds for Better Bellaire 2016
Group D Phase 1
Sidewalk Improvements

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Engineering Letter of Recommendation.....	2
Bid Tabulation	1
Bid Proposal	5
Reference Sheets	6

LETTER OF RECOMMENDATION

KELLY R. KALUZA & ASSOCIATES, INC.
Consulting Engineers & Surveyors
Engineering Firm No. F-1339
Surveying Firm No. 10010000
 3014 Avenue I, Rosenberg, Texas 77471
 (281) 341-0808 ■ FAX (281) 341-6333

July 16, 2018

Ms. Cristin Emshoff, MUP
 Project Administrator
 City of Bellaire
 4337 Edith Street
 Bellaire, Texas 77401

RE: Engineer's Recommendation of Award of Construction Contract for Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk Improvements, City of Bellaire, Harris County, Texas (Bid No. 18-010)

Dear Ms. Emshoff:

Construction bids were received and formally opened at 10:00 a.m. on Thursday, July 12, 2018 for the above referenced project. A total of six (6) construction bids were received and opened. This project involves the reconstruction of sidewalks and driveways. This includes removal of existing concrete sidewalks and concrete driveways, placement of new 4-1/2" concrete sidewalks and 6" driveways, as well as some special surface sidewalks and driveways, checker plate sidewalk construction, and removing and replacing existing turf and landscaping within the City's right-of-way.

The following is a summary of our bid evaluation:

1. Bid Tabulation Sheet – Six (6) construction firms participated in the bidding process. The bids were checked for completeness and mathematical errors. RAC Industries, LLC, DVL Enterprises, LLC, and AAA Asphalt Paving each had a mathematical error; however, these errors did not change bidder status.

2. The bids for the total project are as follows:

(A copy of the bid tabulation is enclosed with this letter.)

<u>Contractor</u>	<u>Total Amount Base Bid</u>	<u>Total Number Calendar Days</u>
RAC Industries, LLC	\$1,498,538.60	270
Teamwork Construction Services	\$1,506,188.20	270
DVL Enterprises, LLC	\$1,557,090.00	270
AAA Asphalt Paving	\$1,738,917.50	270
GLM Contracting, Inc.	\$1,928,365.00	270
Millis Development & Construction	\$2,449,790.05	270

3. References –The references provided by RAC Industries, LLC, the low bidder, were contacted and information on their performance and capabilities to perform similar work was obtained. The references that were contacted indicated that RAC Industries, LLC completed the projects in a timely manner and they were satisfied with their work. We have worked with RAC Industries, LLC previously and find them competent to complete this project.

Ms. Cristin Emshoff, MUP
City of Bellaire
July 16, 2018
Page Two (2)

We are recommending that the City of Bellaire accept the construction bids received on the project and enter into a construction contract with RAC Industries, LLC for the Base Bid in the amount of \$1,498,538.60. If you have any questions, please contact me.

Sincerely,

KELLY R. KALUZA & ASSOCIATES, INC.



Duane H. Whitehead, P.E.
Project Engineer

DHW/msg

Enclosures

cc: Mr. Paul Hofmann, City Manager
Mr. Michael Leech, Director of Public Works
James Andrews, II, P.E., ARKK Engineering
Bobby Vasek, P.E., ARKK Engineering
RAC Industries, LLC

Attachment: Construction_D1 Letter of Recommendation (2672 : Group D Phase 1 Sidewalk Construction Contract)

BID TABULATION

ENGINEER:
KELLY R. KALUZA & ASSOCIATES, INC.
3014 AVENUE I
ROSENBERG, TEXAS 77471
(281) 341-0808

BONDS FOR BETTER BELLAIRE 2016
GROUP D PHASE 1 SIDEWALK IMPROVEMENTS
CITY OF BELLAIRE, HARRIS COUNTY, TEXAS
BID OPENING DATE - THURSDAY, JULY 12, 2018 - 10:00 A.M.

OWNER:
CITY OF BELLAIRE
7008 S. RICE AVENUE
BELLAIRE, TX 77401
(713) 662-8100

BID TABULATION

BIDDERS:			RAC INDUSTRIES, LLC		TEAMWORK CONST. SVCS.		DVL ENTERPRISES, LLC		AAA ASPHALT PAVING		GLM CONTRACTING, INC		MILLIS DEVELOP & CONSTRUCTION	
I. BASE BID	EST.	UNIT	UNIT	TOTAL	UNIT	TOTAL	UNIT	TOTAL	UNIT	TOTAL	UNIT	TOTAL	UNIT	TOTAL
ITEM DESCRIPTION	QUANT.		PRICE	PRICE	PRICE	PRICE	PRICE	PRICE	PRICE	PRICE	PRICE	PRICE	PRICE	PRICE
1 SAWCUT CONCRETE PAVEMENT	3,190	LF	\$ 4.60	\$ 14,674.00	\$ 5.20	\$ 16,588.00	\$ 10.00	\$ 31,900.00	\$ 4.00	\$ 12,760.00	\$ 5.00	\$ 15,950.00	\$ 10.73	\$ 34,228.00
2 REMOVE/DISPOSE OF EXIST CONCRETE SIDEWALKS TO SUITABLE LANDFILL	1,100	SY	\$ 5.30	\$ 5,830.00	\$ 19.85	\$ 21,835.00	\$ 10.00	\$ 11,000.00	\$ 6.00	\$ 6,600.00	\$ 5.00	\$ 5,500.00	\$ 12.08	\$ 13,288.00
3 REMOVE/DISPOSE OF EXIST CONCRETE DRIVEWAYS TO SUITABLE LANDFILL	5,250	SY	\$ 3.80	\$ 19,950.00	\$ 19.85	\$ 104,212.50	\$ 5.00	\$ 26,250.00	\$ 6.00	\$ 31,500.00	\$ 10.00	\$ 52,500.00	\$ 16.30	\$ 85,575.00
4 RELOCATE EXIST SIGN	20	EA	\$ 300.00	\$ 6,000.00	\$ 120.00	\$ 2,400.00	\$ 100.00	\$ 2,000.00	\$ 225.00	\$ 4,500.00	\$ 250.00	\$ 5,000.00	\$ 335.43	\$ 6,708.00
5 CENTERPOINT TO RELOCATE EXIST LIGHT POLE(S) & GUY WIRE(S)	1	ALLOW	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
6 RELOCATE EXIST WATER METER/IRRIGATION VALVE	80	EA	\$ 220.00	\$ 17,600.00	\$ 370.00	\$ 29,600.00	\$ 300.00	\$ 24,000.00	\$ 850.00	\$ 68,000.00	\$ 1,500.00	\$ 120,000.00	\$ 1,006.29	\$ 80,503.00
7 RELOCATE EXIST WATER VALVE/FIRE HYDRANT	13	EA	\$ 460.00	\$ 5,980.00	\$ 920.00	\$ 11,960.00	\$ 1,500.00	\$ 19,500.00	\$ 2,500.00	\$ 32,500.00	\$ 3,000.00	\$ 39,000.00	\$ 4,025.17	\$ 52,327.00
8 RELOCATE EXIST SPRINKLER HEAD & PIPING	1	ALLOW	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
9 ADJUST EXIST SAN SEW CLEANOUT TO MATCH FINISH GRADE	2	EA	\$ 520.00	\$ 1,040.00	\$ 175.00	\$ 350.00	\$ 200.00	\$ 400.00	\$ 250.00	\$ 500.00	\$ 1,000.00	\$ 2,000.00	\$ 603.78	\$ 1,207.00
10 ADJUST TOP OF EXIST MANHOLES TO MATCH FINISH GRADE	11	EA	\$ 520.00	\$ 5,720.00	\$ 375.00	\$ 4,125.00	\$ 500.00	\$ 5,500.00	\$ 500.00	\$ 5,500.00	\$ 250.00	\$ 2,750.00	\$ 805.03	\$ 8,855.00
11 ADJUST EXIST INLET TO MATCH SIDEWALK	3	EA	\$ 2,760.00	\$ 8,280.00	\$ 1,395.00	\$ 4,185.00	\$ 700.00	\$ 2,100.00	\$ 600.00	\$ 1,800.00	\$ 750.00	\$ 2,250.00	\$ 2,012.58	\$ 6,037.00
12 REGRADE/RECONNECT EXIST CURB DRAIN PIPE	225	LOC	\$ 200.00	\$ 45,000.00	\$ 120.00	\$ 27,000.00	\$ 200.00	\$ 45,000.00	\$ 200.00	\$ 45,000.00	\$ 500.00	\$ 112,500.00	\$ 134.17	\$ 30,188.00
13 4-1/2" THICK CONCRETE FOR SIDEWALKS	5,070	SY	\$ 56.90	\$ 288,483.00	\$ 58.05	\$ 294,313.50	\$ 60.00	\$ 304,200.00	\$ 80.00	\$ 405,600.00	\$ 60.00	\$ 304,200.00	\$ 97.18	\$ 492,702.00
14 6" THICK CONCRETE FOR DRIVEWAYS	4,507	SY	\$ 59.80	\$ 269,518.60	\$ 65.60	\$ 295,659.20	\$ 70.00	\$ 315,490.00	\$ 95.00	\$ 428,165.00	\$ 70.00	\$ 315,490.00	\$ 87.55	\$ 394,587.00
15 SIDEWALK RAMPS	75	EA	\$ 1,437.50	\$ 107,812.50	\$ 1,295.00	\$ 97,125.00	\$ 1,500.00	\$ 112,500.00	\$ 1,500.00	\$ 112,500.00	\$ 2,000.00	\$ 150,000.00	\$ 1,207.55	\$ 90,566.00
16 SPECIAL SURFACE DRIVEWAY/SIDEWALK	1,250	SY	\$ 100.00	\$ 125,000.00	\$ 78.00	\$ 97,500.00	\$ 90.00	\$ 112,500.00	\$ 125.00	\$ 156,250.00	\$ 75.00	\$ 93,750.00	\$ 257.32	\$ 321,650.00
17 REMOVE/REPLACE EXIST LANDSCAPING	1	ALLOW	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
18 SELECT FILL PLACEMENT	100	CY	\$ 14.00	\$ 1,400.00	\$ 48.00	\$ 4,800.00	\$ 10.00	\$ 1,000.00	\$ 35.00	\$ 3,500.00	\$ 25.00	\$ 2,500.00	\$ 67.09	\$ 6,709.00
19 SOLID SOD TURF REPLACEMENT TO MATCH EXIST; WATER UNTIL VEG ESTABLISH	10,200	SY	\$ 4.50	\$ 45,900.00	\$ 4.15	\$ 42,330.00	\$ 5.00	\$ 51,000.00	\$ 5.00	\$ 51,000.00	\$ 5.00	\$ 51,000.00	\$ 16.29	\$ 166,158.00
20 FURNISH/INSTALL/MAINTAIN EROSION SEDIMENT. CONTROL, SWPPP PERMIT, ET	1	LS	\$ 5,800.00	\$ 5,800.00	\$ 7,100.00	\$ 7,100.00	\$ 10,000.00	\$ 10,000.00	\$ 5,500.00	\$ 5,500.00	\$ 10,000.00	\$ 10,000.00	\$ 60,378.00	\$ 60,378.00
21 TREE PROTECTION FENCING	1	LS	\$ 11,100.00	\$ 11,100.00	\$ 9,250.00	\$ 9,250.00	\$ 8,000.00	\$ 8,000.00	\$ 7,500.00	\$ 7,500.00	\$ 50,000.00	\$ 50,000.00	\$ 29,975.00	\$ 29,975.00
22 REMOVE TREE/SHRUB 0" TO 11.99" PER TREE PROTECTION PLAN	12	EA	\$ 400.00	\$ 4,800.00	\$ 920.00	\$ 11,040.00	\$ 300.00	\$ 3,600.00	\$ 250.00	\$ 3,000.00	\$ 600.00	\$ 7,200.00	\$ 154.30	\$ 1,851.00
23 REMOVE TREE/SHRUB 12" TO 29.99" PER TREE PROTECTION PLAN	9	EA	\$ 550.00	\$ 4,950.00	\$ 1,200.00	\$ 10,800.00	\$ 800.00	\$ 7,200.00	\$ 1,100.00	\$ 9,900.00	\$ 1,200.00	\$ 10,800.00	\$ 1,207.55	\$ 10,867.00
24 CLEARANCE PRUNE TREE SERVICES TO BE PERFORMED BY CERTIFIED ARBORIST	40	EA	\$ 345.00	\$ 13,800.00	\$ 820.00	\$ 32,800.00	\$ 600.00	\$ 24,000.00	\$ 65.00	\$ 2,600.00	\$ 200.00	\$ 8,000.00	\$ 147.59	\$ 5,903.00
25 INSTALL ROOT PRUNING TRENCH	565	LF	\$ 3.70	\$ 2,090.50	\$ 14.00	\$ 7,910.00	\$ 30.00	\$ 16,950.00	\$ 9.50	\$ 5,367.50	\$ 15.00	\$ 8,475.00	\$ 40.25	\$ 22,741.00
26 INSTALL CHECKERPLATE SIDEWALK CONSTRUCTION	2,100	SF	\$ 64.00	\$ 134,400.00	\$ 15.80	\$ 33,180.00	\$ 35.00	\$ 73,500.00	\$ 25.00	\$ 52,500.00	\$ 50.00	\$ 105,000.00	\$ 87.01	\$ 182,721.00
27 ROOT STIMULATION SERVICES TO BE PERFORMED BY CERTIFIED ARBORIST	15	EA	\$ 345.00	\$ 5,175.00	\$ 705.00	\$ 10,575.00	\$ 600.00	\$ 9,000.00	\$ 45.00	\$ 675.00	\$ 300.00	\$ 4,500.00	\$ 644.03	\$ 9,660.00
28 URBAN FORESTER/ARBORIST SITE VISITS, AS REQUIRED	1	ALLOW	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
29 OWNER'S ALLOWANCE TO BE USED AT CITY'S DISCRETION	1	ALLOW	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
30 PROJECT SIGNS	19	EA	\$ 950.00	\$ 18,050.00	\$ 1,150.00	\$ 21,850.00	\$ 500.00	\$ 9,500.00	\$ 800.00	\$ 15,200.00	\$ 1,000.00	\$ 19,000.00	\$ 462.89	\$ 8,794.00
31 FURNISH & MAINTAIN SIGNAGE, FLAGMEN, TRAFFIC CONTROL, ETC.	1	LS	\$ 21,735.00	\$ 21,735.00	\$ 28,800.00	\$ 28,800.00	\$ 25,000.00	\$ 25,000.00	\$ 15,000.00	\$ 15,000.00	\$ 100,000.00	\$ 100,000.00	\$ 48,303.00	\$ 48,303.00
32 CONTRACTOR'S MOBILIZATION (INCL. BONDS & INSURANCE)	1	LS	\$ 72,450.00	\$ 72,450.00	\$ 42,900.00	\$ 42,900.00	\$ 70,000.00	\$ 70,000.00	\$ 20,000.00	\$ 20,000.00	\$ 95,000.00	\$ 95,000.00	\$ 41,300.00	\$ 41,300.00
TOTAL AMOUNT - BASE BID			\$ 1,498,538.60		\$ 1,506,188.20		\$ 1,557,090.00		\$ 1,738,917.50		\$ 1,928,365.00		\$ 2,449,790.00	
TOTAL AMOUNT OF CALENDAR DAYS - BASE BID			270		270		270		270		270		270	
BIDDERS:			RAC INDUSTRIES, LLC		TEAMWORK CONST. SVCS.		DVL ENTERPRISES, LLC		AAA ASPHALT PAVING		GLM CONTRACTING, INC		MILLIS DEVELOP & CONSTRUCTION	

