

# City of Bellaire

**CITY COUNCIL**  
**Monday, May 6, 2019**

---

<b>Council Chamber</b>	<b>Regular Session</b>	<b>7:00 PM</b>
------------------------	------------------------	----------------

---

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

## **Agenda**

### **Mayor**

---

Andrew S. Friedberg

### **Mayor Pro Tem**

---

Gus E. Pappas

### **Council Member**

---

Trisha S. Pollard

### **Council Member**

---

Michael Fife

### **Council Member**

---

Neil Verma

### **Council Member**

---

Pat B. McLaughlan

### **Council Member**

---

David R. Montague

**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 - Neil Verma, Council Member.**
- D. Pledges to the Flags - Neil Verma, 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.

**E. Recognition of Proclamations:**

- 1. Issuance of a proclamation by Andrew S. Friedberg, Mayor, proclaiming the week of May 5-11, 2019, as Public Service Recognition Week in the City of Bellaire, Texas, in honor of Bellaire's city employees for their commitment and dedication in service to our community - Requested by Paula Ryan, Assistant City Manager.  
[Public Service Recognition Week Proclamation - Pdf](#)
- 2. Issuance of a proclamation by Andrew S. Friedberg, Mayor, proclaiming the week of May 12-18, 2019, as "Police Week" in the City of Bellaire, Texas, in recognition and appreciation of the services provided by law enforcement officers and to honor those that have made the ultimate sacrifice for the community - Requested by Byron A. Holloway, Chief of Police.  
[Police Week Proclamation - Pdf](#)
- 3. Issuance of a proclamation by Andrew S. Friedberg, Mayor, proclaiming the month of May 2019 as "Older Americans Month" in the City of Bellaire, Texas, in recognition of the contributions that older adults and the people who serve them provide to the community - Requested by Karl Miller, Director of Parks, Recreation and Facilities.  
[Older Americans Month Proclamation - Pdf](#)

**F. 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: *Chapter 551, Open Meetings*, of the *Texas Government Code*, 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.]

**G. 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.  
[City Manager Report - Pdf](#)
2. Presentation of the FY 2019 Second Quarter Report for the City of Bellaire, Texas - Submitted by Terrence Beaman, Chief Financial Officer.  
[FY 2019 Second Quarter Report - Pdf](#)

**H. New Business.**

**1. Consent Agenda:**

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

- a. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas suspending for ninety days the effective date of the new electric rates of CenterPoint Energy Houston Electric, LLC, within the City of Bellaire, Texas, and maintaining current rates in effect.  
[Ordinance Delaying for Ninety Days the Effective Date of the New Electric Rates - Pdf](#)
- b. Consideration of and possible action on the adoption of a resolution of the City Council of the City of Bellaire, Texas, to join with the City of Houston, Texas, in a coalition of cities in the conduct of proceedings pertaining to the CenterPoint Energy Houston Electric, LLC, Statement of Intent and Application for Authority to Change Rates Pending as PUC Docket No. 49421 and related proceedings and to authorize the Coalition of Cities to represent the City in said proceedings.  
[Resolution to Join Coalition - Pdf](#)

**2. Adoption of Ordinances:**

- a. Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending the budget of the City of Bellaire, Texas, for the fiscal year beginning October 1, 2018, and ending September 30, 2019 (FY 2019), consisting of the following new appropriations: \$27,030 Special Revenue Fund and \$300,000 Capital Bond Fund – Submitted by Terrence Beaman, Chief Financial Officer.  
[FY 2019 Budget Amendment Number 1 - Pdf](#)

- 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 of the City of Bellaire, Texas, to execute change proposals to the Guaranteed Maximum Price Contract with Horizon|Christensen, a Joint Venture, for construction and construction management services associated with the Municipal Facilities Project, in an amount not to exceed \$30,000.00 - Submitted by Karl Miller, Director of Parks, Recreation and Facilities.

[Municipal Facilities Project Change Proposals - Pdf](#)

**I. 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, Section 551.0415.*

**J. Adjourn.**



CITY COUNCIL

**AGENDA STATEMENT**

**City of Bellaire**

**MEETING:** City Council - May 06 2019

**PREPARED BY:** Tracy L. Dutton

**DEPARTMENT:** City Manager's Office

**ITEM TITLE:**

Issuance of a proclamation by Andrew S. Friedberg, Mayor, proclaiming the week of May 5-11, 2019, as Public Service Recognition Week in the City of Bellaire, Texas, in honor of Bellaire's city employees for their commitment and dedication in service to our community - Requested by Paula Ryan, Assistant City Manager.

**RECOMMENDATION:**

Paula Ryan, Assistant City Manager, recommends the issuance of a proclamation in honor of Public Service Recognition Week.

**BACKGROUND/SUMMARY:**

Public Service Recognition Week is and has been celebrated during the first week of May since 1985 beginning on the first Sunday of the month to honor the men and women who serve who serve our nation as federal, state, county and local government employees.

**CITY ATTORNEY REVIEW:**

☐ Yes ☒ No



## *Proclamation*

*Whereas*, public service is a noble calling, embodied in a wide variety of challenging and rewarding professions; and

*Whereas*, the ability of governments at all levels to be responsive, innovative and effective depends on the outstanding performance of dedicated public servants; and

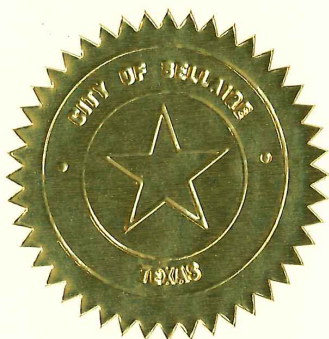
*Whereas*, the employees of the City of Bellaire are committed to providing excellent municipal services that directly contribute to the quality of life in our community with efficiency, transparency and wise stewardship of taxpayer resources, and perform their jobs with professionalism, compassion and pride; and

*Whereas*, since May 1985 Public Service Recognition Week has been celebrated all across America, to honor the men and women who serve our nation as federal, state, county and local government employees;

***Now, Therefore***, I, **Andrew S. Friedberg, Mayor of the City of Bellaire, Texas**, do hereby proclaim the week of **May 5-11, 2019**, as

### *Public Service Recognition Week*

in the City of Bellaire, Texas, as we honor with gratitude our city employees, and public servants throughout the nation, for their commitment and dedication to the communities they serve.



*In Witness Whereof*, I have hereunto set my hand and caused the seal of the City of Bellaire, Texas, to be affixed this 6th day of May, 2019.

---

Andrew S. Friedberg  
Mayor  
City of Bellaire, Texas

CITY COUNCIL

## AGENDA STATEMENT

City of Bellaire

**MEETING:** City Council - May 06 2019

**PREPARED BY:** Tracy L. Dutton

**DEPARTMENT:** Police

### ITEM TITLE:

Issuance of a proclamation by Andrew S. Friedberg, Mayor, proclaiming the week of May 12-18, 2019, as "Police Week" in the City of Bellaire, Texas, in recognition and appreciation of the services provided by law enforcement officers and to honor those that have made the ultimate sacrifice for the community - Requested by Byron A. Holloway, Chief of Police.

### RECOMMENDATION:

Byron A. Holloway, Chief of Police, recommends the issuance of a proclamation in recognition and appreciation of Police Week.

### BACKGROUND/SUMMARY:

Andrew S. Friedberg, Mayor, will issue a proclamation proclaiming the week of May 12-18, 2019, as "Police Week" in the City of Bellaire, Texas, in recognition and appreciation of the services provided by law enforcement officers and to honor those that have made the ultimate sacrifice for the community.

National Police Week was established by a joint resolution of Congress in 1962 and signed into law by President John F. Kennedy and pays special recognition to those law enforcement officers who have lost their lives in the line of duty for the safety of others as well as in protecting our democracy. Bellaire Police Sergeant Jimmie Norman who was killed in the line of duty on December 24, 2012, and Bellaire Police Officer Marco Zarate who was killed in the line of duty on July 12, 2016, are two such officers.

### PREVIOUS COUNCIL ACTION:

This proclamation is issued on an annual basis and was last issued on May 7, 2018.

### CITY ATTORNEY REVIEW:

☐ Yes ☒ No



## *Proclamation*

*Whereas*, there are approximately 900,000 law enforcement officers serving in communities across the United States, including the dedicated members of the Bellaire Police Department; and

*Whereas*, in 2018 alone there were 158 line of duty deaths, and more than 60,000 assaults against law enforcement officers resulting in approximately 17,000 injuries; and

*Whereas*, since the first recorded death in 1791, nearly 22,000 law enforcement officers in the United States are known to have made the ultimate sacrifice and been killed in the line of duty; and

*Whereas*, the names of these 21,910 dedicated public servants are engraved on the walls of the National Law Enforcement Officers Memorial in Washington, D.C., which is the only memorial in our Nation's capital to which new names are added year after year; and

*Whereas*, among those engraved names is that of Bellaire Police Sergeant Jimmie Norman, whose name was added in 2013 as he was killed in the line of duty by a robbery suspect on December 24, 2012; and

*Whereas*, among those engraved names is that of Bellaire Police Officer Marco Zarate, whose name was added in 2017 as he was killed in the line of duty during the pursuit of robbery suspects on July 12, 2016; and

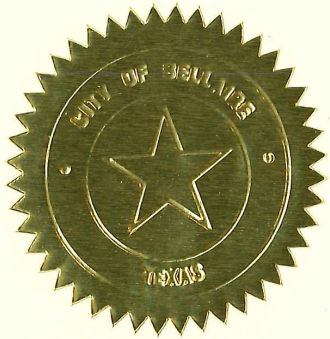
*Whereas*, during this, the Centennial Year of the Bellaire Police Department, a contingent of Bellaire Officers will participate in a special ceremony at the National Law Enforcement Officers Memorial to recognize these two Bellaire line of duty deaths during the Department's first 100 years of service; and

*Whereas*, in 1962 President John F. Kennedy designated May 15th as Peace Officers Memorial Day, in honor of all fallen officers, and U.S. flags are to be flown at half-staff on May 15th of each year;

*Now, Therefore*, I, **Andrew S. Friedberg, Mayor of the City of Bellaire, Texas**, do hereby proclaim the week of **May 12-18, 2019**, as

### *Police Week*

in the City of Bellaire, Texas, as we proudly salute the service of law enforcement officers in our community and in communities across the nation.



*In Witness Whereof*, I have hereunto set my hand and caused the seal of the City of Bellaire, Texas, to be affixed this 6th day of May, 2019.

---

Andrew S. Friedberg  
Mayor  
City of Bellaire, Texas

**AGENDA STATEMENT**

**MEETING:** City Council - May 06 2019

**PREPARED BY:** Karl Miller

**DEPARTMENT:** Parks, Recreation and Facilities

**ITEM TITLE:**

Issuance of a proclamation by Andrew S. Friedberg, Mayor, proclaiming the month of May 2019 as "Older Americans Month" in the City of Bellaire, Texas, in recognition of the contributions that older adults and the people who serve them provide to the community - Requested by Karl Miller, Director of Parks, Recreation and Facilities.

**RECOMMENDATION:**

Karl Miller, Director of Parks, Recreation and Facilities, recommends the issuance of a proclamation recognizing the month of May 2019 as "Older Americans Month."

**BACKGROUND/SUMMARY:**

Each May, the nation celebrates "Older Americans Month" in recognition of older Americans' contributions to their communities. When Older Americans Month was established in 1963, only 17 million living Americans had reached their 65th birthday. About a third of older Americans lived in poverty and there were few programs to meet their needs. Interest in older Americans and their concerns was growing. A meeting in April 1963 between President John F. Kennedy and members of the National Council of Senior Citizens led to designating May as "Senior Citizens Month," the prelude to "Older Americans Month."

Historically, Older Americans Month has been a time to acknowledge the contributions of past and current older persons to our country, in particular those who defended our country. Every President since Kennedy has issued a formal proclamation during or before the month of May asking that the entire nation pay tribute in some way to older persons in their communities. Older Americans Month is celebrated across the country through ceremonies, events, fairs, and other such activities.

**PREVIOUS COUNCIL ACTION:**

The City of Bellaire, Texas, has annually recognized "Older Americans Month" by proclamation since May of 2010.

**CITY ATTORNEY REVIEW:**

☐ Yes ☒ No





## Proclamation

*Whereas*, the City of Bellaire, Texas, includes a growing number of older Americans who enrich our community through their diverse life experiences; and

*Whereas*, we are committed to strengthening our community by connecting with and supporting older adults, their families and caregivers, and acknowledging their many valuable contributions to society; and

*Whereas*, we recognize the importance of bringing together all generations and engaging in activities that promote physical, mental and emotional well-being for the benefit of all; and

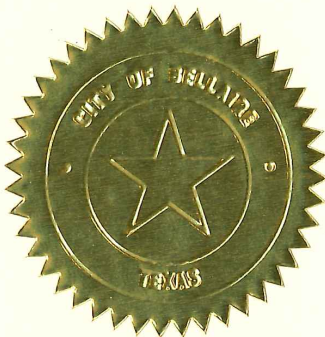
*Whereas*, we can enhance the lives of older Americans in our community by promoting home- and community-based services that support independent living; involving older adults in community events and other activities; and providing opportunities for older adults to work, volunteer, learn, lead and mentor;

*Now, Therefore*, I, **Andrew S. Friedberg, Mayor of the City of Bellaire, Texas**, do hereby proclaim the month of **May 2019** as

### *Older Americans Month*

in the City of Bellaire, Texas, and urge every resident to take time during this month to recognize older adults and the people who serve them as essential and valuable members of our community.

*In Witness Whereof*, I have hereunto set my hand and caused the seal of the City of Bellaire, Texas, to be affixed this 6th day of May 2019.



---

Andrew S. Friedberg  
Mayor  
City of Bellaire, Texas

CITY COUNCIL

## AGENDA STATEMENT

---

City of Bellaire

**MEETING:** City Council - May 06 2019

**PREPARED BY:** Paul A. Hofmann

**DEPARTMENT:** City Manager's Office

### 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.

### RECOMMENDATION:

Paul A. Hofmann, City Manager, recommends that City Council receive the report and provide feedback as appropriate.

### BACKGROUND/SUMMARY:

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

### CITY ATTORNEY REVIEW:

☐ Yes ☒ No



CITY COUNCIL

## AGENDA STATEMENT

---

City of Bellaire

**MEETING:** City Council - May 06 2019

**PREPARED BY:** Todd Gross

**DEPARTMENT:** Finance

### ITEM TITLE:

Presentation of the FY 2019 Second Quarter Report for the City of Bellaire, Texas - Submitted by Terrence Beaman, Chief Financial Officer.

### RECOMMENDATION:

Terrence Beaman, Chief Financial Officer, asks Council to provide feedback and accept the report.

### BACKGROUND/SUMMARY:

The FY 2019 second quarter report reflects the three months ending March 31, 2019 or the year to date actuals. This report also contains the supplemental monthly financial report information for March 2019.

### CITY ATTORNEY REVIEW:

☐ Yes ☒ No

# City of Bellaire

## FY 2019 Second Quarter Report

January 2019 – March 2019



# Table of Contents

<b>Personnel Analysis</b> .....	Page 3
<b>Estimated Financial Impact of Hurricane Harvey</b> .....	Page 5
<b>Financial Analysis</b> .....	Page 7
Executive Summary .....	Page 7
General Fund.....	Page 8
Enterprise Fund .....	Page 25
Debt Service Fund.....	Page 37
<b>Management Projects</b> .....	Page 43
<b>Capital Improvement Program Projects</b> .....	Page 44
<b>Trends</b> .....	Page 54
Development Statistics.....	Page 54
Crime Statistics .....	Page 55
Warrant Statistics.....	Page 55
<b>Supplemental Items</b> .....	Page 56
General Fund – Revenues and Expenditures.....	Page 56
Enterprise Fund – Revenues and Expenditures.....	Page 57
Debt Service Fund – Revenues and Expenditures.....	Page 58
Vehicle and Equipment Replacement Fund – Revenues and Expenditures.....	Page 59
Capital Improvement Fund – Revenues and Expenditures .....	Page 60
Capital Bond Fund – Revenues and Expenditures.....	Page 61
Metro Fund – Revenues and Expenditures.....	Page 62
Current Property Tax Collections .....	Page 63
Housing Information.....	Page 64
Summary of Sales & Mixed Beverage Tax.....	Page 66

Summary of Franchise Fees .....	Page 67
Quarterly Investment Report .....	Page 68
Quarterly Donation Report .....	Page 73

## Personnel Analysis

During the second quarter ended March 31, 2019, the City of Bellaire had the following personnel actions:

**Finance** – One (1) Senior Management Analyst was hired with a start date of January 24, 2019. One (1) Assistant Court Clerk resigned effective January 25, 2019.

**Development Services** – One (1) Administrative Secretary was hired with a start date of January 7, 2019. The internal employee transferred (voluntary demotion) from Parks, Recreation, and Facilities back to her original position in Development Services. One (1) Permit Technician resigned effective January 28, 2019.

**Library** - Recruitment remains in process for one (1) part-time Library Assistant.

**Public Works** – The recruitment process for six (6) positions was finalized during this quarter and selections were made. Two (2) Laborers started in January 2019, three (3) Equipment Operators started in February 2019, and one (1) Administrative Secretary started in March 2019. During this same time frame, two (2) Equipment Operators separated from employment in January 2019. Recruitment remains in process for two (2) Equipment Operators (Wastewater) and one (1) Laborer (Water).

**Police** – One (1) Assistant Police Chief was hired with a start date of January 1, 2019. Recruitment remains in process for two (2) Communications Officers.

**Fire** - One (1) Firefighter/Paramedic was hired with a start date of January 7, 2019. One (1) part-time Firefighter/EMT and one (1) part-time Firefighter/EMT (Inspector) will be hired during third quarter.

**Parks, Recreation, and Facilities** – As referenced earlier, an internal transfer (voluntary demotion) from Parks, Recreation, and Facilities (Recreation Supervisor II) to Development Services (Administrative Secretary) was effective January 7, 2019. One (1) internal promotion occurred from Administrative Assistant to Recreation Supervisor II effective January 28, 2019. Subsequently, one (1) internal promotion from part-time Recreation Aide to full-time Administrative Assistant occurred effective February 18, 2019. One (1) Project Manager resigned effective January 4, 2019.

**Human Resources** – One (1) Human Resources Specialist was hired with a start date of January 28, 2019.

2nd Quarter New Hires/Promotions/Transfers	2nd Quarter Separations/Retirements
1 Assistant Police Chief	1 Project Manager
1 Firefighter/Paramedic	1 Assistant Court Clerk
2 Laborers	1 Permit Technician
1 Senior Management Analyst	2 Equipment Operators
1 Human Resources Specialist	
2 Equipment Operator I	
1 Equipment Operator II	
2 Administrative Secretary	
1 Administrative Assistant	
1 Recreation Supervisor II	

Department Vacancies					
Department	Adopted Budgeted Positions	Vacancies 06/30/18	Vacancies 09/30/18	Vacancies 12/31/18	Vacancies 3/31/19
<b>General Fund</b>					
City Manager's Office	8	1	0	0	0
Human Resources	2	2	1	1	0
Finance	10	1	1	1	1
Development Services	8	1	1	1	1
Fire	24	0	2	1	1
Police	59.5	2	2	2	2
Parks, Recreation, and Facilities	24.5	1.5	0	0	1
Library	7.5	0.5	0.5	0.5	0.5
Public Works	9	2	2	1	0
<b>Enterprise Fund</b>					
Water Services	8	1	1	1	1
Wastewater Services	10	5	3	2	2
Solid Waste Services	13	3	1	1	0
<b>Total Both Funds</b>	<b>183.5</b>	<b>20</b>	<b>14.5</b>	<b>11.5</b>	<b>9.5</b>



## Estimated Financial Impact of Hurricane Harvey

The table below reflects the estimated expenditures, capital losses, and reimbursements associated with Hurricane Harvey. These expenditures, capital losses, and reimbursements are estimates; final results will differ. The city receives insurance proceeds for losses from its insurer, Texas Municipal League Intergovernmental Risk Pool (TML) and it receives grant proceeds from the Federal Emergency Management Agency (FEMA). The reimbursements reflected in the table below assume the City will be eligible for reimbursement at standard FEMA reimbursement rates in effect for this disaster, less a risk reserve for items FEMA may disqualify. Certain ancillary amounts are excluded from this analysis. For example, with respect to payroll and payroll-related expenditures, only overtime, Medicare, and TMRS contributions related to overtime are included, and lost revenues due to waived permit fees on flood-related permits are excluded. The estimated expenditures and reimbursements are reflected in the projections included in this quarterly report.