Attachment: Construction_D1 Letter of Recommendation (2672 : Group D Phase 1 Sidewalk Construction Contract)

MATHEMATICAL ERROR CORRECTED BY ENGINEER

BID PROPOSAL

COPY

City of Bellaire
Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk Improvements

BID PROPOSAL
BID FOR UNIT PRICE CONTRACT

PLACE: Bellaire, TexasDATE: 7/12/2018PROJECT NO. 18-010

RAC Industries, LLC Proposal of

(Hereinafter called "Bidder")

TO: THE HONORABLE MAYOR AND CITY COUNCIL
 CITY OF BELLAIRE, TEXAS
 (Hereinafter called "Owner")

The Bidder, in compliance with your invitation for bids for the construction of:

BID NO. 18-010
BONDS FOR BETTER BELLAIRE 2016
GROUP D PHASE 1
SIDEWALK IMPROVEMENTS

having carefully examined the plans, specifications, instructions to bidders, notice to bidders and all other related contract documents and the site of the proposed work, and being familiar with all of the conditions surrounding the construction of the proposed project including the availability of materials and labor, hereby proposes to furnish all labor, materials and supplies and to construct the project in accordance with the plans, specifications and contract documents, within the time set forth therein and at the prices stated in Exhibit "A" attached hereto.

The Bidder binds himself, upon acceptance of his proposal, to execute a contract and any required bonds, according to the accompanying forms, for performing and completing the said work within the time stated and for the prices stated in Exhibit "A" of this proposal.

Bidder hereby agrees to commence the work on the above project on or before a date to be specified in a written "Notice to Proceed" of the Owner and to fully complete the project within **two hundred seventy (270) consecutive calendar days** thereafter as stipulated in the specifications and other contract documents. Bidder hereby further agrees to pay to Owner as liquidated damages the sum of **\$500.00** for each consecutive calendar day in excess of the time set forth hereinabove for completion of this project, all as more fully set forth in the General Conditions of the contract documents.

The following unit prices are bid and shall be complete compensation as measured in place for all materials, labor, overhead, profits and any other cost that is necessary to complete the job to the Engineers specifications and satisfaction. It is also understood that the quantities shown are only an estimate of the work to be done. No re-negotiation of prices bid will be made for over runs or under runs of quantities.

City of Bellaire
Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk Improvements

Bidder understands and agrees that this bid proposal shall be completed and submitted in accordance with the General Instructions to Bidders.

Bidder understands that the Owner reserves the right to reject any or all bids, use deductible bid items and to waive any formality in the bidding.

Bidder agrees that this bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving bids.

Bidder acknowledges receipt of the following addenda:

1 - RNS

The undersigned Bidder hereby declares that he has visited the site of the work and has carefully examined the plans, specifications and contract documents pertaining to the work covered by this bid, and he further agrees to commence work on or before the date specified in the written notice to proceed and to substantially complete the work on which he has bid, as provided in the contract documents.

Enclosed with this proposal is a cashier's check or certified check for _____ Dollars (\$ _____) or a bid bond in the sum of Ten Percent Of Greatest Amount Bid (\$ 10% GAB) as which it is agreed shall be collected and retained by the Owner as liquidated damages in the event the proposal is accepted by the Owner and the undersigned fails to execute the necessary contract documents and the required bonds (if any) with the Owner within ten (10) days after the date of receipt of written notification of acceptance of said proposal; otherwise said check or bond shall be returned to the undersigned upon demand.

Discrepancies in the multiplication of units of Work and unit prices will be resolved in favor of unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum.

The unit prices shall include all labor, materials, dewatering, shoring, removal, overhead, incidental costs, fees, profit, insurance, etc., to cover the finished work of the several kinds called for.

City of Bellaire
Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk Improvements

Bidder understands and agrees that the contract to be executed by Bidder shall be bound and include all contract documents made available to him for his inspection in accordance with the Notice to Bidders.

RAC Industries, LLC

Bidder

By: *Robert N. Smith*
 Signature

Type or Print:

Bidder's
 Name: Robert N. Smith

Bidder's
 Address: 2512 Cocoa Lane
Pasadena, Texas 77502

(If Bidder is a Corporation)

Attest:

J Santos Lira
 Secretary

(Corporate Seal)

Name of
 Person Signing: J Santos Lira

Office Held: Secretary

CITY OF BELLAIRE
BONDS FOR BETTER BELLAIRE 2016 GROUP D PHASE 1 SIDEWALK IMPROVEMENTS

Exhibit "A"
BID FORM

Item No.	Item Description	Unit	Est. Quan.	Unit Price	Total Amount
BASE BID					
1	SAWCUT CONCRETE PAVEMENT, COMPLETE IN PLACE, THE SUM OF	L.F.	3190	\$ 4.60	\$ 14,674.00
2	REMOVE AND DISPOSE OF EXISTING CONCRETE SIDEWALKS TO SUITABLE LANDFILL OR APPROVED EQUAL, COMPLETE IN PLACE, THE SUM OF	S.Y.	1100	\$ 5.30	\$ 5,830.00
3	REMOVE AND DISPOSE OF EXISTING CONCRETE DRIVEWAYS TO SUITABLE LANDFILL OR APPROVED EQUAL, COMPLETE IN PLACE, THE SUM OF	S.Y.	5250	\$ 3.80	\$ 19,950.00
4	RELOCATE EXISTING SIGN, COMPLETE IN PLACE, THE SUM OF	EA.	20	\$ 300.00	\$ 6,000.00
5	CENTERPOINT TO RELOCATE EXISTING LIGHT POLE(S) AND GUY WIRE(S), COMPLETE IN PLACE, THE SUM OF	ALLOW	1	\$ 35,000.00	\$ 35,000.00
6	RELOCATE EXISTING WATER METER OR IRRIGATION VALVE, COMPLETE IN PLACE, THE SUM OF	EA.	80	\$ 220.00	\$ 17,600.00
7	RELOCATE EXISTING WATER VALVE OR FIRE HYDRANT, COMPLETE IN PLACE, THE SUM OF	EA.	13	\$ 460.00	\$ 5,980.00
8	RELOCATE EXISTING SPRINKER HEAD AND PIPING, COMPLETE IN PLACE, THE SUM OF	ALLOW	1	\$ 18,000.00	\$ 18,000.00
9	ADJUST EXISTING SANITARY SEWER CLEANOUT TO MATCH FINISH GRADE, COMPLETE IN PLACE, THE SUM OF	EA.	2	\$ 520.00	\$ 1,040.00
10	ADJUST TOP OF EXISTING MANHOLES TO MATCH FINISH GRADE, COMPLETE IN PLACE, THE SUM OF	EA.	11	\$ 520.00	\$ 5,720.00
11	ADJUST EXISTING INLET TO MATCH SIDEWALK, COMPLETE IN PLACE, THE SUM OF	EA.	3	\$ 2,760.00	\$ 8,280.00
12	REGRADE AND RECONNECT EXISTING CURB DRAIN PIPE, COMPLETE IN PLACE, THE SUM OF	LOC.	225	\$ 200.00	\$ 45,000.00
13	4-1/2" THICK CONCRETE FOR SIDEWALKS, COMPLETE IN PLACE, THE SUM OF	S.Y.	5070	\$ 56.90	\$ 288,483.00
14	6" THICK CONCRETE FOR DRIVEWAYS, COMPLETE IN PLACE, THE SUM OF	S.Y.	4507	\$ 59.80	\$ 269,518.60
15	SIDEWALK RAMPS, COMPLETE IN PLACE, THE SUM OF	EA.	75	\$ 1,437.50	\$ 107,812.50
16	SPECIAL SURFACE DRIVEWAY OR SIDEWALK, COMPLETE IN PLACE, THE SUM OF	S.Y.	1250	\$ 100.00	\$ 125,000.00
17	REMOVE AND REPLACE EXISTING LANDSCAPING, COMPLETE IN PLACE, THE SUM OF	ALLOW	1	\$ 150,000.00	\$ 150,000.00
18	SELECT FILL PLACEMENT, COMPLETE IN PLACE, THE SUM OF	C.Y.	100	\$ 14.00	\$ 1,400.00
19	SOLID SOD TURF REPLACEMENT TO MATCH EXISTING TURF OF THE DISTURBED AREAS AND PROVIDE WATERING UNTIL VEGETATION ESTABLISHMENT, COMPLETE IN PLACE, THE SUM OF	S.Y.	10200	\$ 4.50	\$ 45,900.00
20	FURNISH, INSTALL AND MAINTAIN EROSION SEDIMENTATION CONTROL, STORM WATER POLLUTION PREVENTION PLAN PERMIT AND DEVICES UNTIL VEGETATION IS ESTABLISHED, COMPLETE IN PLACE, THE SUM OF	L.S.	1	\$ 5,800.00	\$ 5,800.00
21	TREE PROTECTION FENCING, COMPLETE IN PLACE, THE SUM OF	L.S.	1	\$ 11,100.00	\$ 11,100.00
22	REMOVE TREE/SHRUB 0 TO 11.99" PER TREE PROTECTION PLAN, COMPLETE IN PLACE, THE SUM OF	EA.	12	\$ 400.00	\$ 4,800.00
23	REMOVE TREE/SHRUB 12" TO 29.99" PER TREE PROTECTION PLAN, COMPLETE IN PLACE, THE SUM OF	EA.	9	\$ 550.00	\$ 4,950.00
24	CLEARANCE PRUNE TREE SERVICES TO BE PERFORMED BY CERTIFIED ARBORIST, COMPLETE IN PLACE, THE SUM OF	EA.	40	\$ 345.00	\$ 13,800.00
25	INSTALL ROOT PRUNING TRENCH, COMPLETE IN PLACE, THE SUM OF	L.F.	565	\$ 3.70	\$ 2,090.50

CITY OF BELLAIRE
BONDS FOR BETTER BELLAIRE 2016 GROUP D PHASE 1 SIDEWALK IMPROVEMENTS

Exhibit "A"
BID FORM

Item No.	Item Description	Unit	Est. Quan.	Unit Price	Total Amount
26	INSTALL CHECKERPLATE SIDEWALK CONSTRUCTION, COMPLETE IN PLACE, THE SUM OF	S.F.	2100	\$ 64.00	\$ 134,400.00
27	ROOT STIMULATION SERVICES TO BE PERFORMED BY CERTIFIED ARBORIST, COMPLETE IN PLACE, THE SUM OF	EA.	15	\$ 345.00	\$ 5,175.00
28	URBAN FORESTER/ARBORIST SITE VISITS, AS REQUIRED, COMPLETE IN PLACE, THE SUM OF	ALLOW	1	\$ 8,000.00	\$ 8,000.00
29	OWNER'S ALLOWANCE TO BE USED AT CITY'S DISCRETION, COMPLETE IN PLACE, THE SUM OF	ALLOW	1	\$ 25,000.00	\$ 25,000.00
30	PROJECT SIGNS.	EA.	19	\$ 950.00	\$ 18,050.00
31	FURNISH AND MAINTAIN SIGNAGE, BARRICADES, AND FLAGMEN TRAFFIC CONTROL, FOR LANE AND ROAD CLOSURE AND PROVIDE TEMPORARY ACCESS TO PROPERTIES IN ACCORDANCE WITH THE PLANS AND THE "TEXAS MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES", COMPLETE IN PLACE, THE SUM OF	L.S.	1	21,735.00 \$	21,735.00 \$ -
32	CONTRACTOR'S MOBILIZATION INCLUDING BONDS AND INSURANCE (MAY NOT EXCEED 5% OF BID), COMPLETE IN PLACE, THE SUM OF	L.S.	1	72,450.00 \$	72,450.00 \$ -

TOTAL BASE BID ITEMS: \$ 1,409,538.60

Attachment: Construction_D1 Letter of Recommendation (2672 : Group D Phase 1 Sidewalk Construction Contract)

REFERENCE SHEETS

REFERENCE: City of Dickinson

TELEPHONE NO.: 281.686.6918

CONTACT: Travis Sellers

PROJECT: Bonds for Better Bellaire 2016 Sidewalk Project Group D-Phase I

CONSTRUCTION AMOUNT: \$1,498,538.60

QUESTIONS

1. How did RAC Industries perform on the project? (On a scale of 1-10)

ANSWER: 8

2. Were you satisfied with their performance?

ANSWER: Yes

3. How would you rate the quality of their work? (On a scale of 1-10)

ANSWER: 8

4. How would you rate their ability to coordinate the work with neighboring property owners? (Scale of 1-10)

ANSWER: 9

5. Did they have any problems with the job? If so, what was the nature of the problem?

ANSWER: No, not aware of any issues

6. Were there many change orders on the project? If so, what were the reasons? Were they reasonable?

ANSWER: No change orders

7. Were they able to complete the project within the time allotted? If not, what was the reason?

ANSWER: Yes, they were completed

8. How would you rate their ability to cooperate with a client? (On a scale of 1-10)

ANSWER: 8

9. Would you like to have them perform a job for you again?

ANSWER: Yes, I would

10. Do you see them capable of performing larger projects?

ANSWER: Yes

REFERENCE: Harris County Precinct 2

TELEPHONE NO.: 281.772.9643

CONTACT: Vijaya K. Rapulo

PROJECT: Bonds for Better Bellaire 2016 Sidewalk Project Group D-Phase I

CONSTRUCTION AMOUNT: \$1,498,538.60

QUESTIONS

1. How did RAC Industries perform on the project? (On a scale of 1-10)

ANSWER: 9

2. Were you satisfied with their performance?

ANSWER: Yes

3. How would you rate the quality of their work? (On a scale of 1-10)

ANSWER: 8

4. How would you rate their ability to coordinate the work with neighboring property owners? (Scale of 1-10)

ANSWER: 10

5. Did they have any problems with the job? If so, what was the nature of the problem?

ANSWER: No problems

6. Were there many change orders on the project? If so, what were the reasons? Were they reasonable?

ANSWER: No change orders

7. Were they able to complete the project within the time allotted? If not, what was the reason?

ANSWER: Yes, they completed on time

8. How would you rate their ability to cooperate with a client? (On a scale of 1-10)

ANSWER: 8

9. Would you like to have them perform a job for you again?

ANSWER: Yes I would

10. Do you see them capable of performing larger projects?

ANSWER: Yes, they completed this project, and it was \$1 million dollars

REFERENCE: East Fort Bend County Development Authority

TELEPHONE NO.: 972.951.5720

CONTACT: Jessica Dennis

PROJECT: Bonds for Better Bellaire 2016 Sidewalk Project Group D-Phase I

CONSTRUCTION AMOUNT: \$1,498,538.60

QUESTIONS

1. How did RAC Industries perform on the project? (On a scale of 1-10)

ANSWER: 9 or 10

2. Were you satisfied with their performance?

ANSWER: Yes

3. How would you rate the quality of their work? (On a scale of 1-10)

ANSWER: 9

4. How would you rate their ability to coordinate the work with neighboring property owners? (Scale of 1-10)

ANSWER: 10, had no

5. Did they have any problems with the job? If so, what was the nature of the problem?

ANSWER: No, went really smoothly considering we were in Stafford

6. Were there many change orders on the project? If so, what were the reasons? Were they reasonable?

ANSWER: No change orders

7. Were they able to complete the project within the time allotted? If not, what was the reason?

ANSWER: Yes they did, they were the only contractors on the project that did

8. How would you rate their ability to cooperate with a client? (On a scale of 1-10)

ANSWER: 10, easy to get a hold of, they always answered my calls or called me right back

9. Would you like to have them perform a job for you again?

ANSWER: Yes for sure

10. Do you see them capable of performing larger projects?

ANSWER: Yes

REFERENCE: Harris County

TELEPHONE NO.: 713.703.3078

CONTACT: Stephen Swindell

PROJECT: Bonds for Better Bellaire 2016 Sidewalk Project Group D-Phase I

CONSTRUCTION AMOUNT: \$1,498,538.60

QUESTIONS

1. How did RAC Industries perform on the project? (On a scale of 1-10)

ANSWER: 10

2. Were you satisfied with their performance?

ANSWER: Yes

3. How would you rate the quality of their work? (On a scale of 1-10)

ANSWER: 10, excellent quality of work

4. How would you rate their ability to coordinate the work with neighboring property owners? (Scale of 1-10)

ANSWER: Cannot rate, they didn't have neighboring property owners

5. Did they have any problems with the job? If so, what was the nature of the problem?

ANSWER: No problems at all, handled spectacular

6. Were there many change orders on the project? If so, what were the reasons? Were they reasonable?

ANSWER: Definitely reasonable, traffic control requirement during construction, had nothing to do with them

7. Were they able to complete the project within the time allotted? If not, what was the reason?

ANSWER: Yes, completed on time

8. How would you rate their ability to cooperate with a client? (On a scale of 1-10)

ANSWER: They did not speak with my clients, everything went through me

9. Would you like to have them perform a job for you again?

ANSWER: Yes, they are doing one right now

10. Do you see them capable of performing larger projects?

ANSWER: Yes

REFERENCE: City of Morgan's City

TELEPHONE NO.: 281.494.3252

CONTACT: Cole Caraway

PROJECT: Bonds for Better Bellaire 2016 Sidewalk Project Group D-Phase I

CONSTRUCTION AMOUNT: \$1,498,538.60

QUESTIONS

1. How did RAC Industries perform on the project? (On a scale of 1-10)

ANSWER: 10

2. Were you satisfied with their performance?

ANSWER: Yes

3. How would you rate the quality of their work? (On a scale of 1-10)

ANSWER: 10

4. How would you rate their ability to coordinate the work with neighboring property owners? (Scale of 1-10)

ANSWER: 10

5. Did they have any problems with the job? If so, what was the nature of the problem?

ANSWER: No problems

6. Were there many change orders on the project? If so, what were the reasons? Were they reasonable?

ANSWER: Only one change order, was the owners request

7. Were they able to complete the project within the time allotted? If not, what was the reason?

ANSWER: Yes they were

8. How would you rate their ability to cooperate with a client? (On a scale of 1-10)

ANSWER: 10

9. Would you like to have them perform a job for you again?

ANSWER: Yes I would

10. Do you see them capable of performing larger projects?

ANSWER: Yes I do

REFERENCE: City of Texas City

TELEPHONE NO.: 713.400.2755

CONTACT: John Rudolf

PROJECT: Bonds for Better Bellaire 2016 Sidewalk Project Group D-Phase I

CONSTRUCTION AMOUNT: \$1,498,538.60

QUESTIONS

1. How did RAC Industries perform on the project? (On a scale of 1-10)

ANSWER: 9

2. Were you satisfied with their performance?

ANSWER: Yes

3. How would you rate the quality of their work? (On a scale of 1-10)

ANSWER: 9

4. How would you rate their ability to coordinate the work with neighboring property owners? (Scale of 1-10)

ANSWER: 8

5. Did they have any problems with the job? If so, what was the nature of the problem?

ANSWER: No issues

6. Were there many change orders on the project? If so, what were the reasons? Were they reasonable?

ANSWER: No change orders

7. Were they able to complete the project within the time allotted? If not, what was the reason?

ANSWER: Yes, finished on time

8. How would you rate their ability to cooperate with a client? (On a scale of 1-10)

ANSWER: 9

9. Would you like to have them perform a job for you again?

ANSWER: Yes

10. Do you see them capable of performing larger projects?

ANSWER: Yes I do

City of Bellaire

ORDINANCE NO. 18-____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, AUTHORIZING THE CITY MANAGER AND THE CITY CLERK OF THE CITY OF BELLAIRE, TEXAS, TO EXECUTE AND ATTEST, RESPECTIVELY, A STANDARD FORM OF AGREEMENT WITH RAC INDUSTRIES, LLC, FOR THE PROVISION OF ANY AND ALL SERVICES, MATERIALS, EQUIPMENT AND INCIDENTALS NECESSARY FOR THE CONSTRUCTION OF THE BONDS FOR BETTER BELLAIRE 2016 GROUP D PHASE 1 SIDEWALK PROJECT IN AN AMOUNT NOT TO EXCEED \$1,498,538.60.

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

THAT the City Manager 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 with RAC Industries, LLC, in a form as attached hereto and marked Exhibit "A," for the provision of any and all services, materials, equipment and incidentals necessary for the construction of the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$1,498,538.60.

PASSED and APPROVED this 17th day of September, 2018.

(SEAL)

ATTEST:

SIGNED:

Tracy L. Dutton, TRMC
City Clerk

Andrew S. Friedberg
Mayor

APPROVED AS TO FORM

Alan P. Petrov
City Attorney

STANDARD FORM OF AGREEMENT

STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This **AGREEMENT** is made and entered into this 6th day of August, 2018, 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 laws of the State of Texas, acting by and through the undersigned City Manager, as attested to by the City Clerk of the **CITY OF BELLAIRE, TEXAS**, thereunto duly authorized to do so, hereinafter referred to as “**CITY**,” and **RAC INDUSTRIES, LLC**, a limited liability company, 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 **CITY**, the **CONTRACTOR** hereby agrees with the **CITY** to commence and provide the following:

All services, materials, equipment and incidentals necessary for the construction of the Group D Phase I Sidewalk project in an amount not to exceed \$1,498,538.60

in accordance with the conditions and costs stated in the **CONTRACTOR'S PROPOSAL** attached hereto and marked “Attachment 1,” all of which are made a part hereof, and collectively evidence and constitute the entire **Contract**.

The **CITY** agrees to pay the **CONTRACTOR** in current funds for the performance of the **Contract** in accordance with the **CONTRACTOR'S PROPOSAL** submitted therefore which forms a part of this **Contract** and to make payment on account thereof as provided therein.

The undersigned person executing this **Contract** and all other documents executed simultaneously herewith, does certify and attest that he or she is executing the same in his or her capacity as herein stated as an officer of said corporation.

As required by Chapter 2270, Texas Government Code, **CONTRACTOR** hereby verifies that it does not boycott Israel, as defined by Chapter 808, Texas Government Code, and will not boycott Israel through the term of this Agreement.

IN WITNESS WHEREOF, the City Manager of the **CITY OF BELLAIRE, TEXAS**, as attested to by the City Clerk of the **CITY OF BELLAIRE, TEXAS**, hereunto, have executed this **AGREEMENT** in the year and date first above written, under the authority granted to them under the provisions of Ordinance No. 18-____, an Ordinance duly enacted by the City Council of the **CITY OF BELLAIRE, TEXAS**, on August 6, 2018.

CITY OF BELLAIRE, TEXAS

Paul A. Hofmann, City Manager
City of Bellaire, Texas

ATTEST:

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

APPROVED AS TO FORM:

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

IN WITNESS WHEREOF, the **CONTRACTOR**, whose name is hereinafter set out, does certify and attest that he or she has executed this **Agreement** in his or her capacity as herein stated, for and on behalf of said corporation, and that he or she has authority to do so.

RAC INDUSTRIES, LLC

Printed Name:

Title:

Witness:

Printed Name:

Title:

Bonds For Better Bellaire 2016				
Name	Address	Telephone	E-Mail	Comments
Thomas Lin & May Sim	4621 Laurel	Home: 713-668-8956 Work: 713-885-8619	██████████	1. At the neighborhood meeting (Oct 24) I viewed the proposed sidewalk plan. The sidewalk is too far into my yard. The engineer indicated the sidewalk could be more closer to the street. He made a notation "back of curb" on the map. Please give as much consideration to this request. The current planned sidewalk is to far into my yard. I would be willing to make a modification to my yard or driveway to make this happen. Please E-Mail me the final plans. 2. I also think that the money for the sidewalk should be given over to a drainage or street improvement. Add the dollars to the current drainage plans.
Hu-Yu Lin & Thomas Lin	4623 Laurel	Home: 713-668-0334 Work: 713-885-8619	██████████	1. At the neighborhood meeting (Oct 24) I viewed the proposed sidewalk plan. The engineer indicated I could request the sidewalk be moved closer to the street "back of curb". He noted this comment on the map. Please give as much consideration to this request. The current sidewalk plan has the sidewalk too far into my yard. Please move it as close to the street as possible. I would be willing to make any modifications to my driveway to make this work. Please email me the final plans. Thanks. 2. I think this sidewalk money should go to a drainage project.
Harold & Robin Vinegar	4613 Laurel	Home: 713-992-1477 Work: 713-992-1477	██████████	On the sidewalk section at 4613 Laurel we want the sidewalk to stay straight not curve into the driveway shown bellow. We own both properties 4613 Laurel and 4615 Laurel st and want a straight sidewalk along both frontages.
Mark Schmulen	4600-C Oleander	Home: 713-724-0035	██████████	I have a cabblesstone driveway and a slate stone walking way. A concrete driveway will depreciate my curb appeal and the value of my home when I sell it. If I have no choice I prefer to have the sidewalk terminated at my diwey and resume on the other side of it; same for my walkway, you should fix the pitch of my driveway within the city easment-even SUV's bottomont. I want compensation for the destruction of my home value. I am NOT happy about his!
Richard C. Yeh	4910 Braeburn Dr.	Home: 713-666-7228 Cell: 832-725-3411	██████████	Please change the sidewalk to be "straight" on my yard and then connect with the 4912 lot with a slant angle, to minimize damage to the sprinkler system.
Marjorie S. Leventon	4532 Verone St.	Home: 713-665-5627 Cell: 713-851-3269	██████████	We now have an issue with our hitch hitting the ground when we back out of or pull into our driveway. This needs to be addressed so that it doesn't get worse and hopefully gets better when my driveway is redesigned.
Richard Adams & Elizabeth McClintock	4509 Verone	Home: 713-665-0940	██████████	Question about removal of willow oak on the city easement at 4509 verone. Tree is dying and needs to be removed. During its lifetime the tree was damaged by the sewer manhole placed right next to it. Will the city help us with the cost of removal or do the work?
James & Angela Holland	4528 Teas St	Home: 714-231-0126 Work: 713-369-9428	██████████	This plan is not acceptable. I do not agree with it and I plan to stop it including legal action.
Forest Presswood	5324 Pine	Home: 713-666-3051 Work: 713-483-4870	██████████	I do not want my oak tree damaged, sidewalk will damage the trees on the northside of Pine St.
Patty Rotnock	2nd St			1. Drainage issues with more cement being pored in bellaire. 2. Constant maintenance of sidewalks with tree roots. 3. Coat of installation maintenance. 4. Decrease of beauty of yards. 5. Potential killing of trees.