Hurricane Harvey Expenditures, Capital Losses, Reimbursements, and Impact on Fund Balance March 31, 2019				
	General Fund	Enterprise Fund	Vehicle and Equipment Replacement Fund	Total
<b>Expenditures and Capital Losses</b>				
Expenditures paid and capital losses incurred in FY 2017 and FY 2018 (a)	\$2,378,617	\$349,289	\$500,000	\$3,227,906
Expenditures paid/(refunded) in FY 2019	(\$6,371)	2,060	-	(\$4,311)
Projected additional expenditures for FY 2019 (b)	25,000	25,000	-	50,000
<b>Total estimated expenditures and capital losses</b>	<b>2,397,247</b>	<b>376,349</b>	<b>500,000</b>	<b>3,273,596</b>
<b>Reimbursements</b>				
TML and FEMA reimbursements recorded as revenue in FY 2017 and FY 2018 (c) (d)	374,450	411,265	307,003	1,092,717
TML and FEMA reimbursements recorded as revenue in FY 2019 (e)	110,179	98,383	30,231	238,793
Projected additional TML and FEMA reimbursements anticipated to be recorded as revenue in FY 2019 (f)	1,670,000	85,000	-	1,755,000
<b>Total estimated TML and FEMA reimbursements</b>	<b>2,154,629</b>	<b>594,648</b>	<b>337,234</b>	<b>3,086,511</b>
<b>Fund Balance</b>				
<b>Estimated Impact on Fund Balance</b>	<b>(\$242,617)</b>	<b>\$218,299</b>	<b>(\$162,766)</b>	<b>(\$187,085)</b>

(notes on following page)

- (a) Capital losses relate to flooded vehicles and are shown at replacement cost.
- (b) The projected additional expected expenditures represent contingencies for unanticipated Hurricane Harvey-related additional expenditures.
- (c) Includes \$13,865 in the General Fund and \$287,723 in the Vehicle and Equipment Replacement Fund of TML proceeds that relate to losses on flooded vehicles. Insurance proceeds to repair flooded vehicles are recorded in General Fund. Insurance proceeds related to totaled vehicles are recorded in the Vehicle and Equipment Replacement Fund. Recorded as revenue in September 2017.
- (d) Includes \$197,601 in the General Fund and \$102,310 in the Enterprise Fund of FEMA “advance funding” proceeds related to emergency protective measures – equals 45% of the allowable emergency protective measures expenditures incurred from August 22 – September 22, 2017. Recorded as revenue in September 2017.
- (e) General Fund TML reimbursements relate primarily to damage at Evergreen Pool and storage areas. Enterprise Fund TML reimbursements relate primarily to damage at wastewater treatment plant, public works office, and vehicle storage area. Vehicle and Equipment Replacement Fund TML proceeds relate primarily to flooded mobile equipment. FEMA reimbursements relate to various buildings and equipment.
- (f) Projected additional FEMA reimbursements based on estimated reimbursable expenditures and capital losses applying standard FEMA reimbursement rates in effect for this disaster less a risk reserve for items FEMA may disqualify. The majority of the additional reimbursements expected in the General Fund relate to reimbursements of debris removal costs.



# Financial Analysis

Amounts reported herein are unaudited fiscal year-to-date amounts incurred through March 31, 2019.

## Executive Summary

### **General Fund**

General Fund fiscal year-to-date total revenues are within 1% of allocated budget. The General Fund's largest budgeted revenue source, property taxes, is also within 1% of allocated budget, with 98% of the full year budget already collected. Permits, fees, and licenses are 19% below allocated budget, and fines are 29% below allocated budget. Other revenues are over allocated budget due to insurance and Federal Emergency Management Agency (FEMA) reimbursements related to Hurricane Harvey and due to higher than budgeted interest income.

General Fund full year projected revenues are \$2.2 million higher than the adopted budget. This is mainly due to anticipated insurance and FEMA reimbursements related to Hurricane Harvey of \$1.8 million.

General Fund fiscal year-to-date total expenditures are 7% below the allocated budget. The General Fund's largest budgeted expenditure is salary and benefits, which is 6% below the allocated budget.

General Fund full year projected expenditures are roughly equal to the adopted budget.

### **Enterprise Fund**

Enterprise Fund fiscal year-to-date total revenues are within 1% of the allocated budget. The Enterprise Fund's largest budgeted revenue source, water sales, is 8% below allocated budget due to higher rainfall, especially during the first quarter of the fiscal year. Other revenues are 204% over allocated budget due to FEMA reimbursements related to Hurricane Harvey, a Siemens incentive payment, and higher than budgeted interest income.

Enterprise Fund full year projected revenues are very close to the adopted budget at \$0.12 million higher than the adopted budget, a variance of less than 1.5%. This is mainly due to anticipated FEMA reimbursements related to Hurricane Harvey of \$0.18 million.

Enterprise Fund fiscal year-to-date total expenses are 6% below allocated budget. The Enterprise Fund's largest budgeted expense is salary and benefits, which is 10% below allocated budget due to vacancies. Purchased services are 18% over allocated budget due to the utilization of contract labor to fill the vacancies of full-time personnel. Supplies expense, which includes the cost of water purchased from the City of Houston, is 23% under allocated budget due to timing of invoices for water purchases.

Enterprise Fund full year projected expenses are roughly equal to the adopted budget.

### **Debt Service Fund**

Excluding refundings, Debt Service Fund fiscal year-to-date total revenues are 1% under allocated budget. The Debt Service Fund's largest budgeted revenue source, property taxes, is also 1% under allocated budget, with 97% of the full year budget already collected.

Excluding refundings, Debt Service Fund full year projected revenues are very close to the adopted budget.

Excluding refundings, Debt Service Fund fiscal year-to-date total expenditures are within 1% of allocated budget. The Debt Service Fund's largest expenditure is principal payments, which is 2% over allocated budget. All principal payments are made annually in February, so there will be no more principal payments this fiscal year. The next largest expenditure is interest payments, which is 3% under allocated budget. Interest payments are made semi-annually in February and August, so the fund has made approximately half of its interest payments for the fiscal year. Principal and interest payments make up 99.8% of all budgeted expenditures.

Excluding refundings, Debt Service Fund full year projected expenditures are very close to the adopted budget.

In addition, the Debt Service Fund completed a debt refunding during the fiscal year whereby it issued \$12.8 million of refunding bonds to refund \$13.2 million of outstanding bonds with higher interest rates. The refunding proceeds are deposited in escrow, and when combined with future earnings thereon, will be sufficient to fully repay the refunded obligations according to their payment terms. The refunding generated a gross savings of \$0.7 million and a net present value savings of \$0.6 million. The Debt Service Fund Revenues and Expenditures schedule reflects \$13.7 million of unbudgeted refunding proceeds, including premiums, and \$13.6 million of unbudgeted refunding expenditures.

## **General Fund**

<b>General Fund FY 2019 2nd Quarter Revenue and Expenditure Report</b>			
	<b>Adopted Budget</b>	<b>Projected</b>	<b>YTD Actual</b>
<b>Beginning Balance</b>	<b>\$4,103,255</b>	<b>\$3,098,610</b>	<b>\$3,098,610</b>
<b>Revenues</b>	20,940,640	23,161,780	16,692,400
<b>Expenditures</b>	21,353,898	21,096,765	9,691,577
<b>Ending Balance</b>	<b>\$3,689,997</b>	<b>\$5,163,625</b>	<b>\$10,099,433</b>

The actual beginning balance is \$1.0 million lower than the adopted budget primarily due to delayed reimbursements expected from FEMA related to Hurricane Harvey. When the budget was being prepared, the balances were estimated based on the assumption that all reimbursements would be received by the end of FY 2018; however, we now expect to receive approximately \$1.8 million in FY 2019. This is also the primary reason the FY 2019 projected revenues are higher than the adopted budget.

FY 2019 full year projected revenues are \$2.2 million higher than the adopted budget. This is mainly due to anticipated hurricane Harvey related insurance and FEMA reimbursements of \$1.8 million. Other significant variations include (1) projected fines revenue \$0.1 million below budget, (2) projected permit revenue \$0.4 million above budget, and (3) projected fees revenue \$0.2 million above budget. Fines revenue has been trailing allocated budget all year due to lower than historical citations. Projected permits and fees are collectively \$0.6 million above budget due to Houston Independent School District's ("HISD") anticipated permit activity for the reconstruction of Bellaire High School. The City had originally anticipated HISD would submit permits in future years for phase 2 and phase 3 of construction, but the City now anticipates all remaining construction permits will be submitted by HISD in FY 2019 which the City projects to increase FY 2019 permit revenue by \$0.4 million and plan review fee revenue by \$0.2 million.

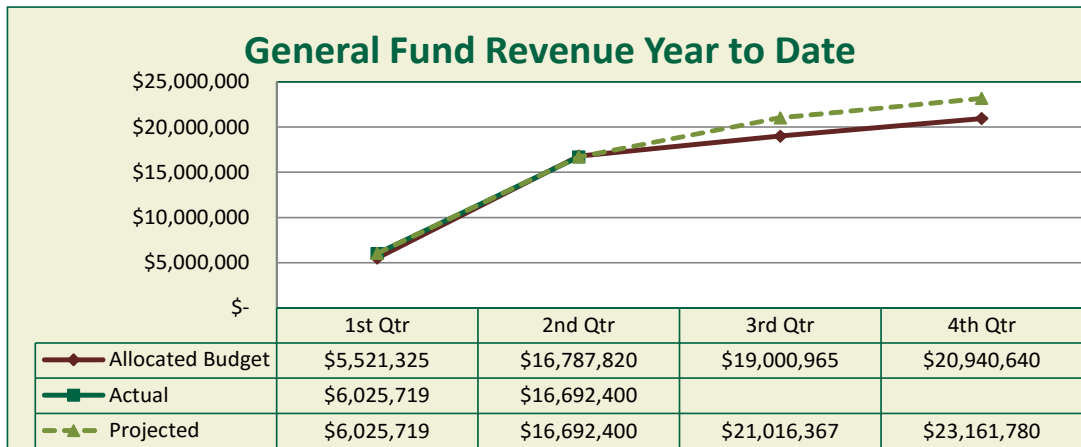
FY 2019 full year projected expenditures are \$0.3 million lower than the adopted budget. Departments projecting significant variations include (1) the police department, which is projected to come in \$0.2 million below budget, (2) the finance department, which is projected to come in \$0.07 below budget, and (3) the public works – streets department, which is projected to come in \$0.07 below budget.

The police department is projected to come in under budget in salaries and benefits and under budget in fuel. While the \$0.2 million variance may seem significant in absolute dollars, it is a variance of just 3% of the department's budget.

The finance department is projecting to be \$0.06 million under budget in salaries and benefits due to vacancies during the fiscal year, \$0.04 under budget in judge and prosecutor pay due to budget increases that have not materialized, \$0.03 under budget in banking fees, \$0.04 over budget in risk management (insurance premiums and deductibles) primarily due to increased premiums for the new municipal facilities, and \$0.02 over budget in professional services contract fees, due to higher payroll processing fees.

The public works – streets department is projecting to come in under budget primarily due to salaries and benefits savings associated with vacancies and due to lower than budgeted expenditures on paving maintenance.

## General Fund Revenues:



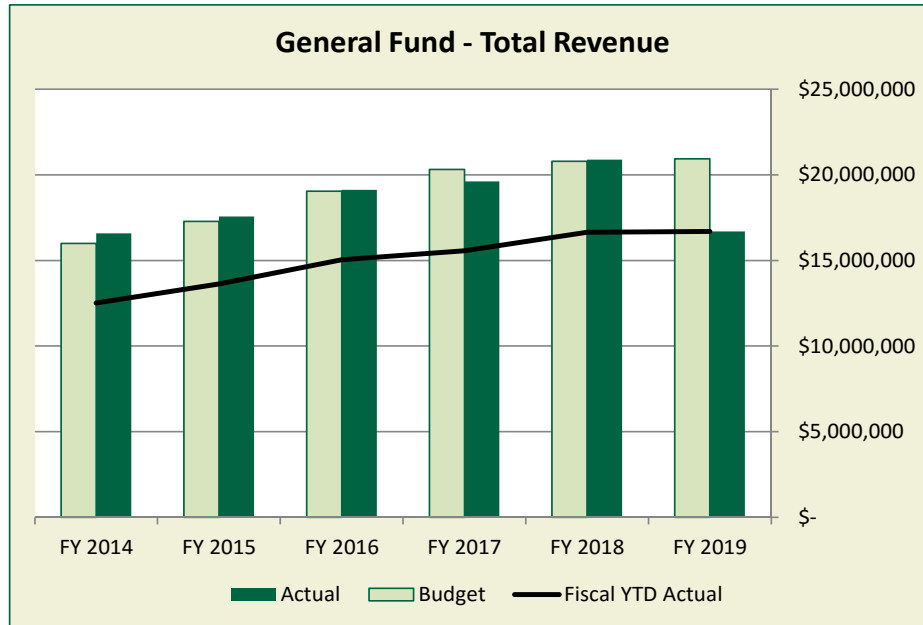
For the six months ended March 31, 2019, the General Fund collected 80% of its total budgeted revenues and is under its allocated budget by \$95,420, or less than 1%.

General Fund FY 2019 2nd Quarter Revenues			
FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / (Under) Allocated Budget
\$20,940,640	\$16,787,820	\$16,692,400	(\$95,420)

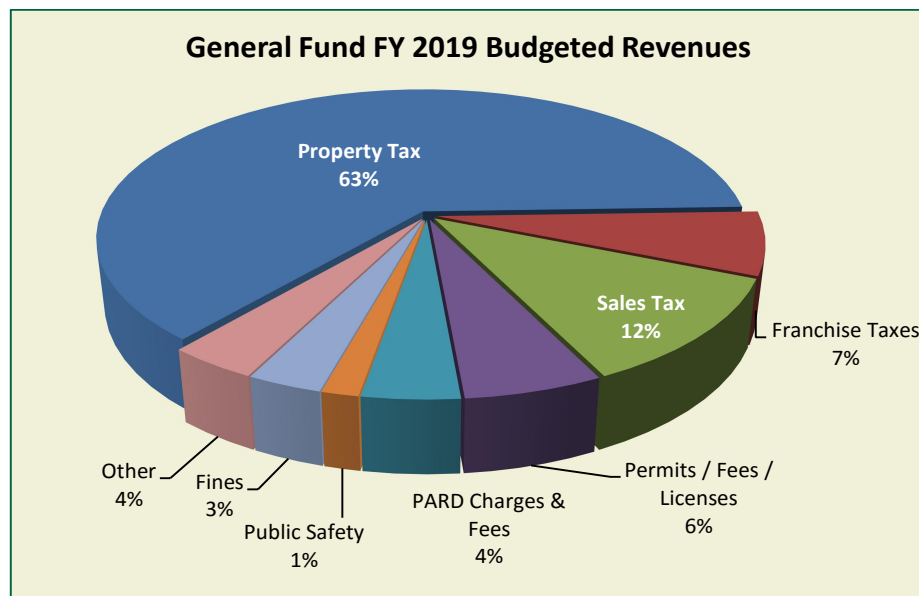
Individual revenue categories contributing to the variance from the allocated budget are shown in the following table. The largest variances are in the following three categories: (1) Permits, Licenses, and Fees, (2) Fines, and (3) Other.

General Fund FY 2019 2nd Quarter Revenue Categories				
Revenue Category	FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / Under Allocated Budget
Property Tax	\$13,271,040	\$13,014,940	\$13,066,897	\$51,957
Franchise Tax	1,422,000	718,793	666,215	(52,578)
Sales Tax	2,419,500	1,232,002	1,198,610	(33,392)
Permits/Fees/Licenses	1,210,400	598,292	487,605	(110,687)
PARD Charges & Fees	851,000	319,868	313,944	(5,924)
Public Safety	325,300	166,777	185,997	19,220
Fines	653,500	344,863	244,398	(100,465)
Other	787,900	392,284	528,734	136,449
Total	\$20,940,640	\$16,787,720	\$16,692,400	(\$95,420)

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

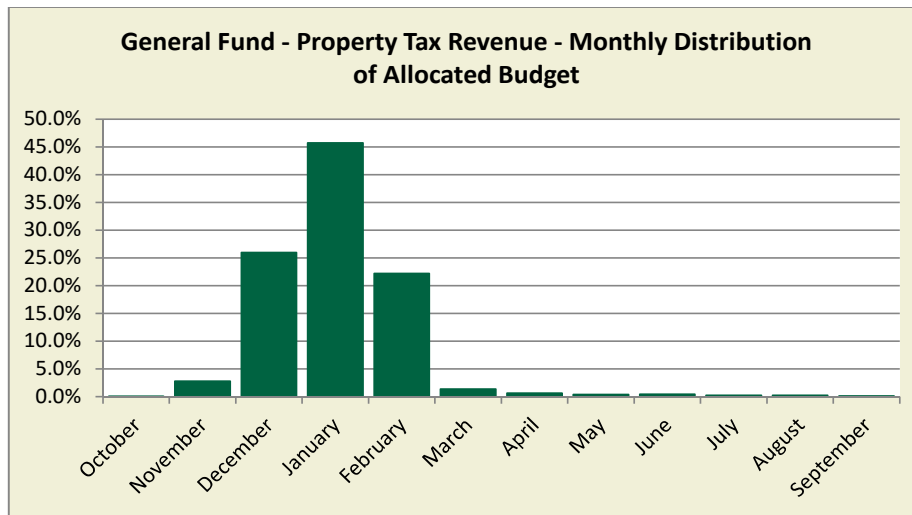


Property tax makes up the largest category of revenues in the General Fund at 63% of all FY 2019 budgeted revenues, followed by sales tax at 12% and franchise taxes at 7%.



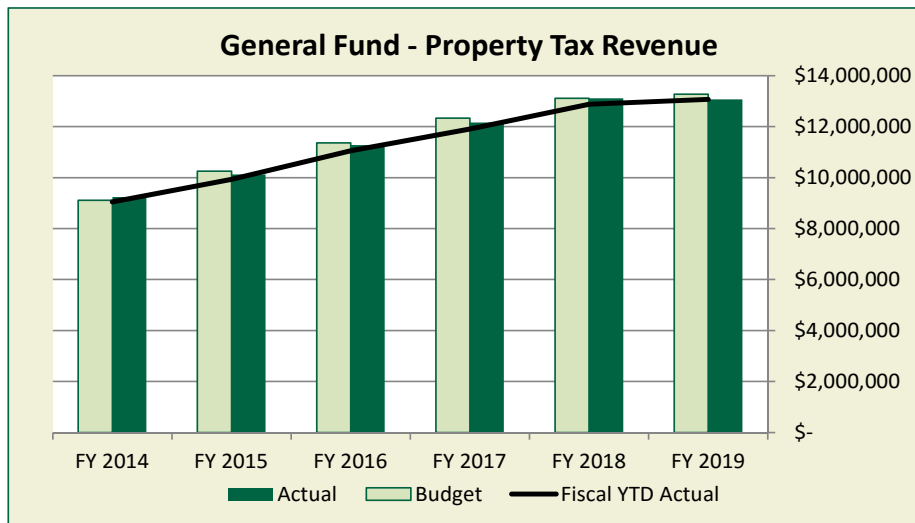
### Property Tax

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.



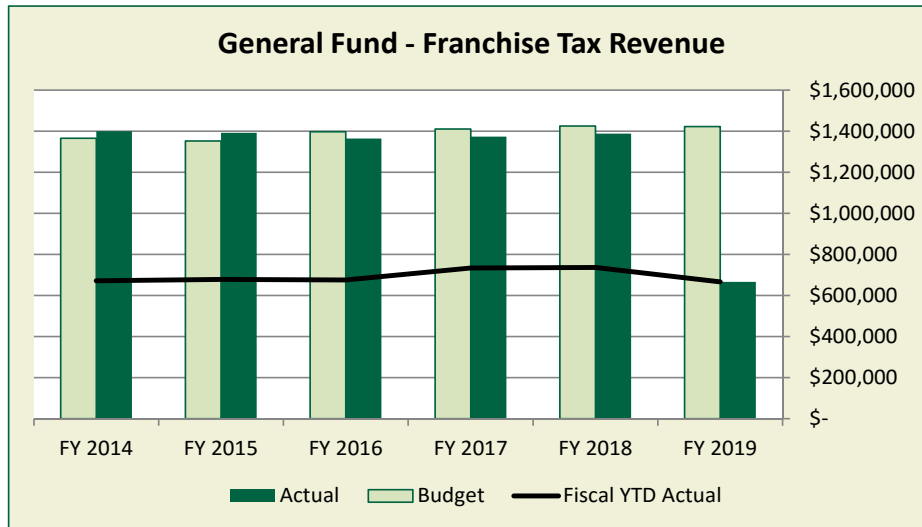
FY 2019 property taxes are budgeted for \$13.3 million, an increase of \$0.2 million, or 1.2%, over FY 2018's budget of \$13.1 million. The budgeted increase in property taxes is driven by a general tax rate increase of \$0.0103 per \$100 of assessed value, or 3.8%.

The General Fund collected 98%, or \$13,066,897, of its budgeted property tax revenue during the six months ended March 31, 2019, which is over the allocated budget by \$51,957 or less than 1%.