COMMENTS

Bonds for Better Bellaire 2016
Group D Phase I Sidewalk Improvement Project
Tuesday, November 24, 2017 6:00 pm

NAME:

Thomas Lin + May Sim

ADDRESS:

4621 Laurel

TELEPHONE:

HOME: 713 668 8956

WORK:

713 885 8619

E-MAIL:

CONCERN(S):

- ① At the neighborhood meeting (Oct 24) I viewed the proposed sidewalk plan. The sidewalk is too far into my yard. The engineer indicated the sidewalk would be moved closer to the street. He made a notation "back of curb" on the map. Please give as much consideration to this request. The current planned sidewalk is too far into my yard. I would be willing to make any modification to my yard or driveway to make this happen. PLEASE email me the final plans.
- ② I also think that the money for the sidewalks should be given over to a drainage or street improvement. Add the dollars to the current drainage plans.

THIS SECTION TO BE COMPLETED BY THE CITY OF BELLAIRE.

PARTY(S) RESPONSIBLE FOR TAKING ACTION:

ACTION TAKEN:

PLEASE RETURN TO: CITY HALL, 7008 SOUTH RICE AVENUE

Email: pw@bellairetx.gov

Phone: 713-662-8170

Attachment: Sidewalk Comments_Redacted (2672 : Group D Phase 1 Sidewalk Construction Contract)

COMMENTS

Bonds for Better Bellaire 2016
Group D Phase I Sidewalk Improvement Project
Tuesday, November 24, 2017 6:00 pm

NAME: Hu-Yu Lin + Thomas Lin
ADDRESS: 4623 Laurel
TELEPHONE: HOME: 713 668 0334 WORK: 713 885 8619
E-MAIL: [REDACTED]

CONCERN(S): ① At the neighborhood meeting (Oct 24) I viewed the proposed sidewalk plan. The engineer indicated I could request the sidewalk be moved closer to the street ie "back of curb" He noted this comment on the map
Please give as much consideration to this request
The current side walk plan has the side walk too far into my yard. Please move it as close to the street as possible.
I would be willing to make any modification to my driveway to make this work.
PLEASE EMAIL me the Final Plans Thanks
② I think this side walk money should go to a drainage project

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Email: pw@bellairetx.gov

Phone: 713-662-8170

COMMENTS

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 Group D Phase I Sidewalk Improvement Project
 Tuesday, November 24, 2017 6:00 pm

NAME:

HAROLD & ROBIN VINEGAR

ADDRESS:

4613 LAUREL ST

TELEPHONE:

HOME:

713-992-1477

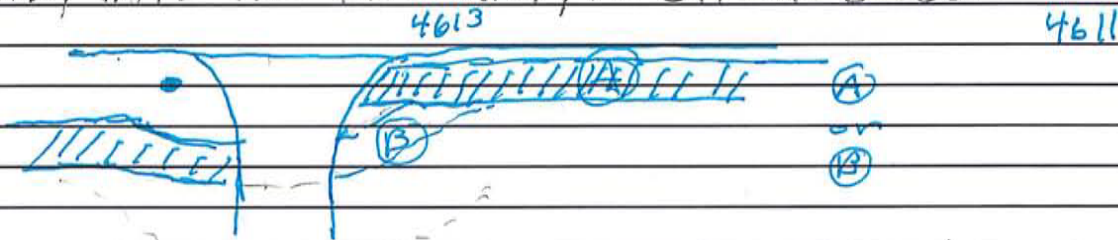
WORK:

713-992-1477

E-MAIL:

**CONCERN(S):**

ON THE SIDEWALK SECTION AT 4613 LAUREL,
 WE WANT THE SIDEWALK TO STAY STRAIGHT, NOT
 CURVE, INTO THE DRIVEWAY, AS SHOWN BELOW:



We own both properties 4613 LAUREL ST and
 4611 LAUREL ST and want a straight sidewalk along
 both frontages

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ACTION TAKEN:

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Email: pw@bellairetx.gov

Phone: 713-662-8170

COMMENTS

Bonds for Better Bellaire 2016
Group D Phase I Sidewalk Improvement Project
Tuesday, November 24, 2017 6:00 pm

NAME:

Mark Schmulen

ADDRESS:

4600 - C Oleander

TELEPHONE:

HOME: 713-724-0035

WORK:

E-MAIL:

CONCERN(S):

- I have a cobblestone driveway and a slate stone walkway
- A concrete driveway will depreciate my curb appeal & the value of my home when I sell it
- If I have no choice ...
 - I prefer ~~not~~ to have the sidewalk terminate at my driveway & resume on the other side of it; same for my walkway
 - you should fix the pitch of my driveway within the city easement - even SUKs bottom on
 - I want compensation for the destruction of my home value. I am not happy about

THIS SECTION TO BE COMPLETED BY THE CITY OF BELLAIRE.

PARTY(S) RESPONSIBLE FOR TAKING ACTION:

ACTION TAKEN:

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Email: pw@bellairetx.gov

Phone: 713-662-8170

COMMENTS

Bonds for Better Bellaire 2016
Group D Phase I Sidewalk Improvement Project
Tuesday, November 24, 2017 6:00 pm

NAME:

Patty Potrock
Has St

ADDRESS:

TELEPHONE:

HOME:

WORK:

E-MAIL:

CONCERN(S):

1. Drainage issues with more current being ~~added~~ poured in Bellaire
2. Constant maintenance of sidewalks with tree roots
3. Cost of installation + maintenance
4. Decrease in beauty of yards
5. ~~of~~ Potential killing of trees

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ACTION TAKEN:

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Email: pw@bellairetx.gov

Phone: 713-662-8170

COMMENTS

Bonds for Better Bellaire 2016
 Group D Phase I Sidewalk Improvement Project
 Tuesday, November 24, 2017 6:00 pm

NAME:

Richard C. Yeh

ADDRESS:

4910 Braeburn Dr.

TELEPHONE:

HOME:

713-666-7228

WORK:

Cell 832-725-3411

E-MAIL:

CONCERN(S):

• Please change the sidewalk to be "straight" on my yard and then connect with the 4912 lot with a slant angle, to minimize damage to the sprinkler system



THIS SECTION TO BE COMPLETED BY THE CITY OF BELLAIRE.

PARTY(S) RESPONSIBLE FOR TAKING ACTION:

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COMMENTS

Bonds for Better Bellaire 2016
Group D Phase I Sidewalk Improvement Project
Tuesday, November 24, 2017 6:00 pm

NAME:

Marjorie S. Leventon

ADDRESS:

4532 Verone St.

TELEPHONE:

HOME:

713-665-5627

cell
WORK:

713-851-3269

E-MAIL:

[REDACTED]

CONCERN(S):

We now have an issue with our hitch hitting the ground when we back out of or pull into our driveway. This needs to be addressed so that it doesn't get worse + hopefully gets better when my driveway is redesigned.

THIS SECTION TO BE COMPLETED BY THE CITY OF BELLAIRE.

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Email: pw@bellairetx.gov

Phone: 713-662-8170

COMMENTS

Bonds for Better Bellaire 2016
 Group D Phase I Sidewalk Improvement Project
 Tuesday, November 24, 2017 6:00 pm

NAME:

Richard Adams & Elizabeth McClintock

ADDRESS:

4509 Verone

TELEPHONE:

HOME: 713-665-0940

WORK:

E-MAIL:

[REDACTED]

CONCERN(S):

Question about Removal of Willow Oak on the city
 Easement at 4509 Verone

Tree is dying & needs to be removed.

During its lifetime the tree was damaged by the
 sewer manhole placed right next to it.

Will the city help us with the cost of removal or
 do the work?

THIS SECTION TO BE COMPLETED BY THE CITY OF BELLAIRE.

PARTY(S) RESPONSIBLE FOR TAKING ACTION:

ACTION TAKEN:

PLEASE RETURN TO: CITY HALL, 7008 SOUTH RICE AVENUE

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Email: pw@bellairetx.gov

Phone: 713-662-8170

COMMENTS

Bonds for Better Bellaire 2016
 Group D Phase I Sidewalk Improvement Project
 Tuesday, November 24, 2017 6:00 pm

NAME:

James & Angela Holland

ADDRESS:

4528 Teas Street

TELEPHONE:

 Mobil
 HOME:
714 231 0126

WORK:

713 369 9428

E-MAIL:

[REDACTED]

CONCERN(S):

This plan is not acceptable. I do not agree
with it and I plan to stop it including legal action

THIS SECTION TO BE COMPLETED BY THE CITY OF BELLAIRE.

PARTY(S) RESPONSIBLE FOR TAKING ACTION:

ACTION TAKEN:

PLEASE RETURN TO: CITY HALL, 7008 SOUTH RICE AVENUE

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Email: pw@bellairetx.gov

Phone: 713-662-8170

COMMENTS

Bonds for Better Bellaire 2016
Group D Phase I Sidewalk Improvement Project
Tuesday, November 24, 2017 6:00 pm

NAME:

Forest. Presswood

ADDRESS:

5324 PINE

TELEPHONE:

HOME:

(713) 666 8051

WORK:

713 483 4810

E-MAIL:

[REDACTED]

CONCERN(S):

I Do Not Want my
Oak trees Damaged. Sidewalks
Will Damage the trees
on the North Side of Pine St.

THIS SECTION TO BE COMPLETED BY THE CITY OF BELLAIRE.

PARTY(S) RESPONSIBLE FOR TAKING ACTION:

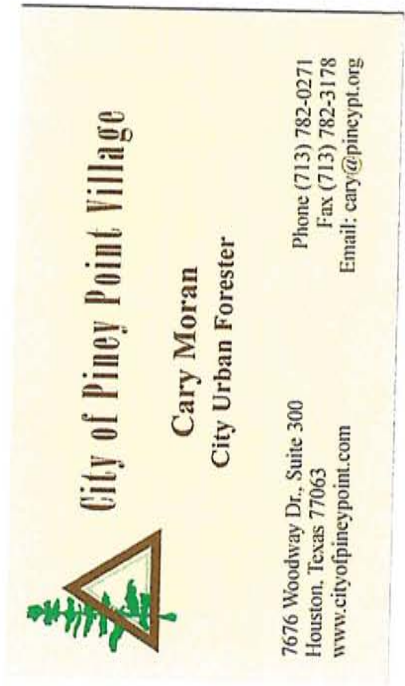
ACTION TAKEN:

PLEASE RETURN TO: CITY HALL, 7008 SOUTH RICE AVENUE

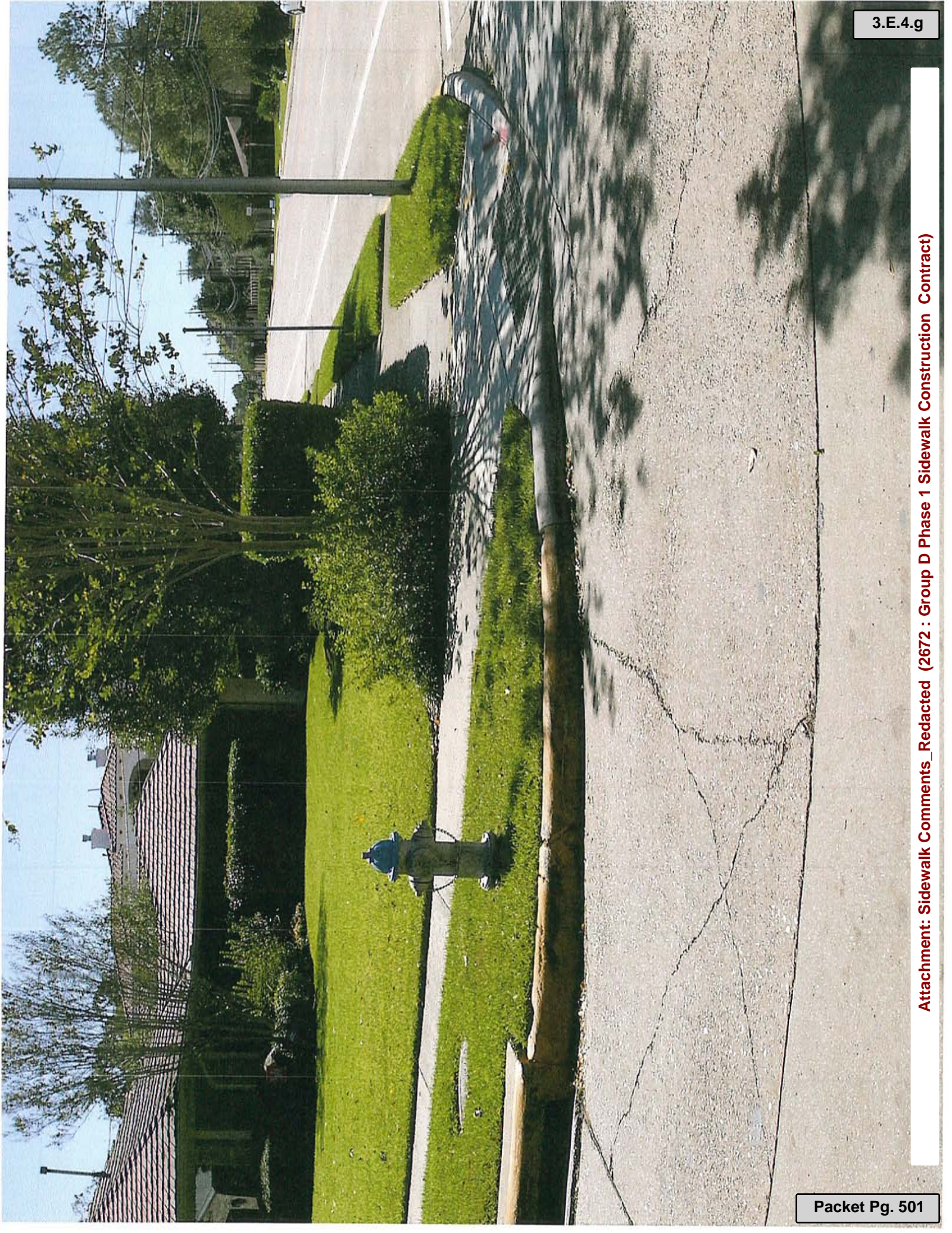
Email: pw@bellairetx.gov

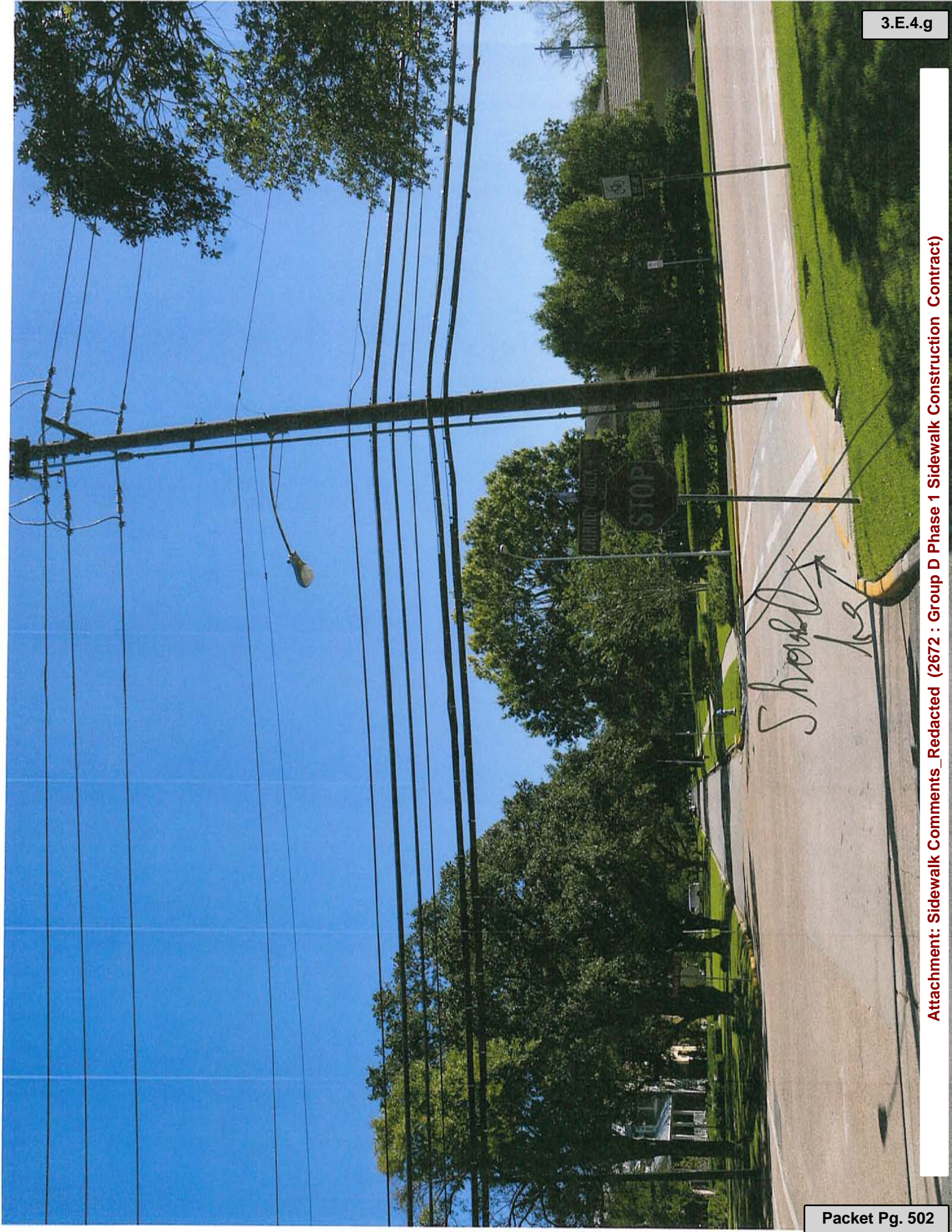
Phone: 713-662-8170

Attachment: Sidewalk Comments_Redacted (2672 : Group D Phase 1 Sidewalk Construction Contract)











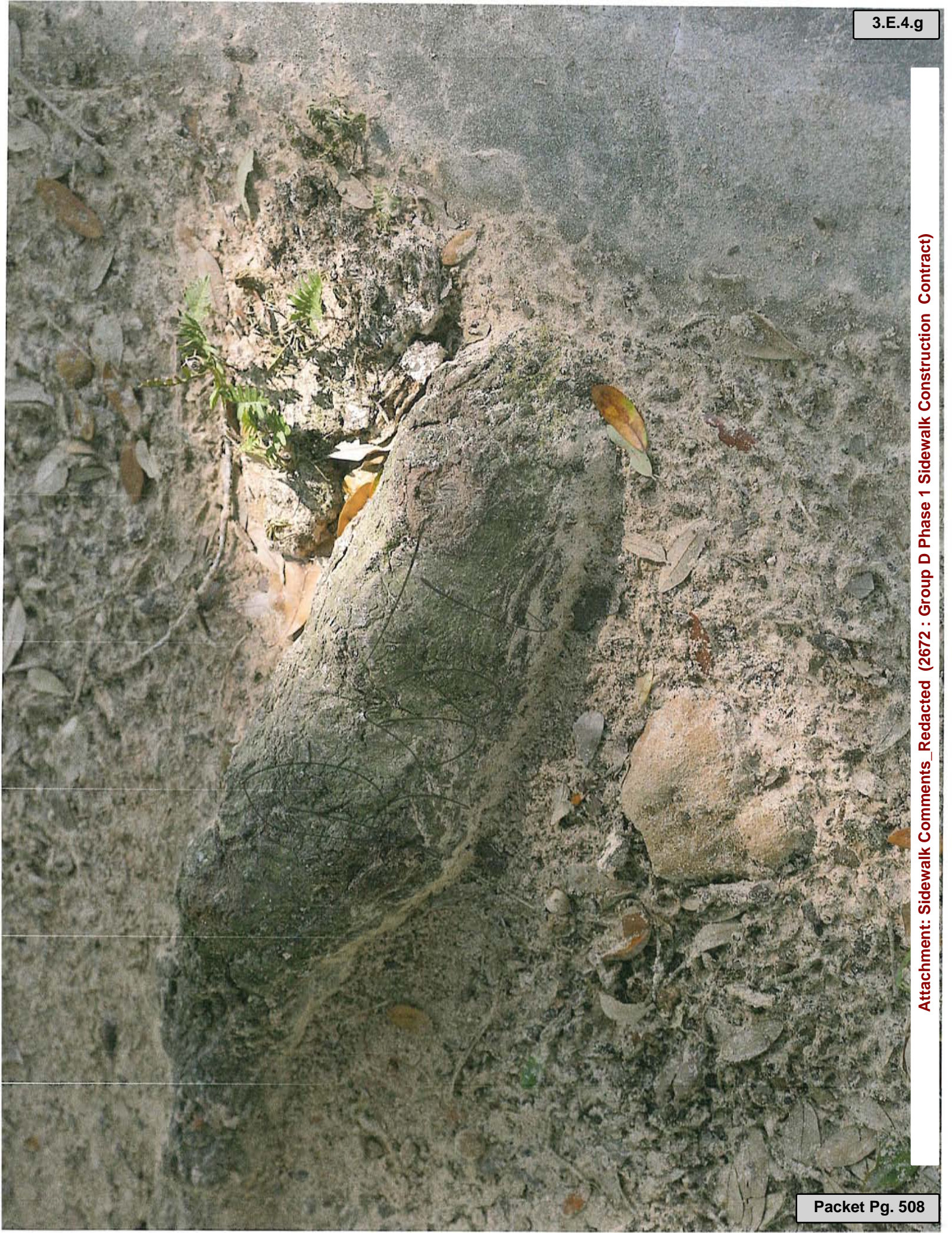
1 OAK TREE
RDB

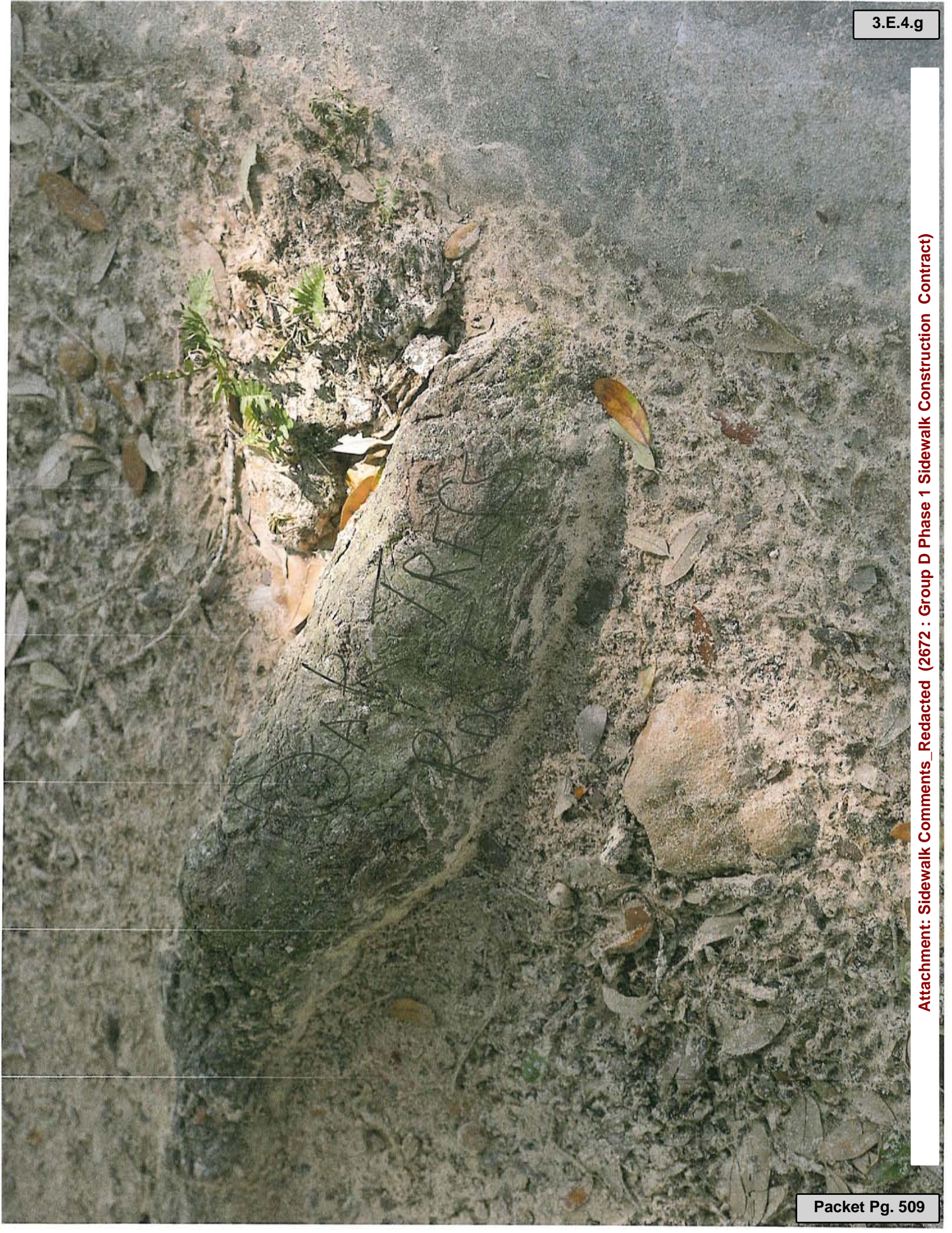
Street





Attachment: Sidewalk Comments_Redacted (2672 : Group D Phase 1 Sidewalk Construction Contract)









Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM

Department: Public Works

Category: Contract

Department Head: Michael Leech

DOC ID: 2671

SCHEDULED**ORDINANCE (ID # 2671)****Item Title:**

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the City Manager and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with ARKK Engineers, LLC, for the provision of construction management services for the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project in an amount not to exceed \$123,350.00 - Submitted by Michael Leech, Director of Public Works.

Background/Summary:

The purpose of this agenda item is to request City Council approval of a professional services contract with ARKK Engineers, LLC., to provide construction management services for the BBB16 Group D Phase 1 Sidewalk Project.

The Group D Phase 1 Sidewalk Project includes the installation of sidewalk at following locations:

- 1000 Block of Pauline Avenue
- 4500 Block of Teas Street
- 4500 Block of Verone Street
- 4500 - 4600 Blocks of Holly Street
- 4600 Block of Laurel Street
- 4600 Block of Oleander Street
- 4700 - 5000 Blocks of Braeburn Drive
- 4800 - 4900 Blocks of Valerie Street
- 5000 - 5100 Blocks of Pine Street
- 5300 Block of Pine Street

The scope of work that ARKK will administer includes the following:

- ARKK will be the City's on-site representative administering the contract for construction and providing overall project oversight, maintaining records of decisions and changes made.
- Meetings: Schedule and conduct construction progress meetings; record minutes from construction progress meetings and distribute to City Staff, Design Engineer and contractor throughout the duration of the project.
- Coordinate additional meetings as necessary to discuss and resolve problems and provide guidance in a timely manner.
- Coordinate/monitor the following: Utility relocation activities for compliance, utility installation verification, reporting, record management and as-built drawings.
- Attend all utility coordination, construction, and scheduling meetings.
- Obtain copy of any permits or private utility approvals for Public Works in order to monitor

progress of utility relocation per permit/plan.

- Coordinate with Design Engineer's Construction Administration Services
- Provide on-site representative(s) to observe the progress and quality of the work by the Contractor(s).
- The on-site representative(s) will provide daily reports on the status of the construction to include:
 - Weather conditions
 - Contractor's work force, equipment and manpower, hours worked
 - Laboratory testing activities
 - Performance testing of water and sewer lines if required
 - Construction activities at the site
 - Field measured pay item quantities
 - Noteworthy occurrences
- The on-site representative(s) will attend meetings such as pre-construction conference, progress meetings and other project related meetings.
- The on-site representative(s) will take pre-construction photographs and periodic photographs of the construction progress and of key items of concern.

To enhance the level of service provided, ARKK will be managing this project with a new software system. Benefits of the system are listed below. Additional information about the software as well as the rest of the scope of work for this project is available in the ARKK proposal in the attachments for this agenda item.

- ARKK will utilize project management software (Procore) to aid with project communication and documentation.
- Set up the Bond Projects utilizing the project management software to allow the City to have easy access to a project dashboard and to monitor the Projects.
- Receive, route, track and log all submittals and communicate with Contractor the status of submittal reviews; maintain submittal log to ensure timely responses.
- Receive, route, track and log all Request for information (RFI) and communicate with the project team the status of RFI reviews; maintaining a RFI log to ensure timely responses.
- Assemble and maintain daily construction logs of activities, manpower, and equipment on the project.
- Pay applications will be generated based on quantities approved in the daily reports. Review and verify quantities provided by contractor for all work in compliance with contract documents.

Previous Council Action Summary:

On December 19, 2016, the City Council approved issuing \$33,460,000 General Obligation Bonds. An allocation of this issuance will begin funding the sidewalk projects.

On January 23, 2017, City Council approved the sale of the \$33,460,000 General Obligation Bonds, where \$1,000,000 was allocated for sidewalks.

On February 20, 2017, the City Council was presented with a master schedule for the Bonds for Better Bellaire 2016 bond program.

On March 20, 2017, the City Council approved the City Manager to enter into negotiations with Kelly R. Kaluza & Associates, Inc for design engineering and construction administration services for the Bonds for Better Bellaire 2016 Group D Phase I Sidewalk project in an amount not to exceed \$132,000.

On March 20, 2017, the City Council approved a contract with ARKK Engineers, LLC for third party plan services for the Bonds for Better Bellaire 2016 Street and Drainage projects Group B Phase 1 and Group C Phase 2 and Sidewalk Project Group D Phase 1 in an amount not to exceed \$62,000.

On July 10, 2017 City Council approved the sale of the \$11,580,000 General Obligation Bonds, where \$2,000,000 was allocated for sidewalks.

Fiscal Impact:

This contract for Group D Phase 1 Sidewalk project construction management services will be funded from prior Bonds for Better Bellaire 2016 bond sales for sidewalk projects.

City Attorney Review:

Yes

Recommendation:

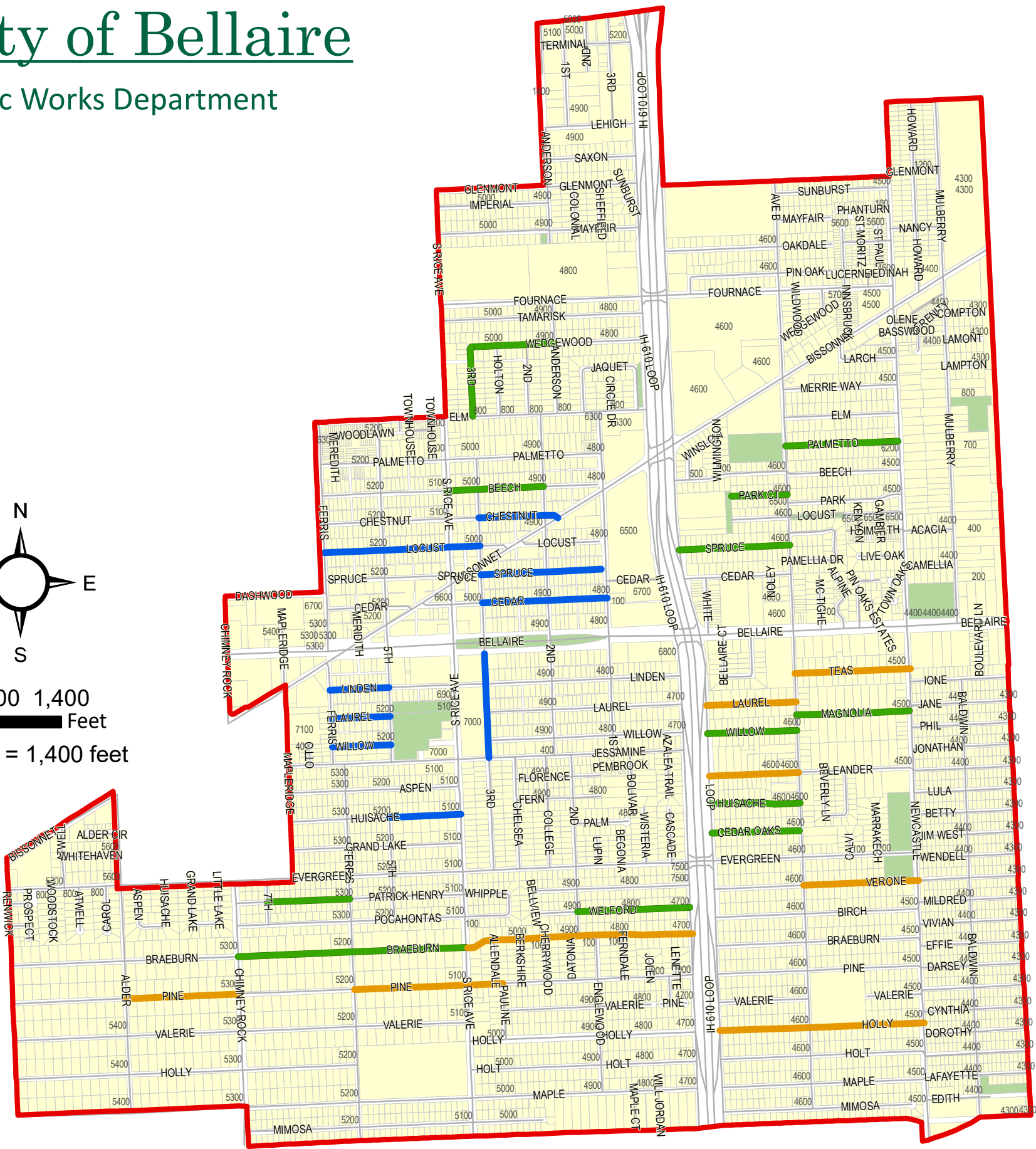
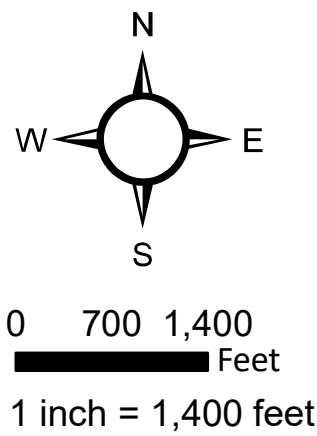
The Public Works Department recommends City Council approval for the ARKK Engineers, LLC contract for construction management services in amount not to exceed \$123,350 for the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk project.

ATTACHMENTS:

- 2016 Bonds for Better Bellaire _Sidewalks (PDF)
- D1 Construction Mgmt - ARKK Engineers (PDF)
- D1 Construction Mgmt Ordinance _ARKK Engineers (DOCX)
- D1 Construction Mgmt Standard Form of Agreement - ARKK Engineers (DOC)

City of Bellaire

Public Works Department



Map Created: May 25, 2018

SIDEWALK PROJECTS

Construction Dates for each Project Listed Below



City Limits

D1 Sidewalks: Around Schools, Fall 2018

- 4500 Teas
- 4500 Verone
- 4500-4600 Holly
- 4600 Laurel
- 4600 Oleander
- 4800-4900 Valerie
- 4700-5000 Braeburn
- 5000-5100 Pine
- 5300 Pine
- 1000 Pauline

D2 Sidewalks: Urban Village Downtown and City Hall Area, Winter 2018

- 5200 Willow
- 5200 Laurel
- 5200 Linden
- 4800-4900 Cedar
- 4800-4900 Spruce
- 5000-5200 Locust
- 5100 Huisache
- 4800-4900 Chestnut
- 3rd Street from Bellaire to Jessamine

D3 Sidewalks: Community Pathways, Winter 2019

- 800 N Third
- 4900-5000 Wedgewood
- 4900-5000 Beech
- 4500 Palmetto
- 4600 Spruce
- 4600 Park Court
- 4700-4800 Welford
- 5100-5200 Braeburn
- 5300 Patrick Henry
- 4500 Magnolia
- 4600 Willow
- 4600 Cedar Oaks
- 4600 Huisache



July 26, 2018

Mr. Michael Leech
 Director of Public Works
 City of Bellaire
 7008 S. Rice Avenue
 Bellaire, Texas 77401

Re: **Proposal for Construction Management/Observation Services for Bonds for a Better Bellaire 2016:**

- **Group D Phase 1 Sidewalk Project**

Dear Mr. Leech:

ARKK Engineers, LLC (ARKK) is pleased to offer this proposal for providing Construction Phase Services for the following Bonds for a Better Bellaire 2016 project:

- Sidewalk Project Group D Phase 1
 Estimated Construction Cost - \$1.4 million
 Estimated Schedule – Construction September 2018 to March 2019

The Scope of Services described in this proposal covers construction management services for the Group D Phase I project and construction is anticipated to last 7 months starting in September 2018 and lasting until March 2019. The Design Engineer of Record for the Group D Phase 1 project is Kelly R. Kaluza & Associates.

ARKK has met with Kaluza on a number of occasions to answer questions regarding design direction, meeting the intent of the City's Drainage Study and the Bonds for a Better Bellaire 2016 program. We also reviewed the design package submittal provided by the Kaluza before the construction contracts were advertised for bid.

General Overview

In November of 2016, Bellaire voters approved Bonds for a Better Bellaire 2016. The bond program provides funds for several capital improvement projects, including a portion of the Municipal facilities project, water line and wastewater line replacement/rehabilitation, new sidewalk construction and major street and drainage improvements.

As you are aware, ARKK and the City developed a street improvement priority ranking matrix that considered many issues to determine a fair and reasonable formula for selecting the streets to receive improvements during the Bonds for a Better Bellaire 2016 program. The matrix formula established an objective selection process emphasizing drainage problems and street condition problems.

ARKK's goal is to support the City staff with professionals that will help ensure the successful completion of this project. The ARKK Construction Management team will be led by James Andrews, P.E. City

Engineer with Madhu Kilambi, P.E (ARKK Principal and Construction Manager) and Bobby Vasek (ARKK Assistant Construction Manager) reporting on the contractor's progress and citizen issues and attending and participating in construction progress meetings. These highly experienced Construction Management professionals will support the field inspectors to provide the City of Bellaire with confidence the project will be constructed as planned. It is ARKK's goal to improve the lines of communication in all phases of the construction process from recently completed street and drainage reconstruction projects. To aid with the construction management of the bond projects, ARKK will utilize Procore project management software to aid with project communication and documentation. City staff will have access to this project management dashboard for monitoring the projects.

A listing of the streets selected for these phases of improvements is provided below:

- Sidewalk Project Group D Phase 1
4700-5000 Braeburn Dr.
4500-4600 Holly St.
4600 Laurel St.
4600 Oleander St.
1000 Pauline Ave.
5000-5100 Pine St.
5300 Pine St.
4500 Teas St.
4800-4900 Valerie St.
4500 Verone St.
Estimated Construction Cost - \$1.4 million
Estimated Schedule – Construction Start September 2018, Construction End March 2019

The construction observation services will include all necessary office staff to supervise and support field personnel and to manage the construction project as described in this proposal.

Construction Management Phase Services

Act as the City's on-site representative administering the contract for construction and providing overall project oversight, maintain record of decisions and changes made.

- Meetings: Schedule and conduct construction progress meetings; record minutes from construction progress meetings and distribute to City Staff, Design Engineer and contractor throughout the duration of the project.
- Schedule meetings every month to review the following: work progress and schedule, outstanding issues, status of submittals, and responses to shop drawings, unforeseen issues and changes to the work.
- Coordinate additional meetings as necessary to discuss and resolve problems and provide guidance in a timely manner.
- Coordinate/monitor the following: Utility relocation activities for compliance, utility installation verification, reporting, record management and as-built drawings.
- Attend all utility coordination, construction, and scheduling meetings.
- Obtain copy of any permits or private utility approvals for Public Works in order to monitor progress of utility relocation per permit/plan.
- Coordinate with Design Engineer's Construction Administration Services

Project Management Software

- ARKK will utilize project management software (Procore) to aid with project communication and documentation.
- Set up the Bond Projects utilizing the project management software to allow the City to have easy access to a project dashboard and to monitor the Projects.
- Receive, route, track and log all submittals and communicate with Contractor the status of submittal reviews; maintain submittal log to ensure timely responses.
- Receive, route, track and log all Request for information (RFI) and communicate with the project team the status of RFI reviews; maintaining a RFI log to ensure timely responses.
- Assemble and maintain daily construction logs of activities, manpower, and equipment on the project.
- Pay applications will be generated based on quantities approved in the daily reports. Review and verify quantities provided by contractor for all work in compliance with contract documents.