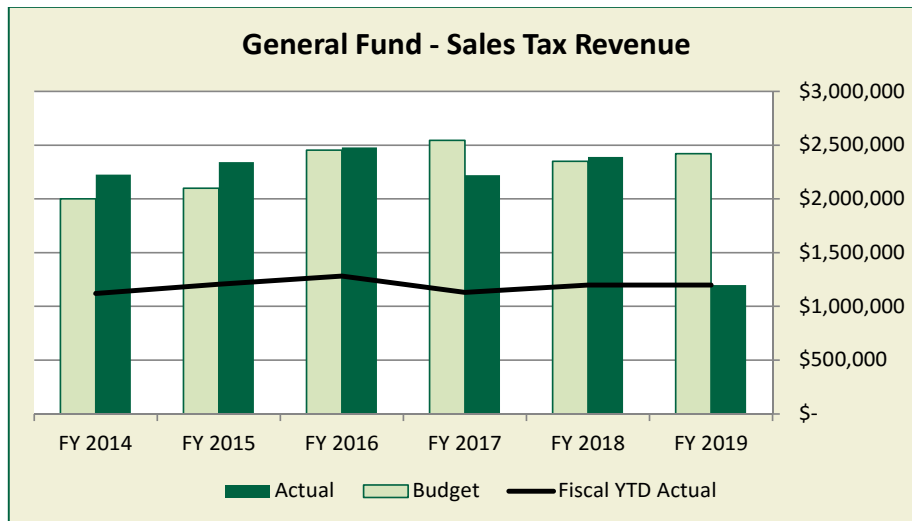
### Franchise Taxes

Franchise taxes of \$666,215 for the six months ended March 31, 2019 are under the allocated budget by \$52,578, or 7%.



### Sales Tax

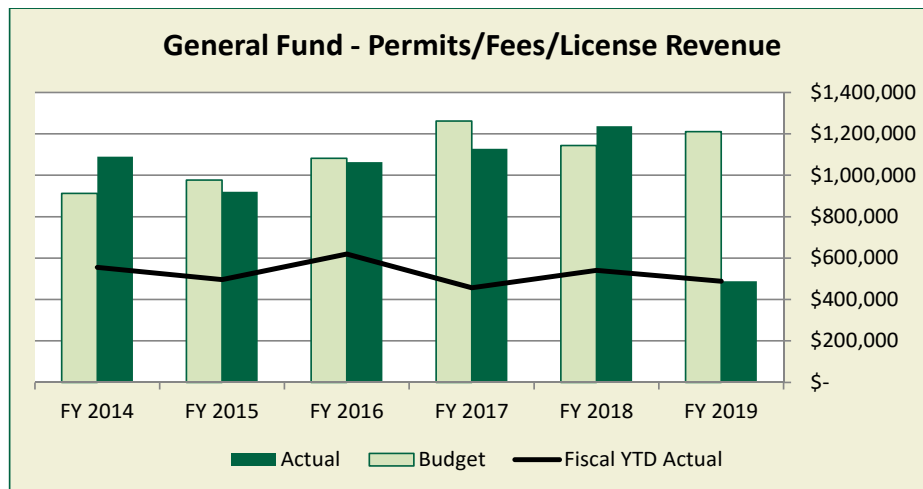
Sales tax revenue of \$1,198,610 for the six months ended March 31, 2019, is under the allocated budget by \$33,392, or 3%.



### Permits, Fees, and Licenses

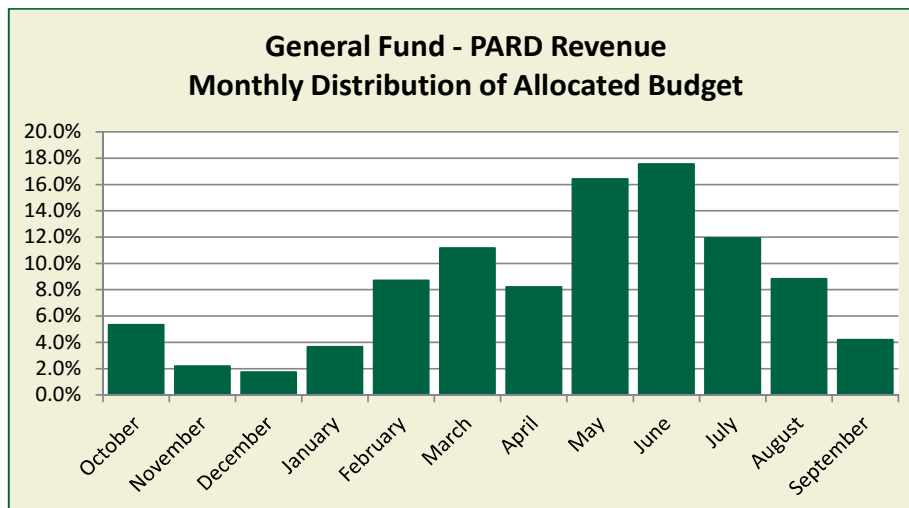
Development permits, fees, and licenses of \$487,605 are under the allocated budget by \$110,687, or 19%.

Permits are approximately \$50,000 under the allocated budget, mainly due to building permits being approximately \$50,000 below the allocated budget. Fees are approximately \$60,000 under the allocated budget, mainly due to contractor registration fees being under the allocated budget by \$10,730 and plan check fees being under the allocated budget by \$51,535.



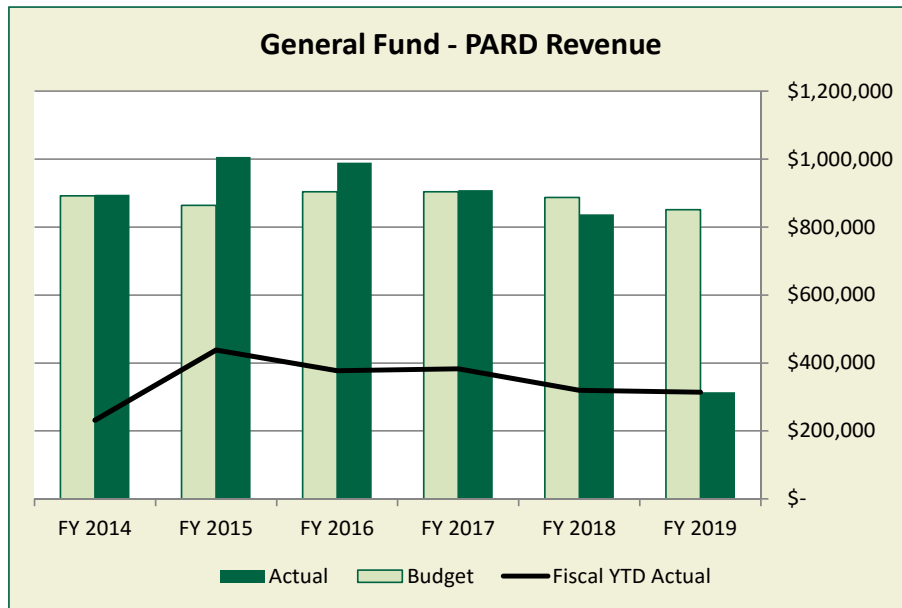
### PARD Charges & Fees

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.



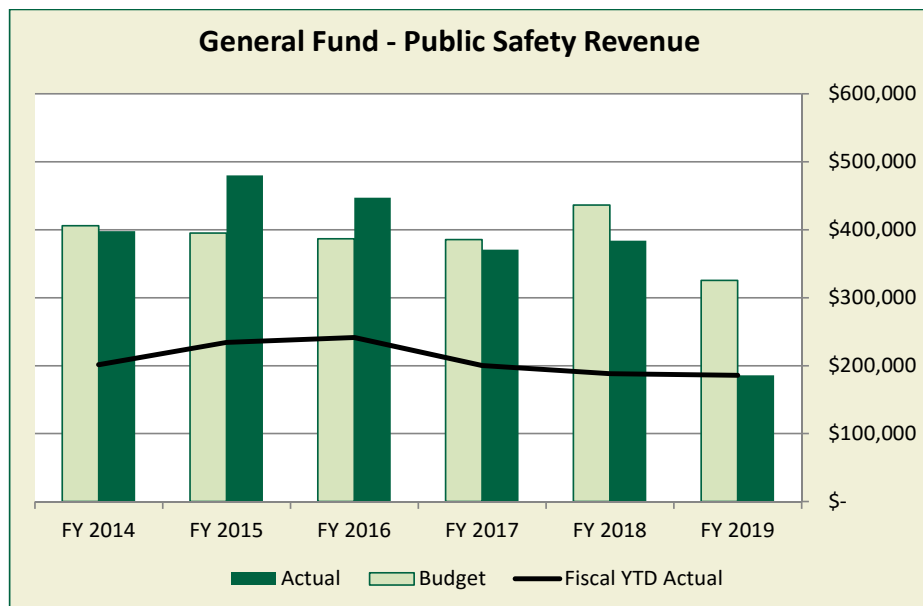


Parks and recreation fees of \$313,944 are under allocated budget by \$5,924, or 2%.



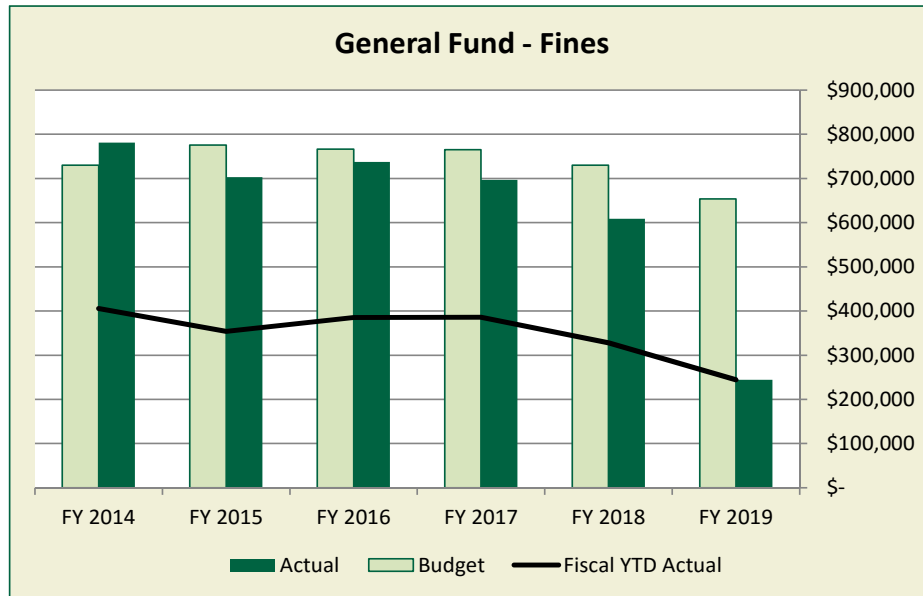
#### Public Safety

Public Safety revenues of \$185,997 are over the allocated budget by \$19,220 or 12%. This variance is mainly due to ambulance fees being \$19,600 over the allocated budget. Ambulance fees make up approximately 69% of the public safety revenue budget.



### Fines

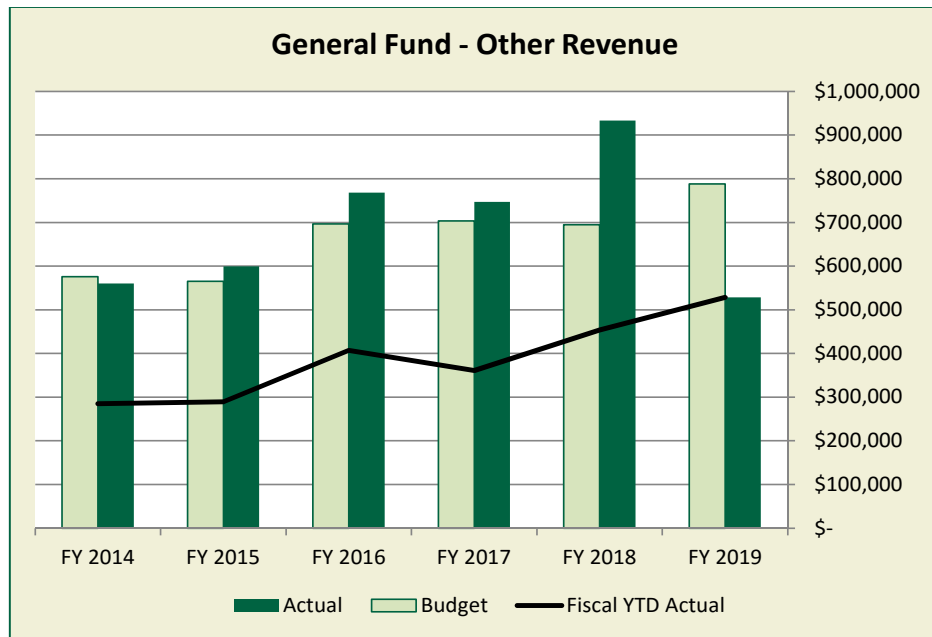
Fine revenues of \$244,398 are under the allocated budget by \$100,465, or 29%. Municipal court fines make up approximately 96% of the fines revenue budget and are the main driver behind the variance.



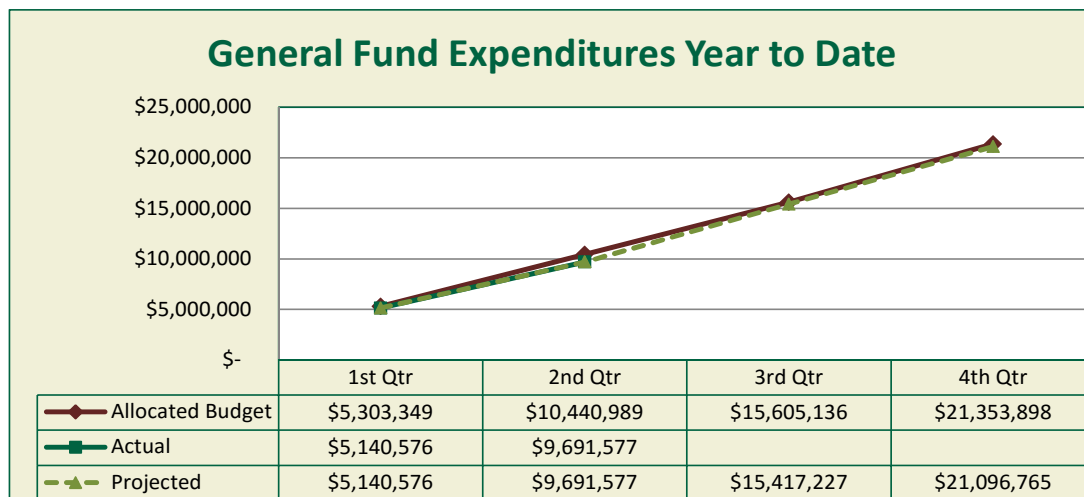
Municipal court fines are 29% below budget due to fewer citations issued. The number of citations issued fiscal year-to-date through March 2019 is 28% lower than the average number of citations issued fiscal year-to-date through March for the previous five years.

### Other

Other revenues of \$528,734 are over the allocated budget by \$136,449, or 35%. Other revenues are over budget mainly due to insurance and FEMA reimbursements related to Hurricane Harvey. Excluding Hurricane Harvey-related insurance reimbursements of \$23,375 and FEMA reimbursements of \$83,416, other revenues are over the allocated budget by 8%. In addition, interest income is running higher than budgeted.



#### General Fund Expenditures:



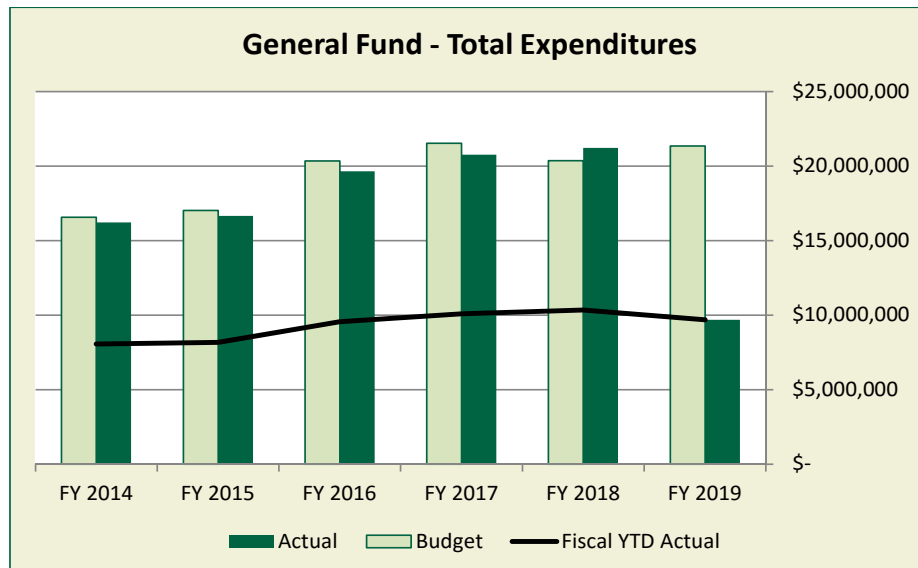
For the six months ended March 31, 2019, the General Fund expended 45% of its total budgeted expenditures and is under its allocated budget by \$749,412 or 7%.

General Fund FY 2019 2nd Quarter Expenditures			
FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / (Under) Allocated Budget
\$21,353,898	\$10,440,989	\$9,691,577	(\$749,512)

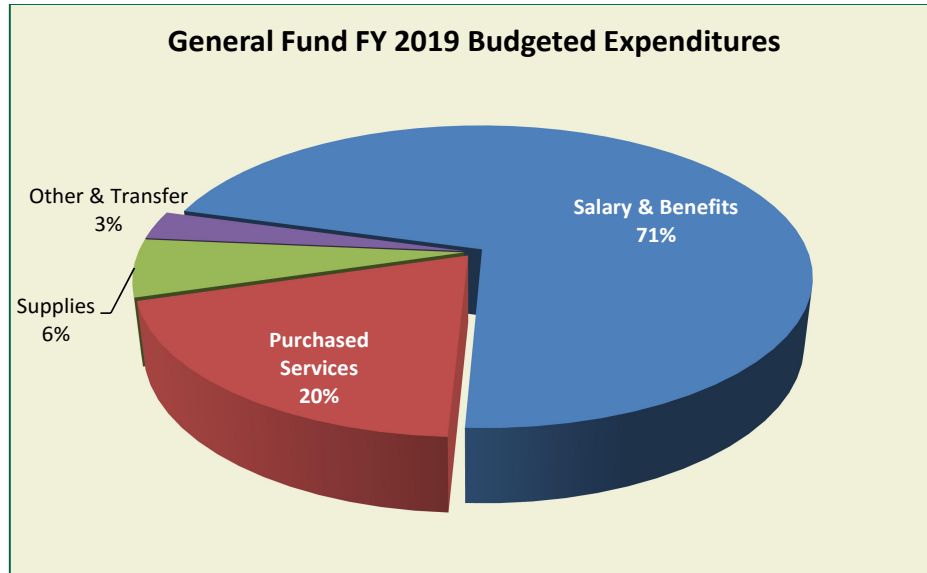
As reflected in the following table, salaries and benefits and purchased services are the primary reasons for the budget variance.

General Fund FY 2019 2nd Quarter Expenditure Categories				
Expenditure Category	FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / (Under) Allocated Budget
Salaries and Benefits	\$15,228,450	\$7,500,421	\$7,051,322	(\$449,099)
Purchased Services	4,173,892	2,055,619	1,842,825	(212,794)
Supplies	1,308,531	568,089	495,584	(72,506)
Other / Transfers	643,025	316,859	301,846	(15,013)
Non-Payroll Disaster	-	-	-	-
Total	\$21,353,898	\$10,440,989	\$9,691,577	(\$749,412)

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

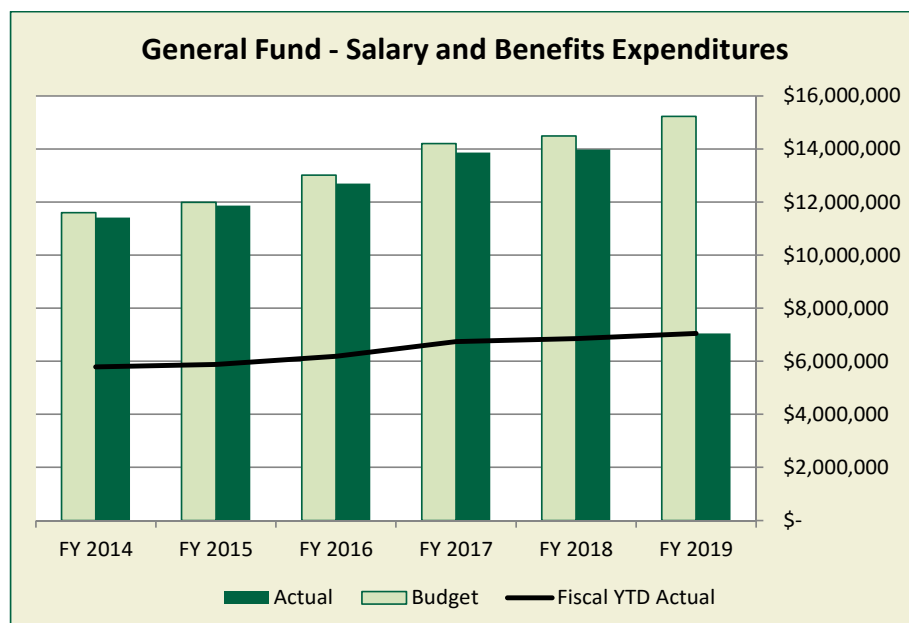


Salaries and benefits make up the largest category of budgeted expenditures in the General Fund at 71% of all FY 2019 budgeted expenditures, followed by purchased services at 20%.