Construction Observation Services

- Provide on-site representative(s) to observe the progress and quality of the work by the Contractor(s).
- The on-site representative(s) will provide daily reports on the status of the construction to include:
 - Weather conditions
 - Contractor's work force, equipment and manpower, hours worked
 - Laboratory testing activities
 - Performance testing of water and sewer lines if required
 - Construction activities at the site
 - Field measured pay item quantities
 - Noteworthy occurrences
- The on-site representative(s) will attend meetings such as pre-construction conference, progress meetings and other project related meetings.
- The on-site representative(s) will take pre-construction photographs and periodic photographs of the construction progress and of key items of concern.
- The on-site representative(s) will coordinate the activities of the City's testing laboratory.
- The on-site representative(s) will coordinate with the City of Bellaire and the Contractor for construction scheduling, resident notification and communication.
 - Scheduling water, sewer and driveway disruptions to minimize inconvenience to residents
 - Coordination of repairs of utilities accidentally impacted, notification of utility owner, fire and police departments when applicable
 - Coordination of notification to impacted property owners and City staff for impending construction activities and access disruptions
- The on-site representative(s) will assist in the performance of a final inspection, the preparation of a punch list and subsequent follow up inspections.
- The on-site representative(s) will assemble and maintain notes, comments, sketches, and supporting data related to the project to assist in the preparation of record drawings by the Design Engineer.
- Meet with residents individually and as groups to discuss specific concerns. Such concerns typically include the placement of driveways and sidewalks, replacement of landscaping and

irrigation system components, the construction schedule as it relates to individual concerns, and access for residents with special needs.

- The on-site representative(s) will be furnished in an effort to aid the process of observing the performance of work of the Contractor(s). Through more extensive on site observations of the work in progress, ARKK shall endeavor to provide further protection for the City of Bellaire against defects and deficiencies in the work of the Contractor(s); but the furnishing of such on-site representative(s) will not make ARKK responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions or programs, or for Contractor(s) failure to perform their work in accordance with the Contract Documents. ARKK will notify the City in writing of known non-conforming work by the Contractor.
- Responsible for notifying the Design Engineer and City Staff of field problems and facilitate solutions to the problems encountered.
- Review and update as-built documents regularly with contractor.
- Monitor and ensure adherence to approved project baseline schedule. Review contractor's schedule monthly for compliance with City's intended schedule, and provide recommendations as needed to retain and regain schedule if needed.
- Recommend alternate project sequencing/scheduling to keep project on schedule.
- Prepare monthly summary report of construction activities with outstanding issues outlined for review. Monthly progress information associated with the project will be submitted to the City for review and approval.
- Coordinate work of contractor with external agencies and utility companies. Coordinate contractor's operations with regard to other City contracts and construction as well as with property owners for planned service outages, street closures, and access control issues to properties including notifications.
- Verify construction conformance and compliance with any outside agencies.
- Verify construction conformance with permitted activities such as TxDOT roadway permits, City of Houston and/or HCFCD permits.
- Maintain records of all decisions, actions and activities with regard to construction operations (i.e. Change Orders, RFIs and responses, Submittals and responses, Request for Proposals, correspondence, SWPPP inspections.)

Pay Applications

- Pay applications will be generated based on quantities approved in the daily reports. Review and verify quantities provided by contractor for all work in compliance with contract documents.
- Review work conducted daily on daily inspection reports and material installed measurements submitted by contractor; to verify work conducted and bid item quantities with contractor.
- Review progress pay application with Design Engineer for approval or revision prior to submittal to City.
- Finalize pay application with signatures from Contractor, Design Engineer and Construction Manager certifying quantities and amounts.
- Notify City Project Manager when all signatures are completed for invoice processing.
- Track and record requests for rain or other delays with potential to add to Contract Time in Daily Reports.
- Provide quantity forecast review of bid items to help identify potential quantity over-runs as part of pay estimate review.

- Review and coordinate with Design Engineer to provide Engineer's recommendation for Substantial Completion or Final Acceptance.

Change Orders

- Review RFP and contractor proposal for additional work with City Project Manager and Design Engineer for review and approval. Log and track the status of RFP and responses from Contractor, City and Design Engineer.
- Provide recommendation on technical matters as an advocate for the City. Evaluate Contractor's response/proposal for merit, cost, time, accuracy and price practicality. Negotiate with Contractor on City's behalf if required.
- Prepare Change Order and documentation including signatures of Contractor, Design Engineer and Construction Manager for delivery to City.

Testing Laboratory and Results

- Coordinate testing laboratory activities with Contractor's activities. Review test reports for compliance with Contract Documents. Log, track and retain test reports. Review results with Contractor. Monitor any corrective action and re-testing for compliance. Maintain compliance with City's specifications
- Review lab test reports and log any failures.
- Review Invoicing from Laboratory to daily activities.

Project Completion

- Provide list of deliverables for substantial completion walk through/inspection. Schedule and conduct project walk through upon receipt of Contractor's notification of substantial completion. Include City Project Manager, Design Engineer and others as directed. Prepare a list of non-conforming work based on visual inspections. Record and monitor contractor's corrective efforts and schedule. Schedule final completion inspection for any remaining corrections.
- Coordinate and obtain Design Engineer's signature and seal on Substantial Completion certificate and Final Completion and Acceptance certificate.
- Review and compile any Operation and Maintenance documents required from the Contractor – forward to Engineer for review. Review for completeness and accuracy, including; affidavits of final payment, final pay estimates, as built records, redlines and drawings. Once received, notify the Design Engineer and City Project Manager when completed.
- Upon completion of close out items, provide recommendation for City's Substantial Completion/Final Acceptance certificate.
- Provide indexed project files
- Maintain redline plans for as-built or record drawings that will be prepared by the Design Engineer.

Texas Department of Licensing and Regulation Compliance Services

- Attend inspection of improvements by a TDLR Consultant upon completion of construction. Coordinate with the Contractor for repair or reconstruction of non-conforming improvements prior to acceptance by the City. Coordinate and attend necessary follow up inspections.

Conduct Project Close-Out and Warranty Period Services

- Prepare and recommend final payment application. Prepare job record logs transmittals, and correspondence reports in an organized file for delivery to City.
- Consult with City on any potential Warranty items requiring repair or replacement.
- Schedule, arrange and coordinate a One Year Walk-through of the project to review status of the work 30 days prior to expiration of the One Year Maintenance period.
- Provide staff to conduct and participate in the warranty inspections.
- Prepare list of non-conforming work for presentation to the City Project Manager, Design Engineer and Contractor.
- Oversee repairs for non-conforming work with Contractor.
- Submit final report on completed warranty repairs.

Fee for Services

Our fee for the services described is the lump sum amount of below:

• Group D Phase 1 Sidewalk Project (Lump sum amount):	
- Construction Management	\$38,695
- Construction Observation	\$63,705
- Material Testing	\$20,000
- Coordination with Urban Forester	\$950
TOTAL	\$123,350

A detailed break-down of the proposed fee is provided in the attached EXHIBIT A. The fee includes hourly costs for a project site representative, and supervisory services, and mileage. ARKK Engineers, LLC will submit monthly progress invoices for all work completed to invoice date. Additional services beyond those described in the Scope of Services will be invoiced on the basis of direct labor costs times a factor of 2.99 and direct cost plus 10%. Additional services beyond those described in the Scope of Services for field personnel will be invoiced on the basis of direct labor costs times a factor of 2.70. Mileage will be charged at the prevailing IRS rate. Reimbursable expenses will be charged at cost plus 10%. No additional services will be provided without written authorization from the City of Bellaire.

ARKK Engineers, LLC appreciates the opportunity to submit this proposal and to continue working for the City of Bellaire.

Sincerely,

ARKK Engineers, LLC



James B. Andrews, P.E.

City Engineer

Attachment: Exhibit A

EXHIBIT A
MANHOUR ESTIMATE
Construction Management & Inspection Services
City of Bellaire
Sidewalk Project Group D Phase I
Design Firm Kelly R. Kaluza & Associates

DATE: 7/26/2018

		Senior Project Manager	Construction Project Manager	Project Engineer	Inspector	Total Hours	Total Cost
HOURLY RATE		\$175	\$160	\$115	\$95		
CONSTRUCTION MANAGEMENT & INSPECTION (7 Month Duration)							
1	Attend Pre-bid Meeting		3	3	3	9	\$1,110
2	Prepare Pre- Construction Meeting Agenda		1	2		3	\$390
3	Conduct Pre-Construction Conference	1	2	2	2	7	\$915
4	Prepare & Distribute Preconstruction Meeting Minutes		1	3		4	\$505
5	Prepare Agenda for Progress Meetings		3	7		10	\$1,285
6	Conduct Monthly Progress Meetings		7	14		21	\$2,730
7	Prepare & Distribute Progress Meeting Minutes		7	7		14	\$1,925
8	Submittal Distribution & Follow-up		8	18		26	\$3,350
9	RFI Follow-up & Response		10	22		32	\$4,130
10	Special Field Meetings			13		13	\$1,495
11	Utility Coordination Meetings			3		3	\$345
12	Monitor Construction Schedules	7				7	\$1,225
13	Pay Estimate Verifications & Coordination with Design Engineer			14		14	\$1,610
14	Prepare & Process Pay Estimates	1	7	14		22	\$2,905
15	Prepare Monthly Summary Report	7	14			21	\$3,465
16	Change Order preparation & Follow-up Documentation		3	8		11	\$1,400
17	Coordination of Testing Activities			8		8	\$920
18	Preliminary Walk through			3	3	6	\$630
19	Prepare Preliminary Punch List Items		2	3	3	8	\$950
20	Substantial Walk Through		2	2	2	6	\$740
21	Prepare Substantial Walk Through Punch List Items		2	2		4	\$550
22	Verify Completion of Punch List Items			2		2	\$230
23	Final Walkthrough		2	2	2	6	\$740
24	Prepare Final Pay Estimate		2	4		6	\$780
25	Prepare Close-out Packages		2	6		8	\$1,010
26	Budget for Miscellaneous Meetings, Field Visits, Coordination		8	8		16	\$2,200
28	Warranty Walkthrough & Follow-up		2	4	4	10	\$1,160
	CONSTRUCTION MANAGEMENT SUBTOTAL	16	88	174	19	297	\$38,695
27	Site Observation Services (7 Months @4hrs/day)				607	607	\$57,665
29	Reimbursable Expenses - Mileage/Vehicle charges \$40/Day @ 151 working days						\$6,040
	CONSTRUCTION INSPECTION SUBTOTAL	0	0	0	607	607	\$63,705
Additional Services							
30	Material Testing (Cost +10%)						\$20,000
31	Coordination with Urban Forester (Cost +10%)						\$950
	ADDITIONAL SERVICES SUBTOTAL						\$20,950
	TOTAL FEE						\$123,350

City of Bellaire

ORDINANCE NO. 18-____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, AUTHORIZING THE CITY MANAGER AND THE CITY CLERK OF THE CITY OF BELLAIRE, TEXAS, TO EXECUTE AND ATTEST, RESPECTIVELY, A STANDARD FORM OF AGREEMENT WITH ARKK ENGINEERS, LLC, FOR THE PROVISION OF CONSTRUCTION MANAGEMENT SERVICES ASSOCIATED WITH THE BONDS FOR BETTER BELLAIRE 2016 GROUP D PHASE 1 SIDEWALK PROJECT, IN AN AMOUNT NOT TO EXCEED \$123,350.

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

THAT the City Manager 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 with ARKK Engineers, LLC, in a form as attached hereto and marked Exhibit "A," for the provision of construction management services associated with the Bonds for Better Bellaire 2016 Group D Phase 1 Sidewalk Project in an amount not to exceed \$123,350.

PASSED and **APPROVED** this 6th day of August, 2018.

(SEAL)

ATTEST:

SIGNED:

Tracy L. Dutton, TRMC
City Clerk

Andrew S. Friedberg
Mayor

APPROVED AS TO FORM

Alan P. Petrov
City Attorney

STANDARD FORM OF AGREEMENT

STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This **AGREEMENT** is made and entered into this 6th day of August 2018, 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 laws of the State of Texas, acting by and through the undersigned City Manager, as attested to by the City Clerk of the **CITY OF BELLAIRE, TEXAS**, thereunto duly authorized to do so, hereinafter referred to as "**CITY**," and **ARKK ENGINEERS, LLC**, a corporation, 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 **CITY**, the **CONTRACTOR** hereby agrees with the **CITY** to commence and provide the following:

Construction Management Services for Group D Phase 1
 Sidewalk Project in an amount not to exceed \$123,350

in accordance with the conditions and costs stated in the **CONTRACTOR'S PROPOSAL** attached hereto and marked "Attachment 1," all of which are made a part hereof, and collectively evidence and constitute the entire **Contract**.

The **CITY** agrees to pay the **CONTRACTOR** in current funds for the performance of the **Contract** in accordance with the **CONTRACTOR'S PROPOSAL** submitted therefore which forms a part of this **Contract** and to make payment on account thereof as provided therein.

The undersigned person executing this **Contract** and all other documents executed simultaneously herewith, does certify and attest that he or she is executing the same in his or her capacity as herein stated as an officer of said corporation.

As required by Chapter 2270, Texas Government Code, **CONTRACTOR** hereby verifies that it does not boycott Israel, as defined by Chapter 808, Texas Government Code, and will not boycott Israel through the term of this Agreement.

IN WITNESS WHEREOF, the City Manager of the **CITY OF BELLAIRE, TEXAS**, as attested to by the City Clerk of the **CITY OF BELLAIRE, TEXAS**, hereunto, have executed this **AGREEMENT** in the year and date first above written, under the authority granted to them under the provisions of Ordinance No. 18-____, an Ordinance duly enacted by the City Council of the **CITY OF BELLAIRE, TEXAS**, on August 6, 2018.