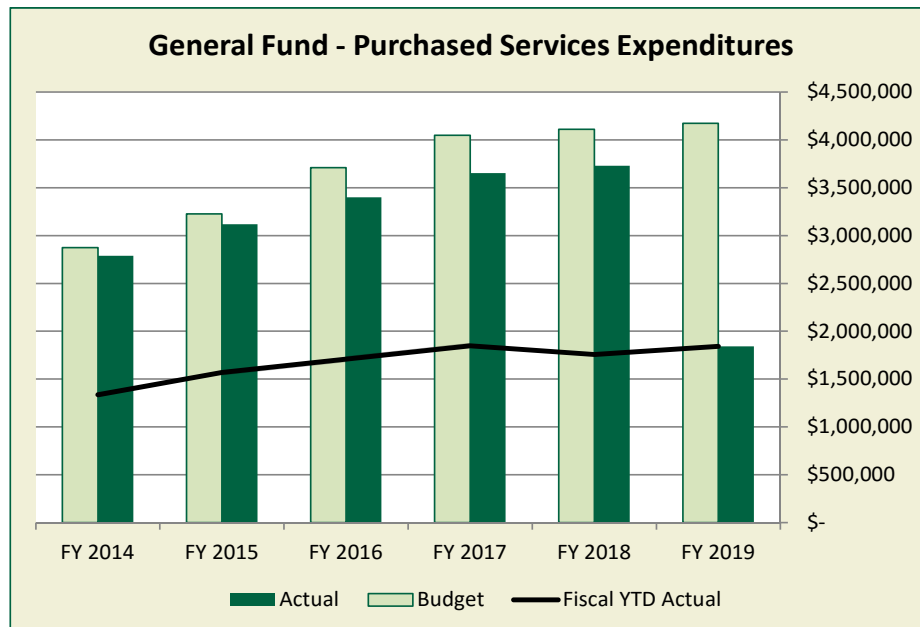
#### Salary and Benefits

Salary and benefits of \$7,051,322 are under the allocated budget by \$449,099, or 6%.



### Purchased Services

Purchased services of \$1,842,825 are under the allocated budget by \$212,794, or 10%.



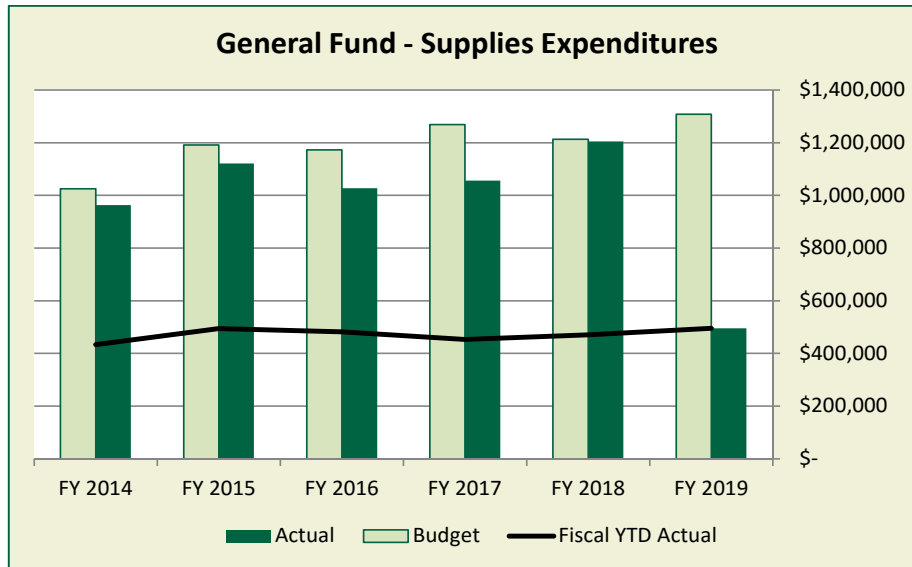
Some of the larger variances contributing to purchased services expended during the six months ended March 31, 2019 being below the allocated budget include:

- City Clerk – Election services expenditures were \$1,584 for the six months ended March 31, 2019 compared to an annual budget of \$25,009. The current year expenditure is 6% of the FY 2019 budget while historically we have spent 58%. This translates into an under-allocated budget variance of approximately \$12,841.
- Information Technology – Communications expenditures were \$84,105 for the six months ended March 31, 2019 compared to an annual budget of \$280,946. The current year expenditure is 30% of the FY 2019 budget while historically we have spent 49%. This translates into an under-allocated budget variance of approximately \$53,445. Certain purchases have been delayed due to the municipal facilities project, but should accelerate in the second half of the year. The full budget is expected to be utilized by year-end.
- Information Technology – CTS maintenance expenditures were \$709 for the six months ended March 31, 2019 compared to an annual budget of \$35,000. The current year expenditure is 2% of the FY 2019 budget while historically we have spent 31%. This translates into an under-allocated budget variance of approximately \$9,976. Certain purchases have been delayed due to the municipal facilities project, but should accelerate in the second half of the year. The full budget is expected to be utilized by year-end.

- Finance – Judges and prosecutors expenditures were \$73,000 for the six months ended March 31, 2019 compared to an annual budget of \$200,600. The current year expenditure is 36% of the FY 2019 budget while historically we have spent 48%. This translates into an under-allocated budget variance of approximately \$24,170. For FY 2018 we increased the judges and prosecutors budget by \$46,100 in anticipation of increase dockets due to legislation and contract cost increases which have not materialized. We will likely end the year significantly under budget in this account.
- Parks Administration – Professional services expenditures were \$0 for the six months ended March 31, 2019 compared to an annual budget of \$45,000. This budget is for a project management services in lieu of hiring a replacement for the project manager who resigned in January. The full budget is expected to be utilized by year-end.
- Parks Recreation – Instructor pay expenditures were \$18,235 for the six months ended March 31, 2019 compared to an annual budget of \$83,000. The current year expenditure is 22% of the FY 2019 budget while historically we have spent 31%. This translates into an under-allocated budget variance of approximately \$7,613.
- Parks Aquatics – Pool maintenance expenditures were \$10,092 for the six months ended March 31, 2019 compared to an annual budget of \$104,600. The current year expenditure is 10% of the FY 2019 budget while historically we have spent 62%. This translates into an under-allocated budget variance of approximately \$54,270. Re-plastering of the competition pool and refurbishment of the water play feature at the Bellaire Family Aquatics Center was recently completed. Once paid for, the pool maintenance expenditures will no longer be significantly under allocated budget.
- Public Works Streets – Professional services expenditures were \$31,250 for the six months ended March 31, 2019 compared to an annual budget of \$100,000. The current year expenditure is 31% of the FY 2019 budget while historically we have spent 39%. This translates into an under-allocated budget variance of approximately \$7,349.

### Supplies

Supplies of \$495,584 are under the allocated budget by \$72,506, or 13%.



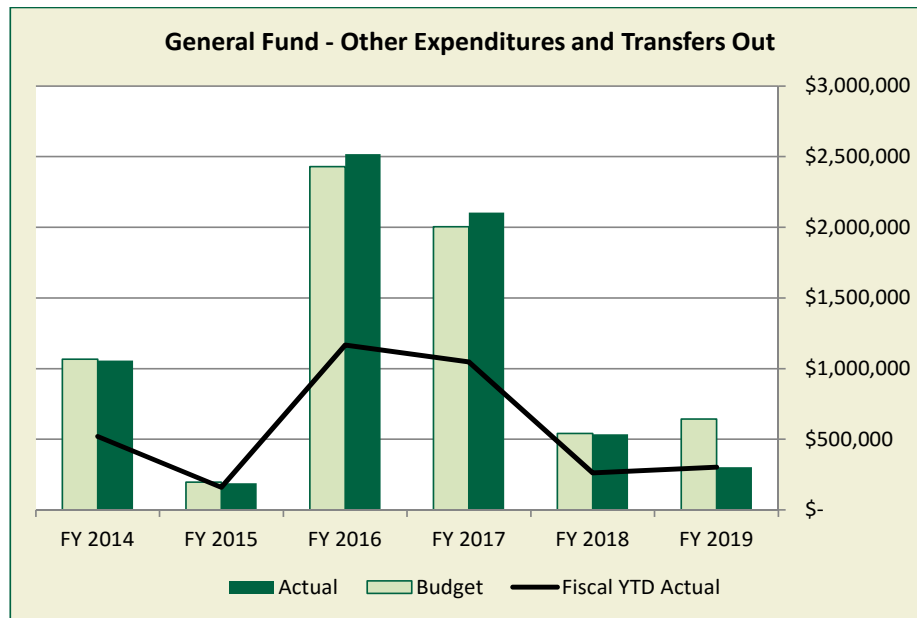
Some of the larger variances contributing to supplies expended during the six months ended March 31, 2019 being below the allocated budget include:

- City Manager's Office – Other Professional expenditures were \$36,833 for the six months ended March 31, 2019 compared to an annual budget of \$93,600. The current year expenditure is 39% of the FY 2019 budget while historically we have spent 46%. This translates into an under-allocated budget variance of approximately \$5,781.
- Information Technology – Hardware and software expenditures were \$10,403 for the six months ended March 31, 2019 compared to an annual budget of \$137,900. The current year expenditure is 8% of the FY 2019 budget while we are 50% through the fiscal year. This translates into an under-allocated budget variance of approximately \$57,487.
- Fund-wide – Due to the timing of invoice payments, electricity expenditures only include five payments in the six months ended March 31, 2019.



### 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 six months ended March 31, 2019, of \$301,846 are under the allocated budget by \$15,013, or 5%.



### Non-Payroll Disaster Related

Non-Payroll disaster related expenses totaled -\$6,371 for the six months ended March 31, 2019. The “non-payroll disaster related” category includes unbudgeted non-payroll expenses related to Hurricane Harvey. The amount is negative as it reflects a small refund of a prior year disaster expenditure.

General Fund FY 2019 Revenue and Expenditure Report by Department					
	FY 2019 Adopted Budget	FY 2019 Projected	YTD Actual	% of Budget (Collected / Spent)	Actual Over / (Under) Budget
<b>Revenues</b>					
Current Property Taxes	\$13,271,040	\$13,268,800	\$13,066,897	98%	(\$204,143)
Franchise Taxes	1,422,000	1,398,000	666,215	47%	(755,785)
Sales Tax	2,419,500	2,362,500	1,198,610	50%	(1,220,890)
Permits	814,330	1,196,300	360,931	44%	(453,369)
Fees	393,200	567,800	124,800	32%	(268,400)
License	2,900	2,900	1,874	65%	(1,026)
Intergovernmental	4,000	4,000	-	0%	(4,000)
Rental	17,700	17,700	7,511	42%	(10,189)
Aquatics	314,500	314,500	27,573	9%	(286,927)
Program Fees	164,000	160,000	63,859	39%	(100,141)
Athletics	337,000	322,000	207,454	62%	(129,546)
Other Fees	17,800	17,800	7,547	42%	(10,253)
Public Safety	322,500	387,500	184,510	57%	(137,990)
Other Revenue	2,800	2,800	1,486	53%	(1,314)
Fines	653,500	553,500	244,398	37%	(409,102)
Investment Earnings	134,500	163,800	96,952	72%	(37,548)
Miscellaneous (a)	20,400	1,790,880	113,912	558%	93,512
Business Enterprise Transfer	629,000	631,000	317,870	51%	(311,130)
<b>Total</b>	<b>\$20,940,640</b>	<b>\$23,161,780</b>	<b>\$16,692,400</b>	<b>80%</b>	<b>(\$4,248,240)</b>
<b>Expenditures</b>					
Administration	\$2,579,288	\$2,587,236	\$1,040,738	40%	(\$1,538,550)
Legal Service	100,000	100,000	30,424	30%	(69,576)
Finance	1,708,356	1,632,518	881,633	52%	(826,723)
Development Services	901,414	881,497	386,935	43%	(514,479)
Fire	3,170,865	3,165,745	1,549,109	49%	(1,621,756)
Police	6,716,886	6,514,755	3,075,024	46%	(3,641,862)
Parks, Rec., & Facilities	3,799,780	3,784,221	1,578,837	42%	(2,220,943)
Library	739,594	716,737	354,461	48%	(385,133)
Public Works	1,212,715	1,141,227	523,286	43%	(689,429)
Non-Departmental (b)	425,000	573,629	271,129	64%	(153,871)
<b>Total</b>	<b>\$21,353,898</b>	<b>\$21,096,765</b>	<b>\$9,691,577</b>	<b>45%</b>	<b>(\$11,662,321)</b>
<b>Revenues/Expenditures</b>	<b>(\$413,258)</b>	<b>\$2,065,015</b>	<b>\$7,000,823</b>		<b>\$7,414,081</b>

- (a) Projected miscellaneous revenues of \$1,790,880 include \$1,780,179 of Hurricane-Harvey reimbursements. YTD Actual miscellaneous revenues of \$113,912 include \$108,791 of Hurricane-Harvey reimbursements.
- (b) Projected non-departmental expenditures of \$573,629 include \$18,629 of Hurricane-Harvey expenditures. YTD Actual non-departmental expenditures of \$271,129 include -\$6,371 of Hurricane-Harvey expenditures. (We received a refund of \$6,371.)

## Enterprise Fund

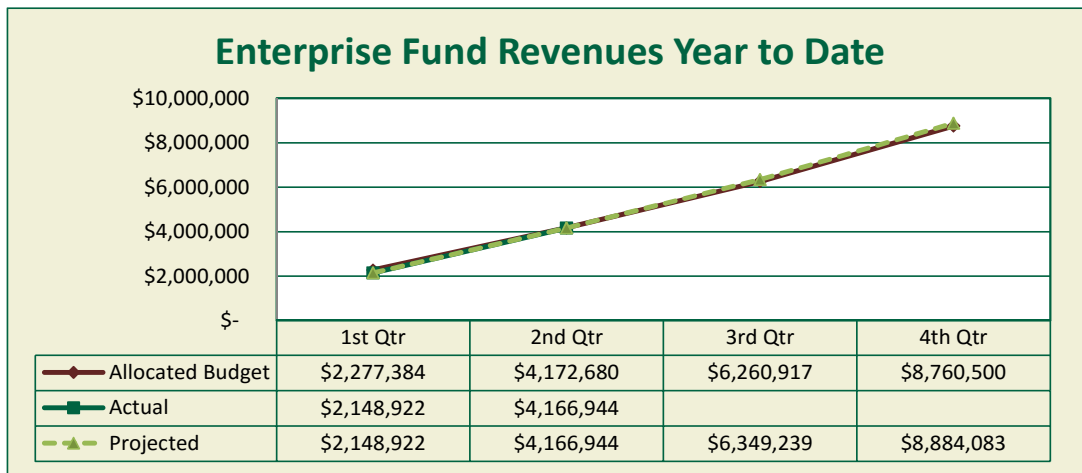
Enterprise Fund FY 2019 2nd Quarter Revenue and Expense Report			
	Adopted Budget	Projected	YTD Actual
<b>Beginning Working Capital Balance</b>	<b>\$998,747</b>	<b>\$1,738,793</b>	<b>\$1,738,793</b>
Revenues	8,760,500	8,884,083	4,166,943
Expenses	8,829,975	8,742,880	4,060,083
<b>Ending Working Capital Balance</b>	<b>\$929,272</b>	<b>\$1,879,996</b>	<b>\$1,845,653</b>

The Beginning balance is \$0.7 million higher than the adopted budget primarily due to FY 2018 actual water revenues exceeding the projections used in preparing the FY 2019 budget. Also, actual FY 2018 expenses were lower than the projected expenses used in preparing the FY 2019 budget.

FY 2019 full year projected revenues are very close to budget at \$0.12 million higher than the adopted budget, a variance of less than 1%. This is mainly due to anticipated unbudgeted FEMA reimbursements of \$0.18 million. Other variances include (1) projected water revenue \$0.08 million below budget, (2) projected solid waste revenue \$0.03 million below budget, and (3) projected miscellaneous revenue \$0.04 million above budget. The variance in miscellaneous revenue is the Siemens incentive payment.

FY 2019 full year projected expenditures are roughly equal to adopted budget.

### Enterprise Fund Revenues:



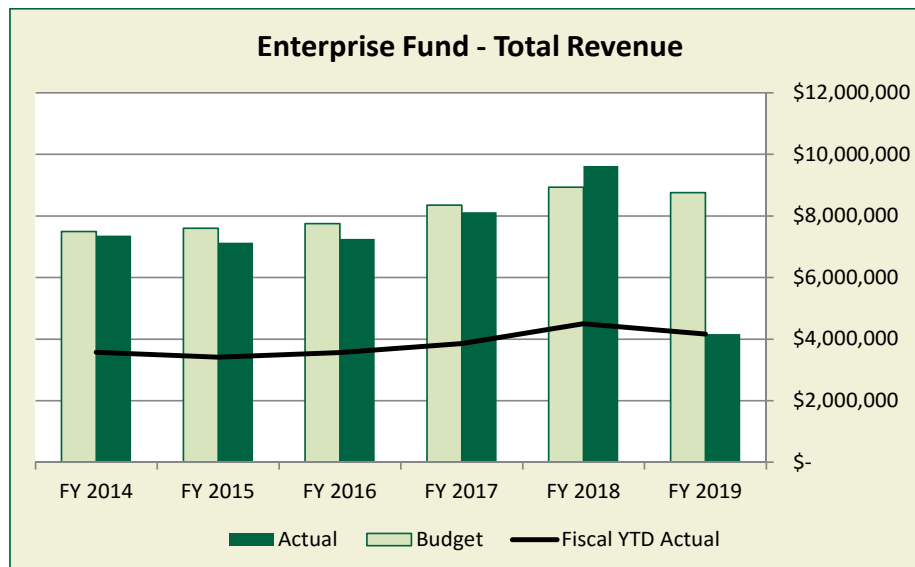
For the six months ended March 31, 2019, the Enterprise Fund collected 48% of its total budgeted revenues and is under its allocated budget by \$5,736 or less than 1%.

Enterprise Fund FY 2019 2nd Quarter Revenues			
FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / (Under) Allocated Budget
\$8,760,500	\$4,172,680	\$4,166,944	(\$5,736)

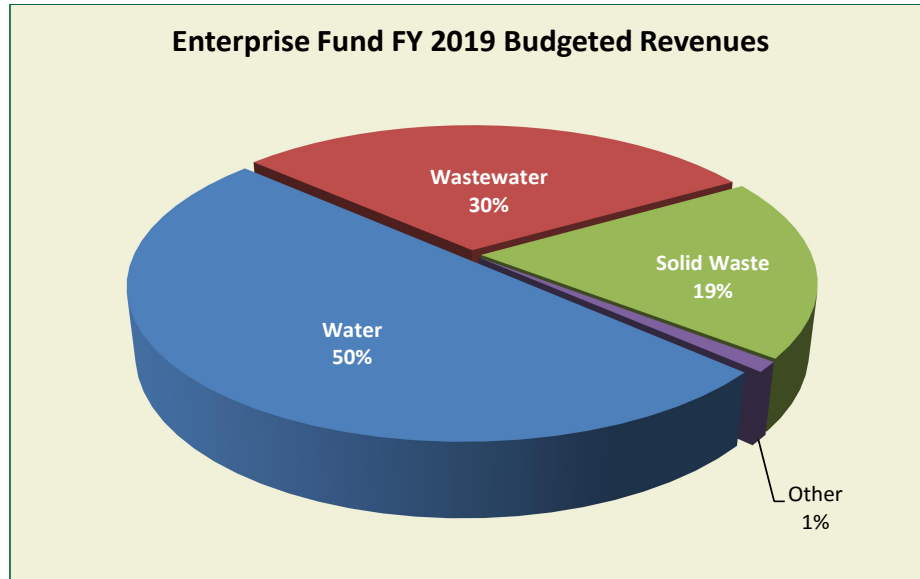
The following table shows the individual revenue categories and each category's contribution to the budget variance. As reflected in the table, the categories with the largest variances from budget are water revenues and other revenues.

Enterprise Fund FY 2019 2nd Quarter Revenue Categories				
Revenue Category	FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / (Under) Allocated Budget
Water	\$4,378,000	\$1,985,604	\$1,818,780	(\$166,824)
Wastewater	2,625,000	1,304,107	1,338,671	34,564
Solid Waste	1,663,500	832,290	817,319	(14,971)
Other	94,000	50,679	192,174	141,495
Total	\$8,760,500	\$4,172,680	\$4,166,944	(\$5,736)

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

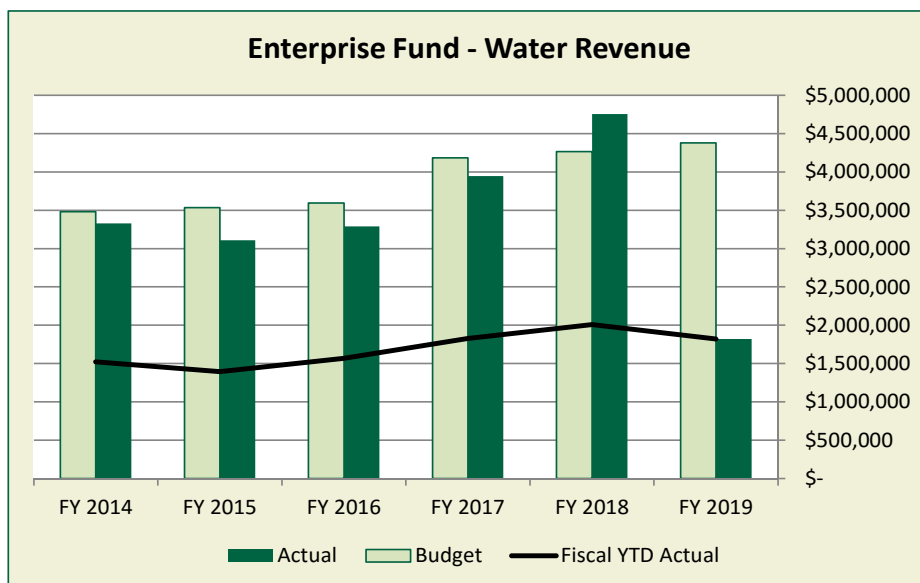


Sales of water makes up the largest category of budgeted revenues in the Enterprise Fund at 50% of all FY 2019 budgeted revenues, followed by charges for wastewater at 30%, and charges for solid waste at 19%.



#### Water Revenue

Water revenue of \$1,818,780 is under the allocated budget by \$166,824, or 8%.



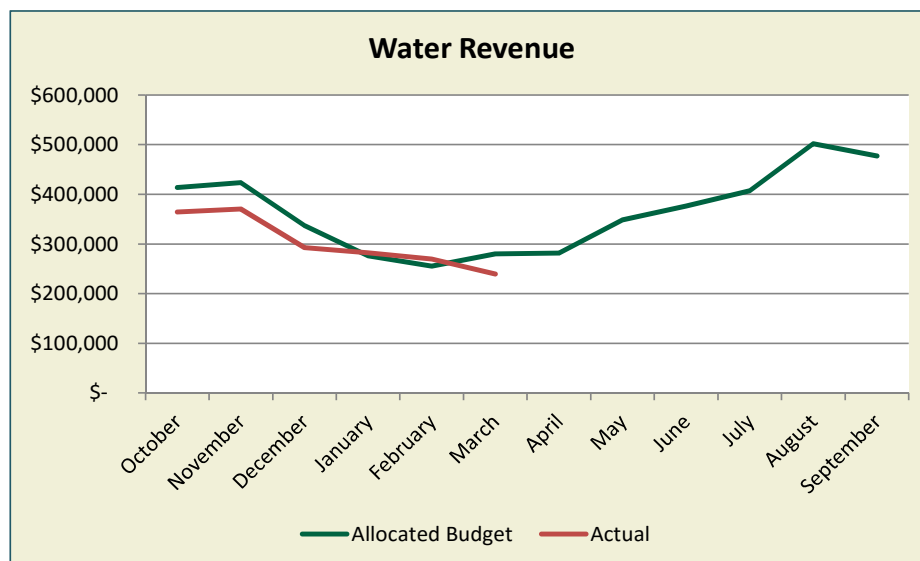
Water usage generally correlates with rainfall and temperature. More rainfall generally results in less water usage as a significant portion of annual water sales is related to lawn irrigation. Also, more water is used in warmer summer months than colder winter months. The following chart shows the 25.00 inches of year-to-date rainfall for FY 2019 is comparable to the previous five years. This would indicate our water revenues should be on budget, not trailing budget by 8%.

Rainfall (Inches)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Year-to-Date (fiscal year)	20.55	27.86	28.28	24.52	16.34	25.00

While the year-to-date rainfall is in the normal range, the rainfall in the first fiscal quarter was high relative to historical amounts, as shown in the following chart.

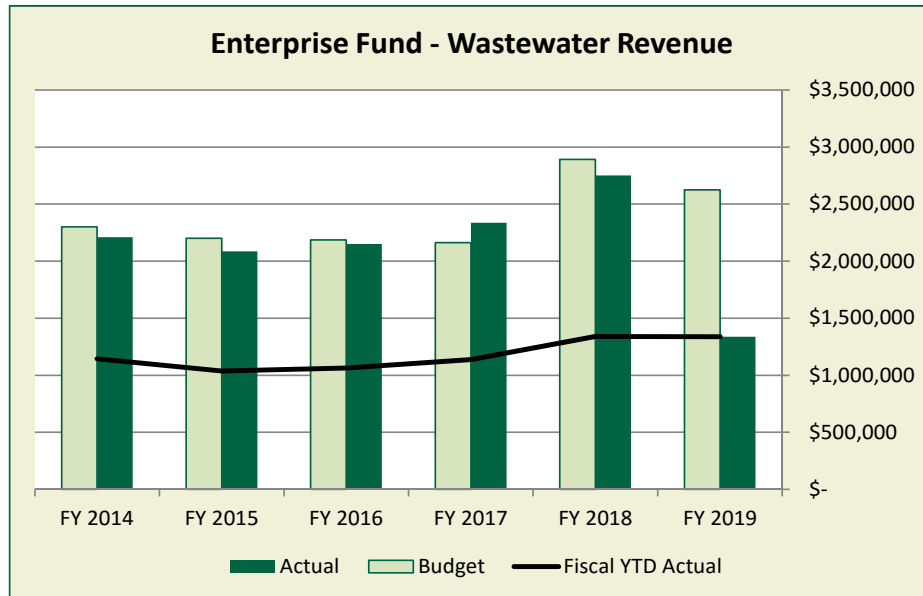
Rainfall (Inches)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Year-to-Date Thru 1 <sup>st</sup> Qtr only	14.99	12.92	20.46	6.30	5.17	16.04

The high rainfall in the first fiscal quarter resulted in lower water consumption causing year-to-date water revenues to trail the allocated budget. The following chart of monthly water revenues versus the monthly allocated budget illustrates that monthly revenues trailed budget during the first fiscal quarter driving the revenue shortfall.



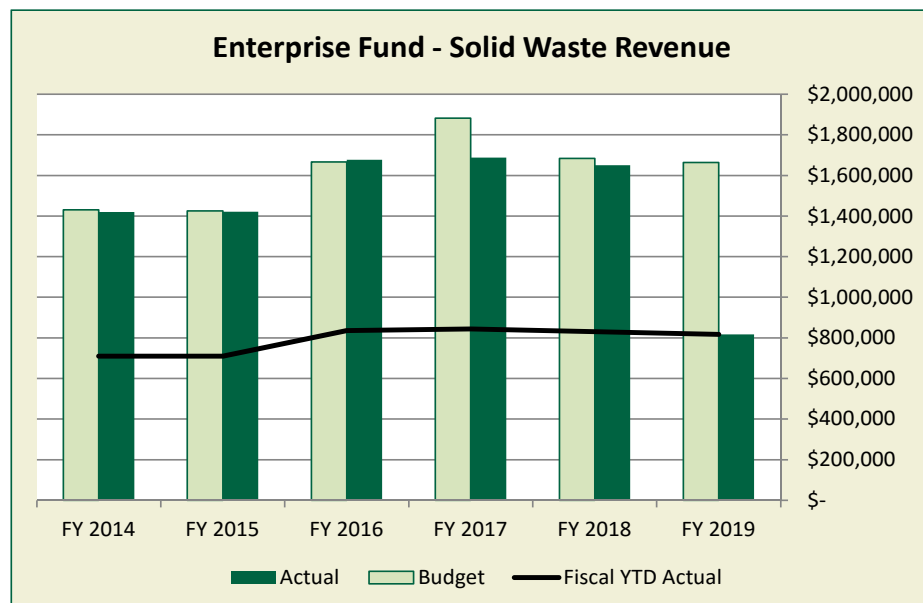
### Wastewater Revenue

Wastewater revenues of \$1,338,671 are over the allocated budget by \$34,564, or 3%.



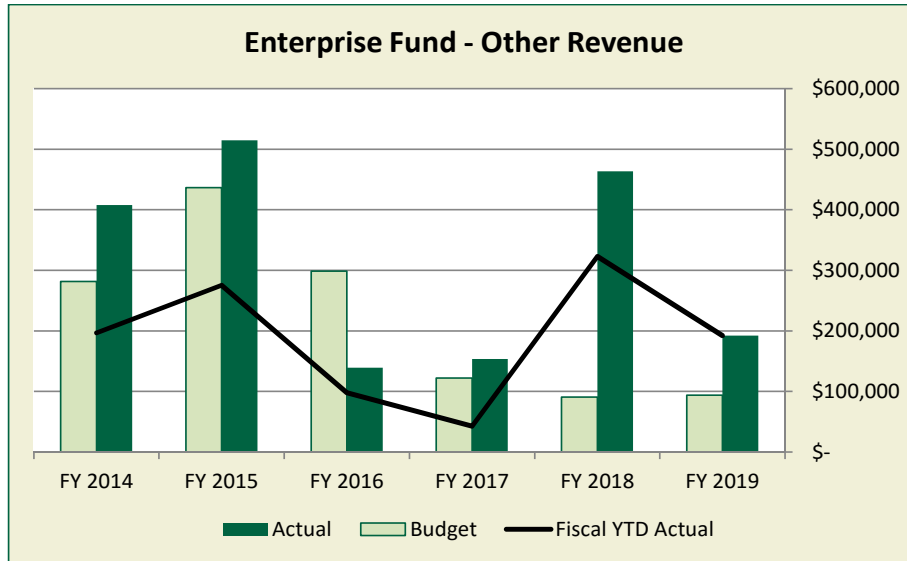
### Solid Waste

Solid Waste revenues of \$817,319 are under the allocated budget by \$14,971, or 2%.

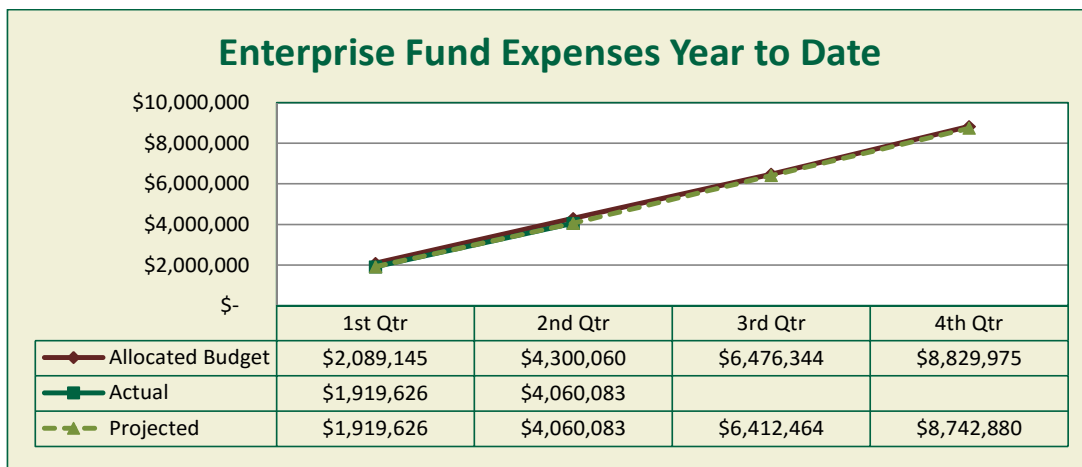


## Other

Other revenues of \$192,174 are over the allocated budget by \$141,495, or 204%. Other revenues include Federal Emergency Management Agency (FEMA) reimbursements related to Hurricane Harvey of \$98,383 and a Siemens incentive payment of \$36,147. Excluding FEMA reimbursements and the Siemens incentive payment, other revenues are over budget by \$6,965 or 14%. In addition, interest income is running higher than budgeted.



## Enterprise Fund Expenses:





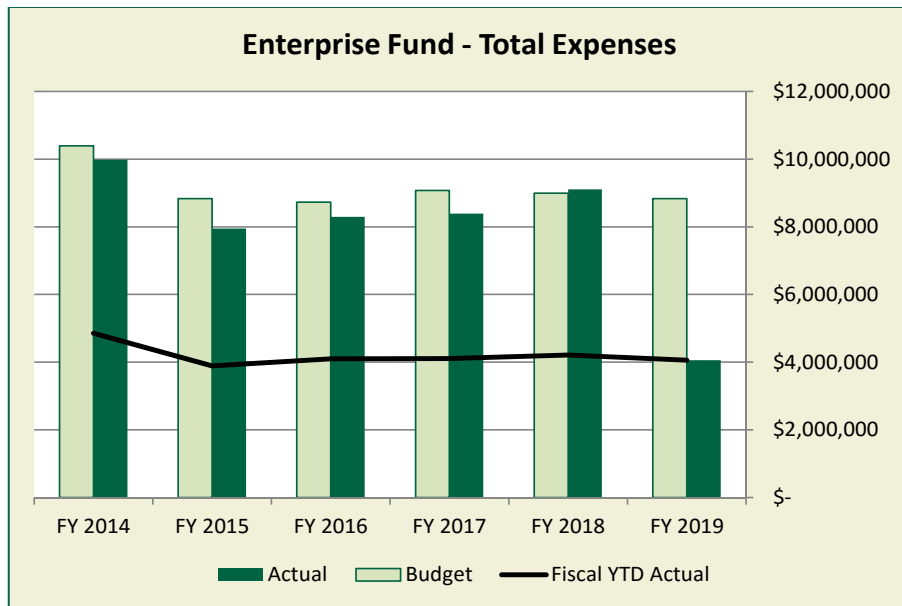
For the six months ended March 31, 2019, the Enterprise Fund incurred 46% of its total budgeted expenses and is under its allocated budget by \$267,086, or 6%.

Enterprise Fund FY 2019 2nd Quarter Expenses			
FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / (Under) Allocated Budget
\$8,829,975	\$4,327,169	\$4,060,083	(\$267,086)

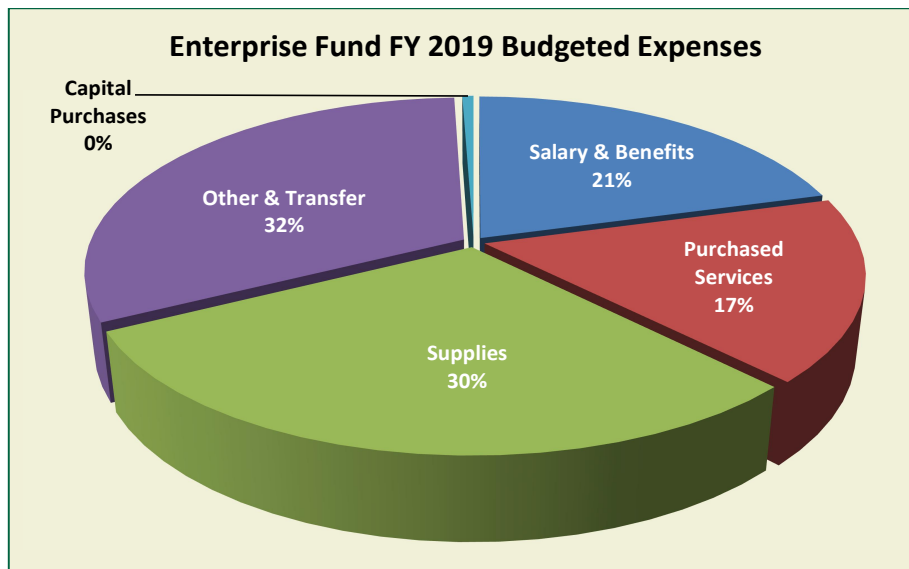
As reflected in the following table, supplies are the primary reason for the budget variance.

Enterprise Fund FY 2019 2nd Quarter Expense Categories				
Expense Category	FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / (Under) Allocated Budget
Salaries & Benefits	\$1,826,974	\$928,422	\$835,305	(\$93,117)
Purchased Services	1,497,830	667,951	785,923	117,973
Supplies	2,634,904	1,261,998	978,038	(283,960)
Other / Transfers	2,820,267	1,418,798	1,408,758	(10,040)
Capital Purchases	50,000	50,000	49,999	(1)
Non-Payroll Disaster	-	-	2,060	2,060
Total	\$8,829,975	\$4,327,169	\$4,060,083	(\$267,086)

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

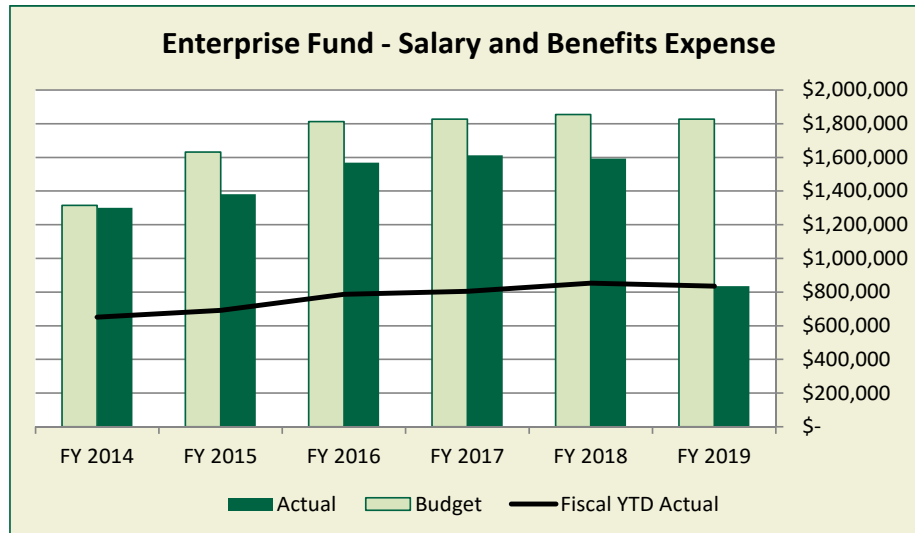


“Other expenses and transfers” make up the largest category of budgeted expenses in the Enterprise Fund at 32% of all FY 2019 budgeted expenses, followed by supplies (which include water purchased from the City of Houston) at 30%. Other and transfers includes \$21,000 of budgeted operational expenses and \$2,799,267 of transfers out, including (1) \$624,000 to the General Fund to reimburse overhead expenses, (2) \$1,965,267 to the Debt Service Fund, (3) \$110,000 to the Vehicle and Equipment Replacement Fund, and (4) \$100,000 to the Capital Improvement Fund.



### Salary and Benefits

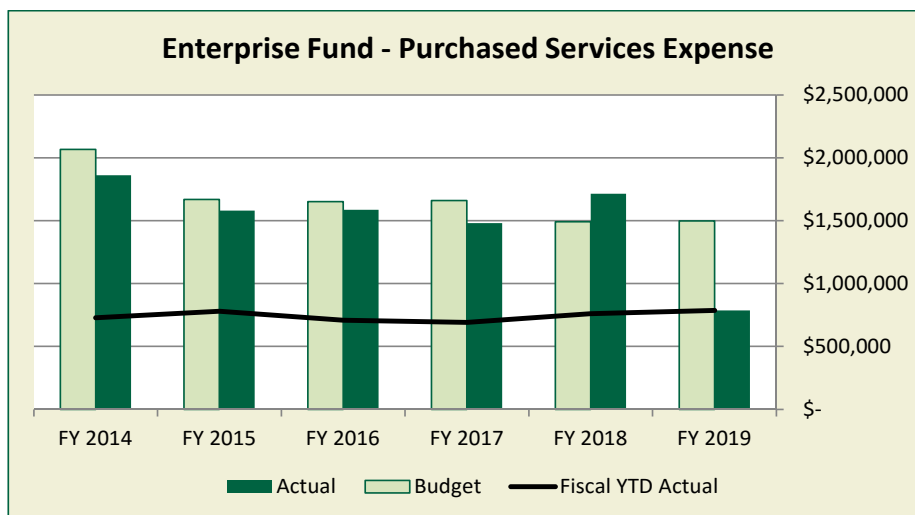
Salary and benefits of \$835,305 are under the allocated budget by \$93,117, or 10%.



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.