CITY OF BELLAIRE, TEXAS

Paul A. Hofmann, City Manager
City of Bellaire, Texas

ATTEST:

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

APPROVED AS TO FORM:

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

IN WITNESS WHEREOF, the **CONTRACTOR**, whose name is hereinafter set out, does certify and attest that he or she has executed this **Agreement** in his or her capacity as herein stated, for and on behalf of said corporation, and that he or she has authority to do so.

ARKK ENGINEERS, LLC

Printed Name:

Title:

Witness:

Printed Name:

Title:

Mayor and Council

Council Chamber, First Floor of City Hall
Bellaire, TX 77401-4411



Meeting: 09/17/18 07:00 PM
Department: City Clerk
Category: Appointment
Department Head: Tracy L. Dutton
DOC ID: 2693

SCHEDULED**ACTION ITEM (ID # 2693)**

Item Title:

Consideration of and possible action on the selection of Trustees for Places 11-14 to serve on the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) Board of Trustees for a six-year term commencing on October 1, 2018, and ending September 30, 2024 - Submitted by Tracy L. Dutton, City Clerk, on behalf of the TMLIRP.

Background/Summary:

The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) is a self-insurance program founded and created by governmental entities under the Texas Interlocal Cooperation Act in 1974. The TMLIRP serves over 2,800 governments and political subdivisions and is the oldest and largest pool of its type in the United States. Insurance coverage types purchased by the City through the TMLIRP include workers' compensation, liability, and property.

The TMLIRP is governed by a Board of Trustees (Board) elected by its members to serve six-year terms that begin on October 1. Four members of the Board (Places 11-14) are up for election this year. Brief bios of the current board members in Places 11-14 pulled from the TMLIRP website is attached to this agenda item.

As a member of the TMLIRP, the City Council is entitled to vote for Board members. You are asked to vote for one candidate for each place or to write in the name of an eligible person. To be eligible to serve on the Board for the TMLIRP, the Bylaws provide that the individual must be an employee or an official of a governing body of a governmental entity that is a member of the TMLIRP. The deadline for submission of the City's Official Ballot to the Secretary of the Board, David Reagan, is September 30, 2018. A copy of the Official Ballot mailed to the City by the TMLIRP is attached to this agenda item.

Previous Council Action Summary:

On September 12, 2016, members of the City Council abstained from voting on candidates for Places 6, 7, and 8. A vote was cast for Rick A. Schroder for Position 9 at the recommendation of then Mayor Pro Tem Roman F. Reed.

Fiscal Impact:

N/A

City Attorney Review:

N/A

Recommendation:

Action as City Council deems appropriate.

ATTACHMENTS:

- Texas Municipal League Intergovernmental Risk Pool - September Agenda Item - Board of Trustees Election (DOCX)
- Official Ballot - TMLIRP - Board of Trustees Election - 2018 (PDF)

Texas Municipal League Intergovernmental Risk Pool

Board of Trustees Election

The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) is the leading provider of workers' compensation, liability, and property coverage for local governments in Texas. Founded in 1974, TMLIRP is the oldest and largest pool of its type in the United States, serving over 2,800 governments and political subdivisions.

Randy Criswell - Place 11



Randy Criswell joined the TMLIRP Board of Trustees in 2014. Mr. Criswell is the City Manager for Canyon, Texas.

[Return to Board of Trustees](#)

Michael Talbot - Place 12



Michael Talbot joined the TMLIRP Board of Trustees in 2014. Mr. Talbot is President of the Board of Directors of the Lost Pines Groundwater Conservation District. Formerly, he was the City Manager for the City of Bastrop.

[Return to Board of Trustees](#)

Chair - Byron Black - Place 13



Mr. Black has more than 25 years in public service. He has served his community as Mayor of Burleson, a member of the Burleson City Council and a member of the Burleson School Board. Mr. Black served as president of Texas Association of School Boards. Mr. Black has participated in many civic activities in Johnson, Tarrant, and Somervell counties.

Mr. Black was recognized in 1996 as 'Burleson Citizen of the Year'□. He is interested in cooperative efforts at all government levels.

Mr. Black currently serves as Chairman of Johnson County Central Appraisal District. He serves as a board member of the Texas Municipal League Intergovernmental Risk Pool, Area Metropolitan Ambulance Authority (MedStar), First Financial Bank Board, Victim Relief Ministries of Johnson and Somervell Counties, Chisholm Trail 100 Board, Impact Fee Committee for

the City of Burleson, and Burleson City of Character Council.

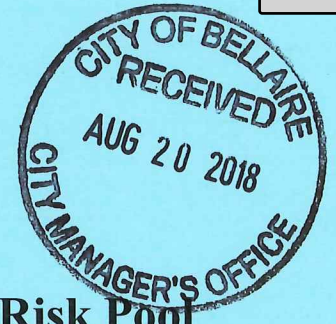
[Return to Board of Trustees](#)

Pat Norriss - Place 14



First elected to the Board of Trustees in 1994, Pat Norriss currently serves on the Executive Board of the Nortex Regional Planning Commission. She is the former mayor of the City of Burkburnett, serving in that position for 16 years, after serving seven years as a Council Member. Ms. Norriss is currently serving her fourth term as a County Commissioner in Wichita County. She currently serves on the Advisory Board for Sheppard Air Force Base. Ms. Norriss is a past president and director of Region 5 of the Texas Municipal League.

[Return to Board of Trustees](#)



OFFICIAL BALLOT

Texas Municipal League Intergovernmental Risk Pool Board of Trustees Election

This is the official ballot for the election of Places 11 – 14 of the Board of Trustees for the Texas Municipal League Intergovernmental Risk Pool. Each Member of the Pool is entitled to vote for Board of Trustee members. Please record your organization's choices by placing an "X" in the square beside the candidate's name or writing in the name of an eligible person in the space provided. You can only vote for one candidate for each place.

The officials listed on this ballot have been nominated to serve a six-year term on the TML Intergovernmental Risk Pool (Workers' Compensation, Property and Liability) Board of Trustees. The names of the candidates for each Place on the Board of Trustees are listed in alphabetical order on this ballot.

Ballots must reach the office of David Reagan, Secretary of the Board, no later than September 30, 2018. Ballots received after September 30, 2018, cannot be counted. **The ballot must be properly signed and all pages of the ballot must be mailed to: Trustee Election, David Reagan, Secretary of the Board, P.O. Box 149194, Austin, Texas 78714-9194. If the ballot is not signed, it will not be counted.**

PLACE 11

- ☐ **Dietrich von Biedenfeld.** Alderman for the City of West Columbia (Region 14) since May 2012. Mr. Biedenfeld teaches at the Marilyn Davies College of Business at the University of Houston – Downtown and is a VA-accredited attorney. He serves as Chair of the Dispute Resolution Committee and past Chair of the Public Contract Law Committee for the American Bar Association Young Lawyer Division. He is also President of the Brazoria County Cities Association. Mr. Biedenfeld is a member of the International Association of Emergency Managers, Federal Bar Association, NIGP: The Institute for Public Procurement, and U.S. Green Building Council. He is also a member of the Columbia Historical and Brazoria County Heritage Museums.
- ☐ **Randy Criswell (Incumbent).** City Manager for the City of Canyon (Region 2) since 2008. Mr. Criswell has served on the TML Risk Pool Board of Trustees since 2015 and currently serves as Chair of the Underwriting and Claims Committee. He has been in public service for 28 years, with nearly 24 years as an employee of the City of Canyon. Mr. Criswell has a Bachelor of Science degree from Texas Tech University, is an active member of TCMA, having served multiple terms on the Board of Directors and Committees. He has served as the TCMA Affiliate Representative on the TML Board of Directors, is a member of ICMA, and is a Certified Public Manager.
- ☐ **Rick A. Schroder.** City Administrator for the City of Helotes (Region 7) since September 2008. Mr. Schroder also serves as the Executive Director for the Helotes Economic Development Corporation (EDC). Prior to his tenure as City Administrator, Rick was employed by the EDC as the Economic Development Specialist from 2006 to 2008. He graduated Magna Cum Laude from Trinity University in 2004 with a degree in Political Science, and he earned a Master of Public Service and Administration in 2006 from the George H.W. Bush School of Government and Public Service at Texas A&M University. During his coursework, he worked for a variety of public and private organizations, primarily focused on public service and government relations.

WRITE IN CANDIDATE:

PLACE 12

- ☐ **Bert Lumbreras.** City Manager for the City of San Marcos, Texas (Region 10). Bert Lumbreras has 37 years of experience as a City Manager or an Assistant City Manager in seven Texas communities, including Austin and Waco. He currently serves as the International City/County Management Association Mountain Plains Vice President and previously served on the Board of Directors of the Texas City Management Association from 2010-2014, including President in 2012. He has a Bachelor's Degree in Political Science, with a concentration in Public Administration, and a minor in Geography and Urban Planning from Southwest Texas State University.
- ☐ **Kimberly Meisner.** Executive Director of General Operations for the City of Kerrville (Region 7), overseeing Human Resources, Municipal Court, Public Library, and Public Information. Ms. Meisner has over 21 years of public service, which includes serving the Cities of Kerrville and La Porte. She earned a Master's degree in Public Administration from U.T.-Arlington and a Bachelor's degree in Human Resource Management from Columbia Southern University. She is a member of the TCMA, International Public Management Association for Human Resources (IPMA-HR), Society for Human Resource Management (SHRM), San Antonio Human Resource Management Association, and is a former President of the Bay Area Human Resource Management Association. She is an IPMA-HR Senior Certified Professional and a SHRM Certified Professional.
- ☐ **Jana Traxler.** Human Resources Director and Risk Manager for the City of Murphy, Texas (Region 13). Jana Traxler is a municipal Human Resources Executive who is committed to being a strategic partner in municipal management, an employee advocate and a change agent. She has experience working in both local and state governments as well as experience working under a state funded contract with Hewlett Packard Enterprise Services. Prior to relocating to Murphy, Texas, she held the position of the Human Resources Labor Relations Officer for Shawnee County, Kansas. She is a graduate of the Villanova University Masters in Human Resource Development program and holds the Senior Professional in Human Resources designation.
- ☐ **Robert D. Wilson, Jr.** Board of Directors of the Post Oak Savannah Ground Conservation District in Milano, Texas (Region 10) for the last four years. Robert Wilson has also served on the Board of Directors for the Southwest Milam Water Supply Corporation for the past 13 years, and currently is the President. Mr. Wilson graduated from the University of Minnesota, majoring in mathematics. He was a Captain in the US Army, 1964-1968, and served in Viet Nam. He spent over 40 years in Commercial Banking, with the last 15 as Branch President of Citizens National Bank in Rockdale, Texas. Mr. Wilson has served on numerous local boards and organizations, volunteering his time to assist and improve the quality of life in Rockdale over the past 15 years. He is active in his church as a Sunday School Teacher, Deacon, and Treasurer.

WRITE IN CANDIDATE:

PLACE 13

- ☐ **Byron Black.** (Incumbent). Board Chair, Central Appraisal District of Johnson County (Region 8). He served as Mayor of Burleson from 1998-2004, previously serving as mayor pro tem and as a Councilmember. He currently serves as Chair of the Impact Fee Committee for the City of Burleson. Mr. Black is a past board member of the Area Metro Ambulance Authority Board. He was a member of the Burleson Independent School District Board for 12 years, nine as President, and served as president of TASB. Mr. Black has served as a Board member of the TML Intergovernmental Risk Pool since 2000, serving as Vice-Chair and Chair.
- ☐ **Mike Jones.** Chief Appraiser/Chief Administrator of the Fannin Central Appraisal District in Bonham, Texas (Region 13). His service in the property tax profession began in February, 2006 after serving a 20-year career in the United States Air Force. He holds a Bachelor of Science in Occupational Education from Wayland Baptist University. His professional credentials include the Registered Professional Appraiser and Registered Texas Assessor/Collector Designations, a Certified Tax Administrator from the Institute of Certified Tax Administrators and a Certified Chief Appraiser from the Texas Association of Appraisal Districts and the Texas Association of Assessing Officers.

WRITE IN CANDIDATE:

PLACE 14

- ☐ **Bert Echterling.** Mayor for the City of Robinson (Region 9) since 2015. Mr. Echterling has served as a council member for Robinson since 2006. He serves on the McLennan County Park Committee and on the Robinson Campus Improvement Committee. He is a past Board Member for the Robinson Economic Development Committee and the Robinson Chamber of Commerce. He was born and raised in Robinson, graduated from Robinson High School, and attended McLennan Community College. In 1996, he joined the family business, Echterling Builders, which he has owned since.
- ☐ **David J. Harris.** City Administrator for the City of Balcones Heights (Region 7) since 2014. Mr. Harris began his local government career in 1996 at Bexar County and has served 18 years in leadership of the cities of Hill Country Village (City Administrator), Schertz (Assistant City Manager), and Alamo Heights (Interim Director). He serves as Immediate Past President and on the Board of the Texas City Management Association, Secretary of TML Region 7, President of Alamo Heights Rotary Club. Mr. Harris received his BA in American Studies from Whitworth University and a MS in Urban Administration from Trinity University. He is an ICMA Credentialed Manager and a member of TCMA and ICMA.
- ☐ **David Rutledge.** Mayor of Bridge City (Region 16) since 2016, re-elected to a second term this past May, previously served as council member from 2005-2010 (term-limited), again in 2015, and is a representative on the Southeast Texas Regional Planning Commission (COG). Active in TML, he has been recognized as a Certified Municipal Official (CMO) the previous three years, is Vice President of TML Region 16, and serves on the TML Municipal Advocacy Committee and the Municipal Policy Summit. A mechanical engineer by profession from Lamar University in Beaumont, he serves on that university's Mechanical Engineering Advisory Council.

WRITE IN CANDIDATE:

Certificate

I certify that the vote cast above has been cast in accordance with the will of the majority of the governing body of the public entity named below.

Witness my hand, this _____ day of _____, 2018.

Signature of Authorized Official

Title

Printed Name of Authorized Official

Printed Name of Political Entity