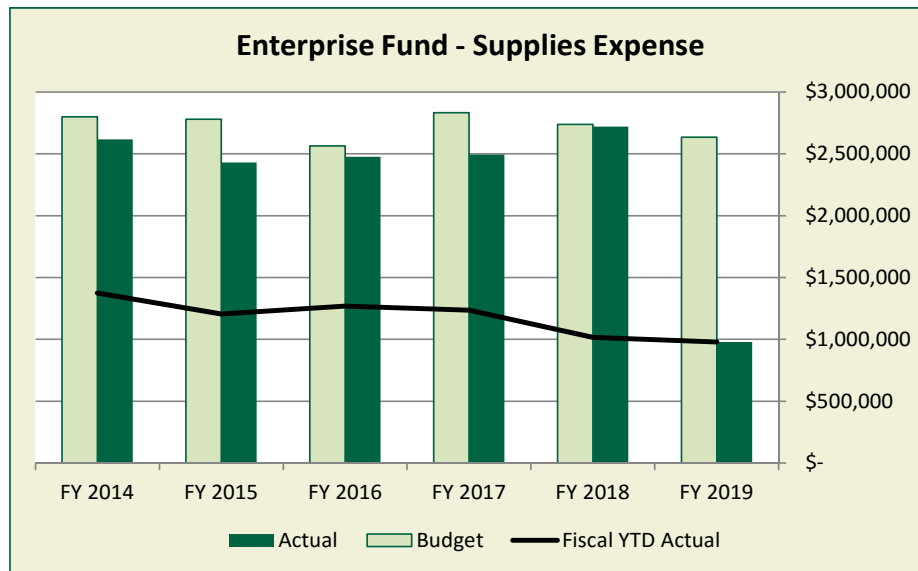
### Purchased Services

Purchased services of \$785,923 are over the allocated budget by \$117,973, or 18%. The over budget variance is due to the utilization of contract labor to fill the vacancies of full-time personnel.



### Supplies

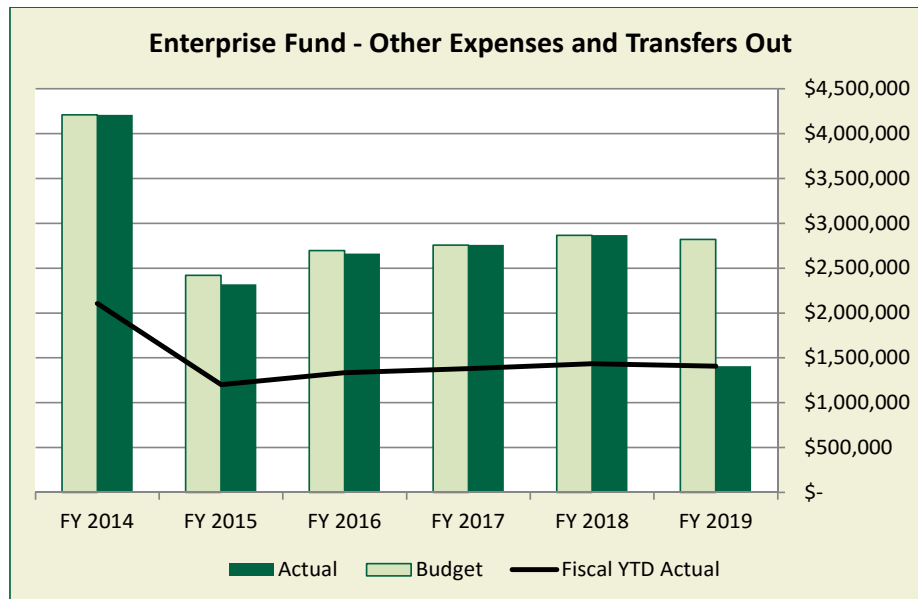
Supplies of \$978,038 are under the allocated budget by \$283,960, or 23%.



Supplies include the cost of water purchased from the City of Houston. The variance is due to timing of invoices for water purchases.

### 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 six months ended March 31, 2019, of \$1,408,758 are under the allocated budget by \$10,040, or less than 1%.



#### Non-Payroll Disaster Related

Non-Payroll disaster related expenses totaled \$2,060 for the six months ended March 31, 2019. The “non-payroll disaster related” category includes unbudgeted non-payroll expenses related to Hurricane Harvey.

Enterprise Fund FY 2019 Revenue and Expense Report by Department					
	FY 2019 Adopted Budget	FY 2019 Projected	YTD Actual	% of Budget (Collected / Spent)	Actual Over / (Under) Budget
<b>Revenues</b>					
Water Sales	\$4,378,000	\$4,300,000	\$1,818,780	42%	(\$2,559,220)
Waste Water Service	2,625,000	2,621,000	1,338,671	51%	(1,286,329)
Solid Waste – Garbage & Brush Pickup	1,663,500	1,663,700	817,319	49%	(846,181)
Miscellaneous (a)	94,000	329,383	192,174	204%	98,174
<b>Total</b>	<b>\$8,760,500</b>	<b>\$8,884,083</b>	<b>\$4,166,944</b>	<b>48%</b>	<b>(\$4,593,556)</b>
<b>Expenses</b>					
Water Production	\$479,641	\$444,766	\$181,473	38%	(\$298,168)
Water Distribution	575,060	522,085	244,239	42%	(330,821)
Surface Water	1,835,960	1,835,960	711,676	39%	(1,124,284)
Wastewater Collection	570,789	476,596	196,030	34%	(374,759)
Wastewater Treatment	781,847	873,504	456,193	58%	(325,654)
Solid Waste – Garbage & Brush Pickup	1,535,003	1,487,631	709,706	46%	(825,297)
Utility Billing	306,408	282,071	149,949	49%	(156,459)
Transfers Out/Other (b)	2,745,267	2,820,267	1,410,818	51%	(1,334,449)
<b>Total</b>	<b>\$8,829,975</b>	<b>\$8,742,880</b>	<b>\$4,060,083</b>	<b>46%</b>	<b>(\$4,769,892)</b>
<b>Revenues/Expenses</b>	<b>(\$69,475)</b>	<b>\$141,203</b>	<b>\$106,861</b>		<b>\$176,336</b>

- (a) Projected miscellaneous revenues of \$329,383 include \$183,383 of Hurricane-Harvey reimbursements. YTD Actual miscellaneous revenues of \$192,174 include \$98,383 of Hurricane-Harvey reimbursements.
- (b) Projected transfer out/other expenses of \$2,820,267 include \$27,060 of Hurricane-Harvey expenses. YTD Actual transfer out/other expenses of \$1,410,818 include \$2,060 of Hurricane-Harvey expenses.

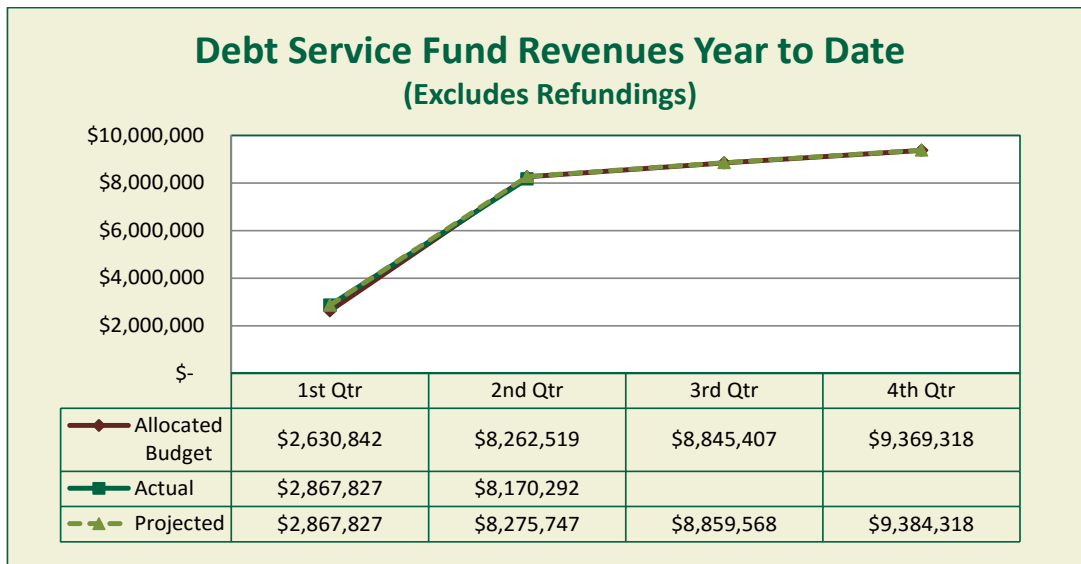
## Debt Service Fund

Debt Service Fund FY 2019 2nd Quarter Revenue and Expenditure Report (Excludes Refundings)			
	Adopted Budget	Projected	YTD Actual
<b>Beginning Balance</b>	<b>\$501,620</b>	<b>\$536,751</b>	<b>\$536,751</b>
Revenues	9,369,318	9,384,318	8,170,292
Expense	9,377,530	9,292,150	7,180,290
<b>Ending Balance</b>	<b>\$493,408</b>	<b>\$628,919</b>	<b>\$1,526,754</b>

Excluding refundings, Debt Service Fund projected balances are very close to budgeted balances.

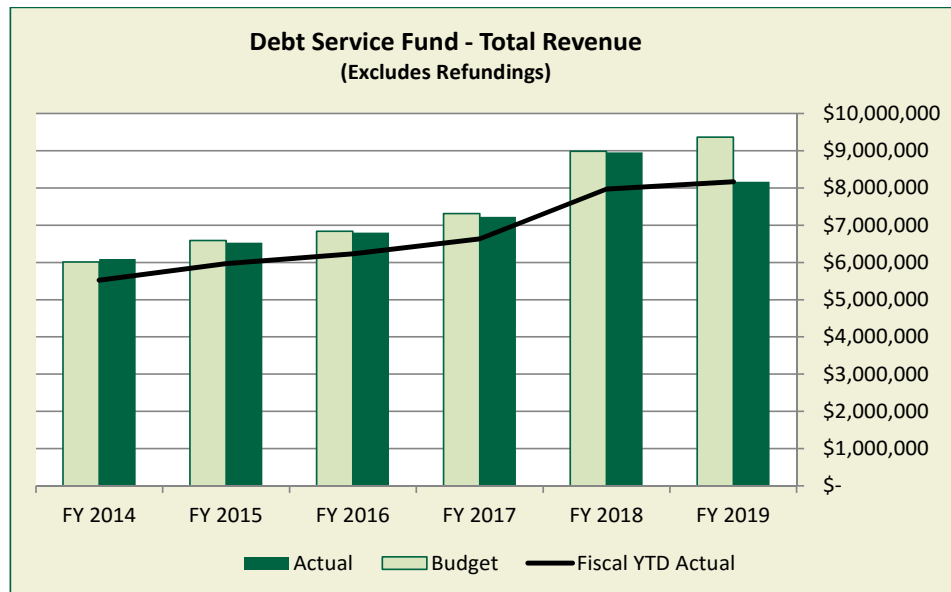
In addition to the budgeted revenue and expenditures, the Debt Service Fund completed an unbudgeted refunding during the fiscal year whereby it issued \$12.8 million of refunding bonds to refund \$13.2 million of outstanding bonds. The proceeds are deposited in escrow, and when combined with future earnings thereon, will be sufficient to fully repay the refunded obligations according to their payment terms. The refunding generated a gross savings of \$0.7 million and a net present value savings of \$0.6 million. The Debt Service Fund Revenues and Expenditures schedule reflects \$13.7 million of unbudgeted refunding proceeds, including premiums, and \$13.6 million of unbudgeted refunding expenditures.

### Debt Service Fund Revenues:



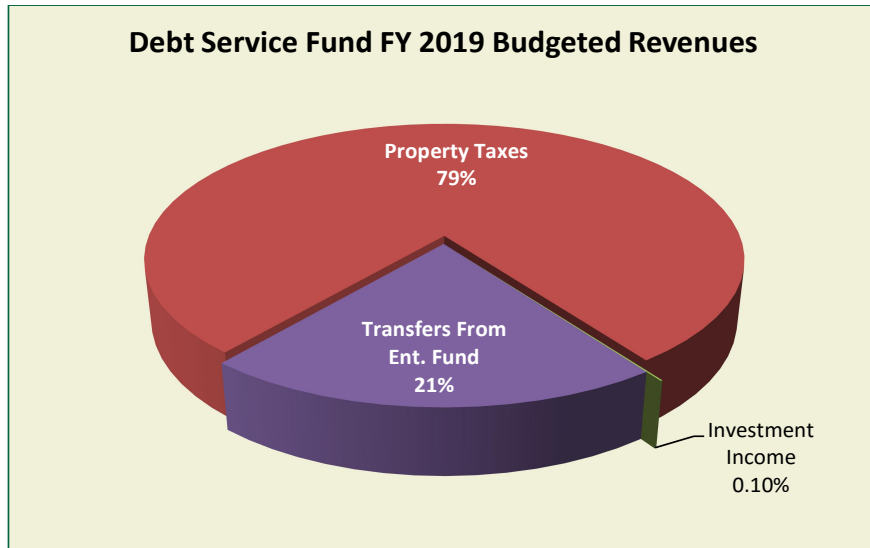
Debt Service Fund FY 2019 2nd Quarter Revenues (Excludes Refundings)			
FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / (Under) Allocated Budget
\$9,369,318	\$8,262,519	\$8,170,292	(\$92,227)

Excluding refundings, for the six months ended March 31, 2019, the Debt Service Fund collected 87% of its total budgeted revenues and is under its allocated budget by \$92,227, or 1%.

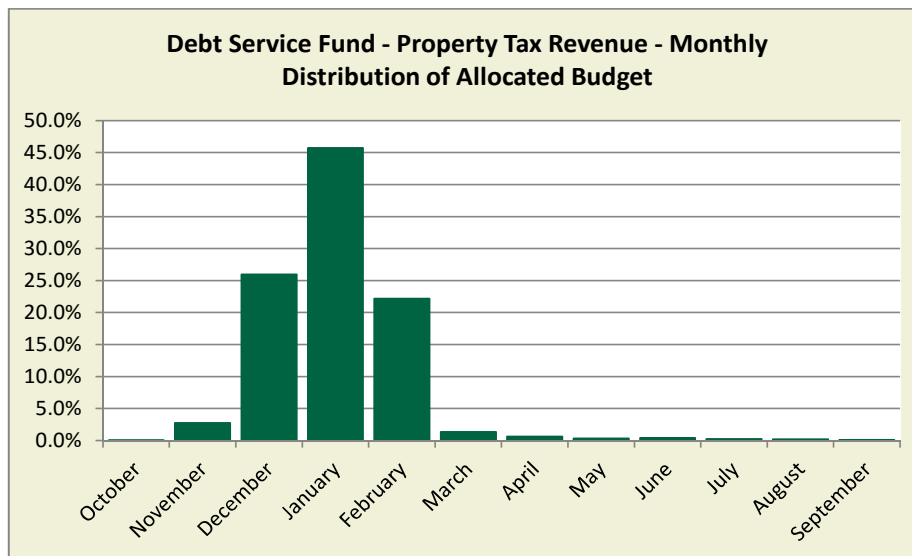


Property tax makes up the largest category of budgeted revenues in the Debt Service Fund at 79% of all FY 2019 budgeted revenues, followed by transfers from the Enterprise Fund at 21% and investment income at less than 1%.





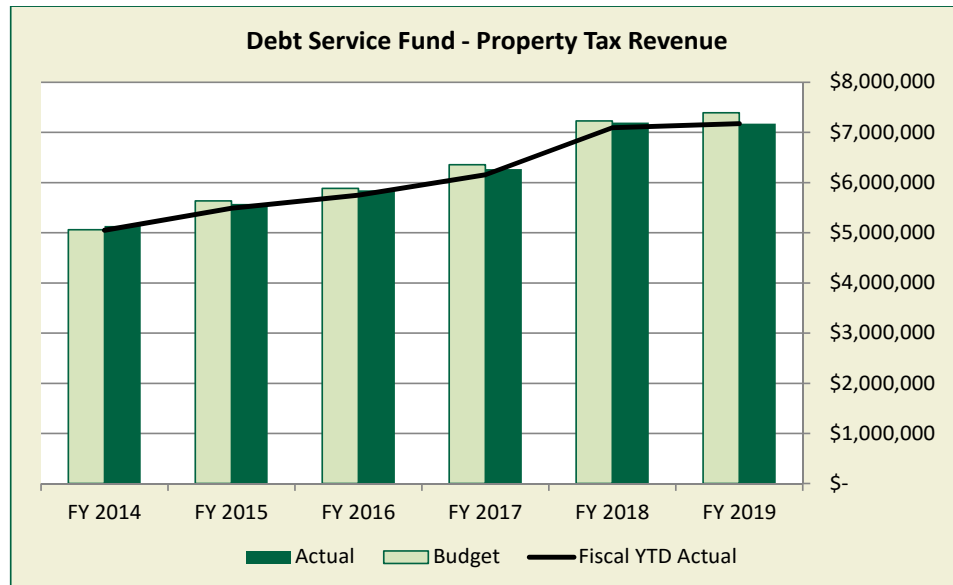
As property taxes are the main revenue source, the January 31 property tax deadline results in revenues being concentrated in the December – February timeframe.



#### Property Tax

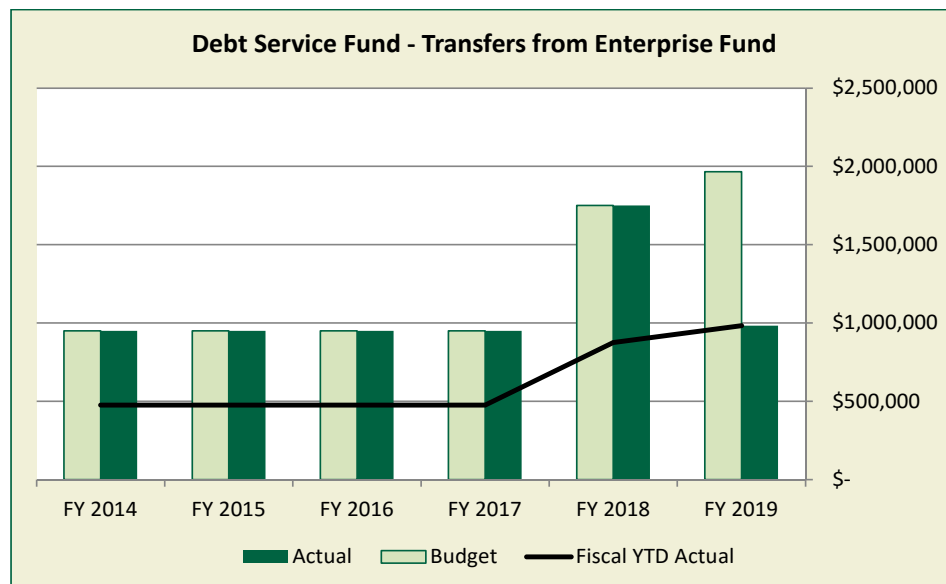
FY 2019 property taxes are budgeted for \$7.4 million, an increase of \$0.2 million, or 2.3%, over FY 2018's budget of \$7.2 million. The budgeted increase in property taxes is driven by a debt service tax rate increase of \$0.0051 per \$100 of assessed value, or 3.44%.

The Debt Service Fund collected \$7,174,445 of property tax in the six months ended March 31, 2019, which is under the allocated budget by \$100,675, or 1%.

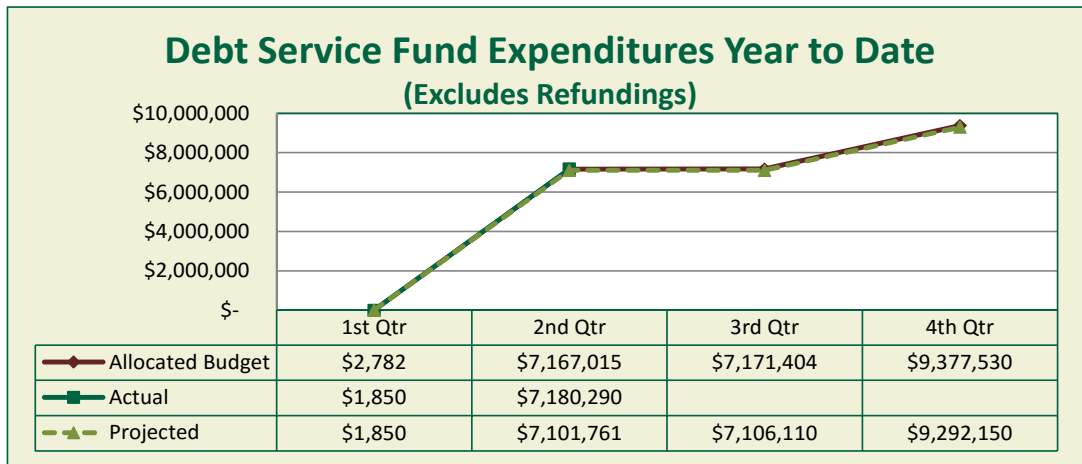


#### Transfers In

Transfers from the Enterprise Fund in the amount of \$982,634 for the six months ended March 31, 2019, are equal to the allocated budget.

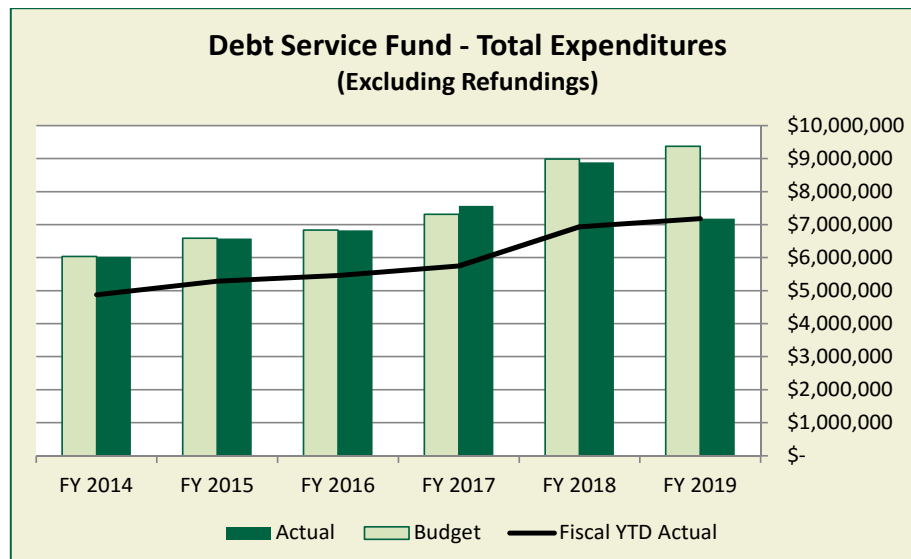


# Debt Service Fund Expenditures:

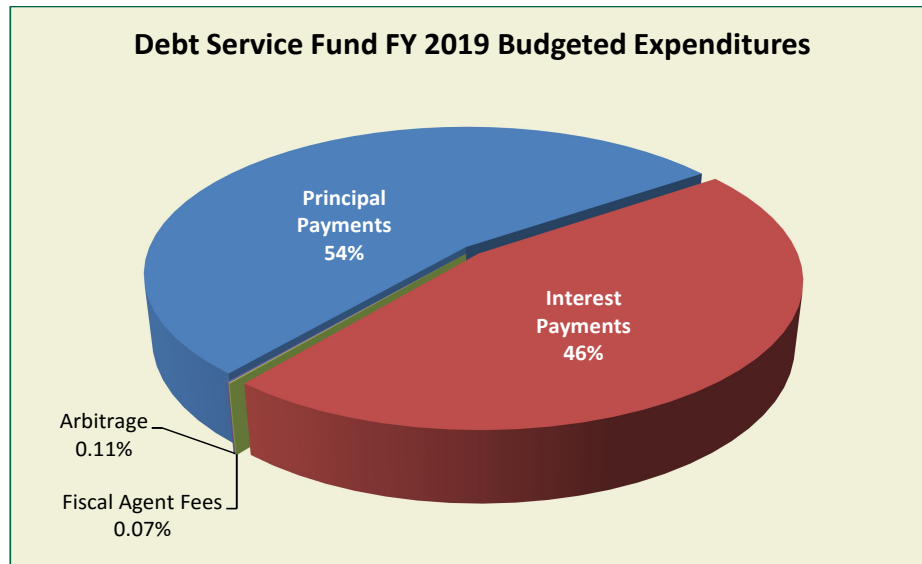


Debt Service Fund FY 2019 2nd Quarter Expenditures (Excludes Refundings)			
FY 2019 Budget	YTD Allocated Budget	YTD Actual	Actual Over / (Under) Allocated Budget
\$9,377,530	\$7,167,015	\$7,180,290	\$13,274

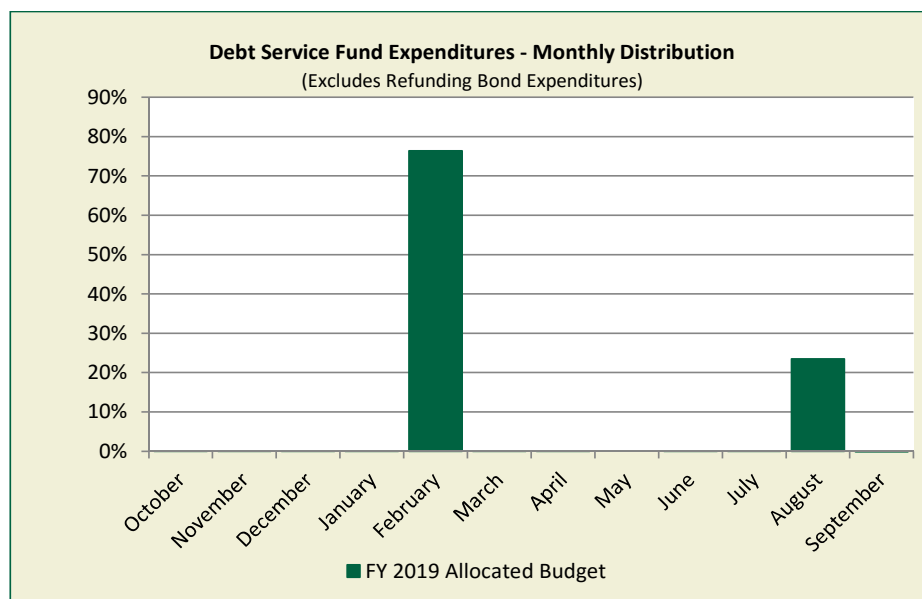
Excluding refundings, for the six months ended March 31, 2019, the Debt Service Fund expended 77% of its total budgeted expenditures and is over its allocated budget by \$13,274, or less than 1%.



Principal payments make up the largest category of expenditures in the Debt Service Fund at 54% of all FY 2019 budgeted expenditures, followed by interest payments at 46%. 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.



## Management Projects

During the budget process Council was presented with Management Projects developed to provide service enhancements and review and develop policies which will allow the City to become more efficient. The following is an update on those projects.

**Develop a Commercial Redevelopment Strategy** – The Redevelopment Team has not met since last quarter's kick-off meeting due to a shift in focus towards grant applications and budget preparation for the 2020 Comprehensive Plan update. There has also been an influx of proposed redevelopments that will help the team in upcoming meetings. The team is still estimating to complete the Redevelopment Strategy by November 2020. In future meetings, the team will come up with a plan of execution and talk with the Communications Team on the best way to get public involvement during the development of the strategy.

**Replacing the Agenda Management System** – Implementation of iCompass is underway: customizations for agendas and agenda statements are being refined and tested; public portal is nearly ready; conversion of documentation from previous meetings is waiting for Granicus extraction of our historical data; and integration with Swagit video is in progress. The next phase will be scheduling of training for agenda contributors and creators.

**Prepare the Next Bond Program** – Staff received feedback from City Council at their October 22, 2018 workshop to continue planning for a future FY 2019 and/or FY 2020 bond program. This program was created from feedback generated during the Flood Hazard Mitigation Task Force meetings to be more aggressive with funding drainage projects and to place a priority on regional participation. Staff has spent time evaluating expenditures and encumbrances in the current Bonds for Better Bellaire 2016 Program to determine when a future bond program is necessary and to begin developing potential projects for this program. An update on efforts thus far were discussed by the Mayor at the February 4, 2019 Annual State of the City Address.

The materials from the City Council Workshop and State of the City are loaded on the City's website for Future Bond Program Planning. (<https://www.bellairetx.gov/1496/Future-Bond-Program-Planning>). This website was created on the City's webpage as an anchor to communicate this program as updates become available. An Open House is scheduled for June 2019 to present all Capital Improvement Program projects with a potential bond election planned for November 2019.

**Create City of Bellaire Design Standards** – Staff is re-evaluating using the City of Houston as a template and is reviewing standards and manuals from other local cities as well. Additional review will take place this coming quarter.

**Implement a 2019 Citizen Survey** – There has been no progress on this project to date.

# Capital Improvement Program Projects

City Council approved the FY 2019 Capital Improvement Program projects as part of the City's annual budget adoption on September 17, 2018. The FY 2019 capital projects have been designed to meet today's infrastructure needs as well as those of the future. This quarterly report contains updates for the timeframe of January 2019 to March 2019.

## **Bonds for Better Bellaire 2016 Program**

### **Water and Wastewater Project Group A Phase 1**

ARKK Engineers, LLC, was awarded design engineering and construction administration services at the December 6, 2017 City Council meeting; KIT Professionals is providing third party review and construction management. The wastewater line improvement for the 6800 block of Mapleridge Street at Bellaire Boulevard became an emergency wastewater repair due to the increased deterioration experienced over the summer months and was ratified at the November 6, 2017 City Council meeting. This block was then removed from the scope of this project. A neighborhood meeting was held November 28, 2017 in the CenterPoint Energy Room. The construction management and construction contracts were then approved at the March 5, 2018 City Council meeting. The contractor, A Absolute Plumbing, began construction May 21, 2018.

Waterline work for the 5300 block of Grand Lake, 4500 block of Mayfair Street, and 5300-5400 blocks of Braeburn Drive are complete with work on the 4800-4900 blocks of Palmetto Street, 5100-5300 blocks of Huisache Street, 5100-5200 blocks of Patrick Henry Street, 5400 block of Pine Street, 5400 block of Holly Street, and 4800-4900 blocks of Locust Street underway. The intersection tie-in should be underway soon. A change order was approved for 62 days for various requests from the contractor including rain days, unforeseen conditions, and changes in waterline profile which caused deeper excavations than anticipated, and has changed the project completion date for the entire project to April 2019. Over the next couple of months, additional delays are expected to be requested by the contractor for unforeseen circumstances. At this time, the amount of days needed are unclear. Waterline improvements are scheduled for the following blocks:

- 5300 block of Grand Lake Street
- 4500 block of Mayfair Street
- 5300-5400 blocks of Braeburn Drive
- 4800-5000 blocks of Palmetto Street
- 5100-5200 blocks of Patrick Henry Street
- 5100-5300 blocks of Huisache Street
- 4800-4900 blocks of Locust Street
- 5400 block of Pine Street
- 5400 block of Holly Street
- S Rice intersection tie-in between the 5000-5100 blocks of Beech Street

The wastewater line at the 6800 block of Mapleridge Street was completed in October 2017.

### **Water and Wastewater Project Group A Phase 2**

ARKK Engineers, LLC, was awarded design engineering and construction administration services at the December 4, 2017 City Council meeting; KIT Professionals was awarded third party review and construction management services. A design kick off meeting was held January 16, 2018 for this project, and the neighborhood meeting was held August 16, 2018 in the CenterPoint Energy Room. A bid opening was held on January 17, 2019 and on February 18, 2019, City Council approved award of a construction contract to A Status Construction. A pre-construction meeting is scheduled for April 4, 2019 with construction commencement of April 22, 2019 with an anticipated completion date of April 21, 2020. During design, it was determined that numerous street saw cuts were needed to install wastewater line improvements for both sides of the street for the 5700 block of Innsbruck Street. This would cause difficulty with keeping one lane of travel open for the duration of construction with a street that is now in poor condition after construction. Because of the need for a street construction, a new storm sewer and a waterline were also added to this block.

Waterline improvements are scheduled for the following blocks:

- 6900-7000 blocks of IH 610
- 8300 block of IH 610
- 4400 block of Basswood Lane
- 4400 block of Serenity Lane
- 4500 block of Beech Street
- 1100 block of Colonial Street
- 4500-4600 blocks of Evergreen Street
- 4500-4600 blocks of Holt Street
- 4500 block of Locust Street
- 4600 block of Locust Street (east and west)
- 4500 block of Park Court
- 4700-5000 blocks of Tamarisk Street

A street replacement, storm sewer upgrade, waterline and wastewater improvements are scheduled for the 5700 block of Innsbruck Street.

### **Water and Wastewater Project Group A Phase 3**

ARKK Engineers, LLC, was awarded design engineering and construction administration services at the December 17, 2018 City Council meeting. KIT Professionals was awarded third party review and construction management services. Due to exceptional bid prices received from the first two phases of the Water and Wastewater projects, the number of linear feet of waterline improvements for this project doubled. The scope of this project includes replacing approximately 34,000 LF of existing water distribution lines and a limited number of fire hydrants and valves, plus all labor, equipment, materials and incidentals. Trenchless construction techniques will be used to minimize the intrusiveness of the project and an urban forester will be retained to consult during the design and construction. ARKK Engineers is currently surveying the streets in this projects scope to gather pertinent data needed to complete the design. This project is anticipated for construction commencement in November 2019 with an anticipated completion date of November 2020. The design contract includes waterline improvements on the following blocks:

- 5300-5400 blocks of Bellaire Boulevard
- 6500-6700 blocks of South Rice Avenue
- 4700-5000 blocks of Evergreen Street
- 7200-7400 blocks of South Rice Avenue
- First Street, Elm Street to Bissonnet Street
- 7500-7800 blocks of South Rice Avenue
- 800 block of Holton Street
- 5100-5300 blocks of Valerie Street
- 4600 block of Maple Street
- 4600 block of Locust Street
- 4700-5000 blocks of Maple Street
- 5100 block of Pocahontas Street
- 4600 block of Mimosa Street
- 5200 block of Patrick Henry Street
- 4700-5000 blocks of Braeburn Drive
- 8300 block of Baldwin Avenue
- 100 block of Allendale Street
- 100 block of Phanturn Lane
- 100 block of Berkshire Street
- 4700-5000 blocks of Pine Street
- 100 block of Cherrywood Street
- 900 block of Lenette Court
- 100 block of Datonia Street
- 4700-4800 blocks of Bellview Drive
- 100 block of Ferndale Street
- 4700-4800 blocks of Welford Drive
- 1000 block of Pauline Avenue
- 8100-8200 blocks of Englewood Street
- 100 block of Pembroke Court
- 4700-4800 blocks of Holt Street
- 7500-7700 blocks of Second Street
- 4700 block of Cedar Street
- 5700-5800 blocks of West Loop South

### **Streets and Drainage Group B Phase 1**

HDR, Inc. was selected for design engineering and construction administration for this project; ARKK Engineers, LLC, is providing third party review and construction management. The neighborhood meeting was held November 14, 2017. The four (4) roadways in this project were originally designed with a previous bond program, but limited funding caused them to be removed from the construction contract. The construction contract was awarded to RAC Industries, LLC at the August 6, 2018 City Council meeting with construction commencement for the 4700 block of Linden Street and 4900-5000 blocks of Imperial Street on October 1, 2018. The anticipated completion for these blocks is April 16, 2019. The contractor has completed concrete paving of the travel lanes on the 4900-5000 block of Imperial Street and will spend the next few weeks finishing up curbs, driveways, and sidewalks. Work on the 4700 block of Linden Street has been progressing slowly due to the wet weather and the thick tree cover on Linden Street preventing the subgrade from drying out. However, over the past several weeks the contractor has been taking advantage of the dry weather and is anticipating continuing with concrete paving on Linden's south travel lane in the coming days. The contractor will mobilize to the 4900-5000 blocks of Mayfair Street where work should begin in the coming weeks. Project completion is anticipated for completion in September of 2019. The scope includes a street



replacement, storm sewer upgrade, and installing sidewalks on at least one (1) side of the street for the following blocks:

- 4700 block of Linden Street
- 4700 block of Willow Street
- 4900-5000 blocks of Imperial Street (includes waterline)
- 4900-5000 blocks of Mayfair Street

### **Streets and Drainage Group C Phase 2**

Costello, Inc. was selected for design engineering and construction administration for this project; ARKK Engineers, LLC is providing third party review and construction management. Completion of design was originally expected in August 2018, with bidding and construction to start in October 2018. This schedule has shifted due to the number of comments received at the Spruce and N Fifth Streets neighborhood meeting and a longer review period requested by the Texas Department of Transportation for the IH 610 flap gate.

In order to expedite the construction of this project, there will be several bid packages prepared for this project. The Spruce and N. Fifth Streets, and the Bolivar and Maple Streets were split into two (2) bid packages. The bid opening was held January 17, 2019 and A Status Construction was awarded construction for both projects at the February 18, 2019 City Council meeting. A pre-construction meeting is currently being scheduled with construction commencement anticipated for April 29, 2019 and completion in February 2020.

The Group C Phase 2 Spruce and N. Fifth Streets Project includes a 100-year storm sewer upgrade, a street reconstruction with streetlights, trees, landscaping, irrigation, and seven (7) foot sidewalks on both sides of the street for the following blocks:

- 5100-5200 blocks of Spruce Street
- 700 block of N. Fifth Street (includes a waterline upgrade)

The Group C Phase 2 Bolivar and Maple Streets Project is located within a residential area of the City. The neighborhood meeting was held June 21, 2018. At the September 24, 2018 City Council meeting, it was approved for a four (4) foot wide sidewalk on the 500 block of Bolivar Street to be placed on the west side of the street and to terminate prior to the cul-de-sac which eliminated the sidewalk on the east side of the block. A pre-construction meeting is scheduled for April 10, 2019 with construction commencement anticipated for April 29, 2019. The anticipated completion date is in December 2019. This project includes a street replacement, 100-year storm sewer installation, and sidewalks on at least one (1) side of the street for the following blocks:

- 500 block of Bolivar Street
- 4500 block of Maple Street

Flood control flap gates along the southernmost perimeter of the City of Bellaire are split into two (2) bid packages. For the first flap gate project, the IH 610 location has required more review time from the Texas Department of Transportation than was originally anticipated. The construction timeline is unknown until all comments and approvals are received. This project includes flap gates at the following location:

- Group C Phase 2I Flap Gates at IH 610

This quarter, the second flap gate project has been placed on hold. The Harris County Flood Control has recently indicated further analysis is needed for this project, and since the Union Pacific Railroad and Newcastle ditches will be analyzed in the upcoming Master Drainage Conceptual Plan, the findings of this report should be determined before restarting the design of this project. The analysis is anticipated to take around 8 months to complete. Installation of flap gates includes the following projects:

- Group C Phase 2 Flap Gates at Cypress Ditch, Union Pacific Railroad Ditch, Newcastle Ditch

### **Streets and Drainage Group C Phase 3**

Kelly R. Kaluza and Associates, Inc. was awarded design engineering and construction administration services at the December 4, 2017 City Council meeting; ARKK Engineers, LLC is providing third party review and construction management. The design kick off meeting was held February 7, 2018. The design for this project is around 70% complete. A neighborhood meeting is currently being scheduled for April 24, 2019. This project anticipated to begin construction in October of 2019. The scope includes a street replacement, storm sewer upgrade, and installing sidewalks on at least one (1) side of the street. All of the streets in this project are designed to a 100-year storm event. The following blocks are included in the project:

- 4500 block of Larch Lane
- 4300 block of Cynthia Street
- 4600 block of Cedar Street
- 500 block of Chelsea Street
- 4600 block of Mimosa Drive

### **Water Meter Installation and Improvements to Wastewater Treatment Plant**

H2OMC, LLC is providing project management for the water meter installation project. Utility Billing has launched the AquaHawk resident portal. This system allows Utility Billing to view readings and usage from their computers and allows residents to monitor their water consumption and set customized alerts based on their usage, including alerts of potential leaks. The portal should help residents manage their water use, avoid billing surprises, and identify leaks for timely resolution. The Public Works staff is working to finalize the meter change-outs that were not installed by the contractor. Some of the remaining meters that need to be changed out are in field conditions that require extra attention. For example, there are some large trees that may cause conflict to change the existing meter to a new meter.

H2OMC, LLC is providing project management for the wastewater treatment plant upgrade project as well. Siemens and their subcontractors are working to complete the project completion punch list. Control and communication issues with the blowers, and concerns with the liquid disinfection feed system are two pending items that are currently being resolved. The project close out is anticipated by June 2019.

### **Municipal Facilities Project**

The new Police/Municipal Courts building reached the substantial completion stage. Dispatch moved out of their temporary home in the Fire Station January 14, 2019 while the remainder of the Police Department and Municipal Courts moved into their new home January 21, 2019. Various punch list, warranty items, and additional identified needs related to moving into the building are being determined and addressed.

Immediately following their move, abatement was completed for the Civic Center and original City Hall. The General Contractor was scheduled to take possession of the grounds and the building February 11, 2019 but since the abatement process was completed early, the General Contractor was able to begin preparing for the demolition of the building February 8, 2019. The demolition was delayed until Monday, February 18, 2019 due to a non-hazardous insulation material found in the walls. The General Contractor later found black mastic on the interior of the wall that contained asbestos and required additional precautions. Once demolition was

complete, the General Contractor began preparing the grounds for the installation of the Advance Drainage System, removing and installing piers, digging trenches for electrical and plumbing and preparing the foundation. The grade beams were poured March 28, 2019 and the foundation is scheduled to be poured April 4, 2019. The completion of the new Civic Center is anticipated for completion July 29, 2019.

## **Cash Funded Projects**

### **Renwick Well Improvement Project**

H2OMC, LLC is providing project management for this project. The existing pumps and motors are past their useful life expectancy and have been rebuilt or repaired multiple times over the years. More energy efficient models are available as well. H2OMC, LLC is finalizing the bid specifications to include replacing underground gate valves on the water supply header. The Public Works staff provided H2OMC, LLC with a list of vendors to include in the bid notification process. The bid package and project specifications are anticipated for completion at the end of April 2019 with bid advertisement following shortly after. Completion is anticipated to begin July 2019 with project completion in October 2019.

### **Wendell Lift Station Improvement Project**

H2OMC, LLC is providing project management for this project. The existing pumps and motors are past their useful life expectancy and have been rebuilt or repaired multiple times over the years. The project has been completed by 24/6 Technical Services as per the project specifications.

### **City-Wide Supervisory Control and Data Acquisition (SCADA) Systems Upgrade Project Phase 2 and 3**

Once all phases of SCADA are complete, Public Works staff can operate all water and wastewater facilities from the wastewater treatment plant with the push of a button through the SCADA software system. Prior to this system, Staff would have to make manual changes at the various water and wastewater locations city-wide. SCADA Phase 1 set up communications from the wastewater treatment plant to all water plant wells; SCADA Phase 2 set up communications from the wastewater treatment plant to the lift stations; and SCADA Phase 3 is to have the wastewater treatment plant on the SCADA system.

Phase 3 SCADA specifications are currently being revised due to an unanticipated change in contractors. H2OMC, LLC the Public Works staff met with Sipes Instrument Services in April 2019 to discuss the project scope and receive project input. The bid package is anticipated for completion in April 2019, bidding in May 2019 and construction commencement in June 2019. The anticipated completion for this project is August 2019.

### **Central Well Pumps**

The project will replace all three (3) booster pumps and motors which are past their life expectancy. The bid package is being finalized and is anticipated bid in May 2019. Construction is anticipated to begin in June 2019 with project completion in October 2019. Public Works Staff has also provided H2OMC, LLC with a list of vendors to include in the bid notification process.

### **Decorative Standards for Street Lights Pilot Project**

The City of Bellaire has collaborated with CenterPoint Energy to identify a light fixture that is consistent with the general aesthetic seen in Bellaire Town Center, the Great Lawn, and depicted in designs for the Spruce and N Fifth projects. The Spruce and N. Fifth Street project will be the first project to utilize these streetlights along the 5100-5200 blocks of Spruce Street and the 700 block of N. Fifth Street as a standard streetlight to be installed city-wide. Coordination with CenterPoint Energy is underway to install the same streetlights along

the Newcastle Trail. Design coordination with CenterPoint is planned for May 2019 through June 2019 with the installation of streetlights planned for August 2019.

#### **Public Works Site Planning Project**

PGAL, the architect for the project, provided a revised draft plan to the City of Bellaire to review in December 2018 as part of the Facilities Master Plan Update. After meeting with PGAL, a few revisions were requested and have been received in their final deliverable.

#### **Facilities Master Plan Update**

PGAL, the architect for the project, provided a revised draft plan to the City of Bellaire to review in December 2018. After meeting with PGAL, a few revisions were requested and have been received in their final deliverable.

#### **Study – North / South Drainage Systems and Cypress Ditch**

This is being incorporated into the Master Drainage Concept Plan (MDCP). Staff provided an update on the MDCP to the City Council at the December 17, 2018 meeting. The City is proposing a partnership with the Harris County Flood Control District and the Texas Department of Transportation on a regional drainage study for the City of Bellaire and surrounding areas. The consultant team will consist of ARKK Engineers, LLC, Costello, Inc., and Freese & Nichols, Inc. At the March 18, 2019 City Council Meeting, the City Manager was authorized to enter into negotiations and execute associated contracts with Harris County Flood Control District and Texas Department of Transportation. Staff has been in contact with Harris County Flood Control District and contracts for execution are pending approval by Harris County Commissioners Court. A kickoff meeting is anticipated this summer with completion in April 2020.

#### **Public Works Interim Facility Improvements**

The Public Works Administrative building was flooded during the 2015 Memorial Day Flood. Rather than reconstruct a new Public Works building right away, the City of Bellaire was allocated funding from the Federal Emergency Management Association (FEMA) for this natural disaster. The funding was set aside as a temporary measure to purchase a modular building for the Public Works Administrative Staff. Staff is reviewing various options which include, but are not limited to, replacement, expansion or repair of the current modular building, and/or procuring an additional trailer. This project should begin the proposal and procurement process this summer with completion anticipated this winter.

### **Metro Funded Projects**

#### **FY 2019 Pavement Management Program**

Staff is continuing the program as it was redeveloped in 2018 with the same contractor. Work on Betty Street is complete. Repairs also took place on the 5300 block of Maple Street and the 4500 block of Verone Street. Drainage and pavement repairs are currently wrapping up on the 4300 block of Lula Street. In addition to the on-call contract, MBCO Engineering was asked to provide a proposal for a design contract to repair and replace concrete panels on the arterial streets. The exact locations for concrete replacement are to be determined. Design is anticipated for June 2019 with construction commencement July 2019.

#### **FY 2018 Pavement Management Program**

A progress report was sent to the City Council October 12, 2018 detailing the work that has been completed through this program. Several of the projects include curb and gutter replacement along Jonathan Street, a crosswalk at Newcastle Drive near Evelyn's Park and drainage improvements along Braeburn Drive and Bellaire Boulevard. As of this quarter, the project is complete.

### **FY 2017 Pavement Management Program**

ARKK Engineers, LLC is the design engineer for two (2) projects: streets and sidewalks, and pavement striping. These projects were bid as a one (1) year contract with two (2) additional renewals, for a total of three (3) years. The contracts will be adjusted every year with the Consumer Price Index. The projects were awarded separately at the September 14, 2017 and November 6, 2017 City Council meetings.

The scope of the street and sidewalks project is for maintenance work to repair the subgrade under the pavement, asphalt overlays, curb and gutter work, and to repair or replace sidewalks. The streets and sidewalk project was taken to the December 17, 2018 City Council meeting to release the retainage and close the project. The following blocks were selected for street overlays:

- 4500 block of Holt Street
- 4500 block of Mayfair Street
- 5300 block of Grand Lake Street
- 4900-5000 blocks of Maple Street
- 4700-4800 blocks of Evergreen Street (includes striping)
- 100 block of Pembroke Court
- 4400 block of Effie Street (curb and gutter work)
- 5300 block of Jessamine Street – added when Braeburn Drive was pulled from contract

The following blocks of sidewalks were repaired or replaced:

- 4500-4600 blocks of Birch Street
- 4500 block of Braeburn Drive (smaller sidewalk repairs)

New sidewalks were omitted for the following blocks and can be programmed with future funding:

- 100 block of Beverly Lane
- 4500 block of Braeburn Drive

The paving striping project was taken to the October 15, 2018 City Council meeting to close the project and release the retainage for the project. The following blocks were completed: Bellaire Boulevard, South Rice Avenue, Newcastle Drive, Evergreen Street, Avenue B and angled parking on Cedar Street from N Fifth Street to Ferris Street.

The authorization for the final payment was approved at the December 17, 2018 City Council Meeting and as of this quarter, the project is complete.

### **Flood Plain Mitigation Implementation**

#### **Flood Plain Hazard Mitigation Implementation**

This project is complete and the recommendations are being evaluated for future funding options, including future bond programs and grant opportunities. Staff has worked with a subgroup of the Flood Plain Hazard Task Force to rank the activities listed in the report shared with the original Flood Plain Hazard Task Force at the March 26, 2019 meeting. The main discussion at the meeting was the City of Bellaire's approach to cost/benefit analysis in the future when selecting Capital Improvement Program projects. An additional meeting is required for the Flood Plain Hazard Task Force to finalize recommendations on the cost/benefit approach that will later be shared with the City Council. This meeting should be scheduled next quarter.

### City of Bellaire Grant Application Update

The current Bonds for Better Bellaire 2016 program has a list of streets and drainage projects that are currently in design or under construction. Several of these projects and future drainage projects were submitted by the City of Bellaire to various State of Texas and county agencies. The recommendation to seek more grant opportunities to help fund flood prevention efforts came from the Flood Hazard Task Force. Staff is awaiting feedback on the following applications:

Hazard Mitigation Grant Program (HMGP) - The purpose of HMGP is to help communities implement hazard mitigation measures following a Presidential Major Disaster Declaration in the areas of the state, tribe, or territory requested by the Governor or Tribal Executive. This program is administered by the Texas Division of Emergency Management. The key purpose of this grant program is to enact mitigation measures that reduce the risk of loss of life and property from future disasters. The HMGP supports cost-effective post-disaster projects.

The following projects were included in the application that was submitted June 30, 2018. These projects are currently under review by the Selection Committee and FEMA, and require a 25% match from the City of Bellaire. The amount listed below is the total grant amount requested for each project:

- Flap Gate Flood Mitigation - Included as a flap gate project in the Bonds for Better Bellaire 2016 Program, total amount \$1,382,694
- Comprehensive Underground Stormwater Detention System, \$25,031,680
- Elevation of Eight (8) Structures, \$1,400,000
- Feld Park Well Emergency Diesel Generator, \$249,640

The following projects were withdrawn April 1, 2019 because they did not meet the cost-benefit ratio, which is the method to evaluate the projects for this grant by using a value system to compare the cost of the project to the benefits received:

- Underground Stormwater Detention - Included as a project in the Bonds for Better Bellaire 2016 Program.
- North-South Drainage Systems and Cypress Ditch Study

Community Development Block Grants - CDBG-DR 2015 – CDBG-DR 2015 is a program administered by the Texas General Land Office that provides infrastructure funds to local communities following major disasters such as the Memorial Day Flood, which took place in 2015. The following project was included in the application that was submitted on August 28, 2018. These projects are currently under review by the Selection Committee and FEMA and do not require a match for the total grant amount requested:

- Streets and Drainage Group C Phase 3: 4300 block of Cynthia Street, \$252,033.84

Community Development Block Grants - CDBG-DR 2017 - CDBG-DR 2017 is a program administered by the Harris County Community Services Department that provides infrastructure funds to local communities following major disasters such as Hurricane Harvey. The following projects were included in the application that was submitted on November 1, 2018. These projects are currently under review by the Selection Committee and FEMA and do not require a match for the amount listed:

- Streets and Drainage Group C Phase 3: 4600 block of Mimosa Drive, 4600 block of Cedar Street, 500 block of Chelsea Street, 4500 block of Larch Lane, \$4,095,702

Flood Mitigation Assistance Grant - FMA (Home Elevations Only) - FMA is administered by the Texas Water Development Board and this program provides funding to states, territories, federally-recognized tribes, and local communities for projects and planning that reduces or eliminates long-term risk of flood damage to structures insured under the National Flood Insurance Program. The following projects were included in the application that was submitted December 15, 2018 and were denied during the review process:

- Elevation of Eight (8) Homes

Houston-Galveston Area Council (H-GAC) Grant - The 2018 Call for Projects is administered by the Transportation Policy Council for the Houston-Galveston Transportation Management Area, and this program provides funding to State and Local Governments, Public Transit Providers, and Public Ports for projects that support the Regional Transportation Plan (RTP) Goals. Projects must be located within the H-GAC eight (8) county non-attainment area, and aid in the improvements of the multimodal transportation system that connects people to places where they live, work, play, and efficiently moves goods from, to and through the region. Applications were submitted for the following projects and require a 20% construction match plus the cost of design from the City of Bellaire. The amount listed below is the total amount requested for each project:

- Traffic Management System, \$693,394
- Traffic Signal Timing Optimization Program, \$520,000

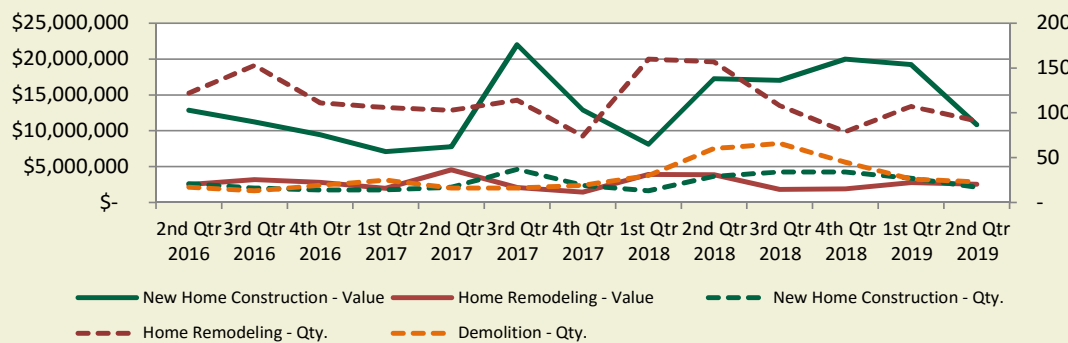
The Traffic Management System project was selected for funding but the Traffic Signal Timing Optimization project did not; however, this project can compete for funding during the Capital Improvement Program process.

# Trends

## Development Statistics

	FY 2018 2nd Quarter		FY 2019 2nd Quarter	
	QTY.	Value	QTY.	Value
New Home Construction	29	\$17,271,345	17	\$ 10,863,089
Home Remodeling	157	\$3,855,243	91	\$ 2,553,185
New Commercial Construction	0	\$0	0	\$ 0
Commercial Remodeling	21	\$2,311,869	16	\$ 1,584,472
Demolition	60		23	

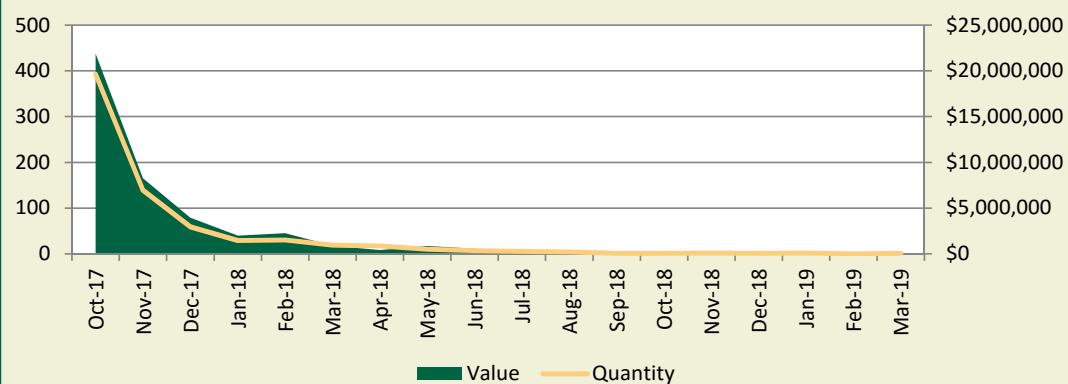
## Residential Permit Activity



## Flood Permit Statistics

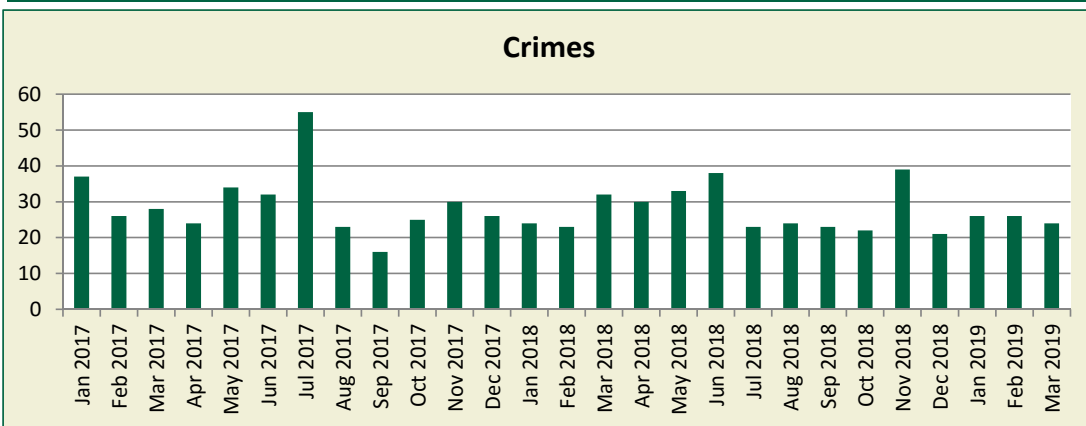
Flood Permits Issued	3 <sup>rd</sup> Quarter Apr – Jun 2018	4 <sup>th</sup> Quarter Jul – Sep 2018	1 <sup>st</sup> Quarter Oct – Dec 2018	2 <sup>nd</sup> Quarter Jan – Mar 2019
Quantity	34	10	4	3
Value	\$1,848,009	\$359,212	\$316,984	\$76,167

## Flood Permits Issued

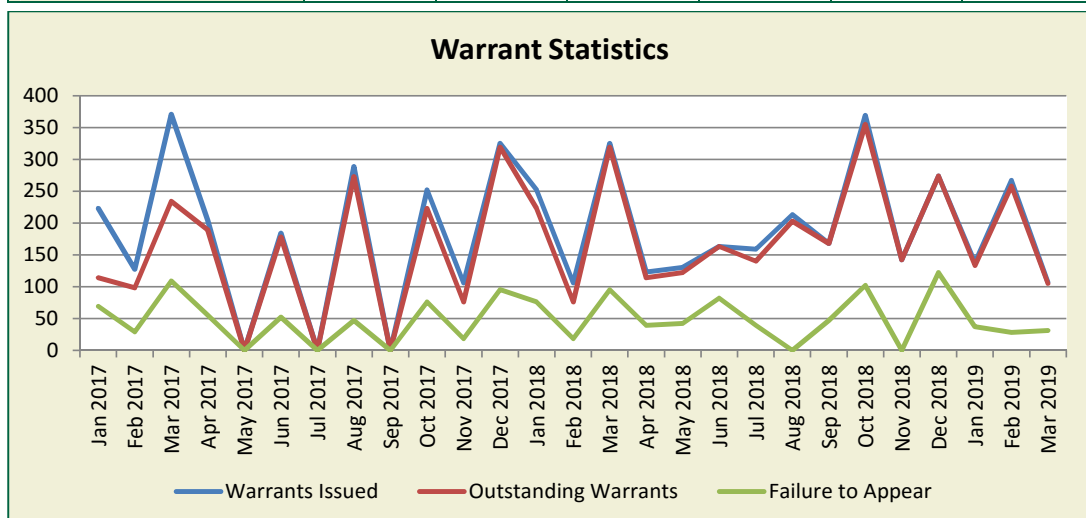




Crime Statistics						
	January		February		March	
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
Homicide	0	0	0	0	0	0
Sexual Assault	0	0	0	0	2	0
Robbery	1	2	0	1	0	0
Assault	2	3	4	1	2	5
Burglary Residence	0	4	2	5	6	3
Burglary Building	2	2	2	1	1	0
Theft	18	14	13	17	19	15
Motor Vehicle Theft	1	1	2	1	0	1



Warrant Statistics						
	January		February		March	
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
Warrants Issued	186	138	162	267	207	107
Outstanding Warrants	133	133	103	258	158	105
Failure to Appear	58	37	50	28	22	31



**City of Bellaire**  
**General Fund**  
**Revenues and Expenditures (Unaudited)**  
**Fiscal Year-to-Date as of March 2019**

		March		Year-to-Date			
	FY 2019 Adopted Budget	Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
<b>Revenues</b>							
Property Taxes	\$ 13,271,040	\$ 151,441	1%	\$ 13,014,940	\$ 13,066,897	\$ 51,957	98%
Franchise Taxes	1,422,000	67,866	5%	718,793	666,215	(52,578)	47%
Sales Taxes	2,419,500	165,276	7%	1,232,002	1,198,610	(33,392)	50%
Permits, Fees, Licenses	1,210,400	95,577	8%	598,292	487,605	(110,687)	40%
PARD Charges and Fees	851,000	80,405	9%	319,868	313,944	(5,924)	37%
Public Safety	325,300	28,244	9%	166,777	185,997	19,220	57%
Fines	653,500	46,015	7%	344,863	244,398	(100,465)	37%
All Other	787,900	88,267	11%	392,284	528,734	136,449	67%
<b>Total Revenues</b>	<b>20,940,640</b>	<b>723,090</b>	<b>3%</b>	<b>16,787,820</b>	<b>16,692,400</b>	<b>(95,420)</b>	<b>80%</b>
<b>Expenditures</b>							
Salary & Benefits	15,228,450	1,096,864	7%	7,500,421	7,051,322	(449,099)	46%
Purchased Services	4,173,892	205,534	5%	2,055,619	1,842,825	(212,794)	44%
Supplies	1,308,531	88,325	7%	568,089	495,584	(72,506)	38%
Other/Transfers	643,025	48,464	8%	316,859	301,846	(15,013)	47%
<b>Total Expenditures</b>	<b>21,353,898</b>	<b>1,439,188</b>	<b>7%</b>	<b>10,440,989</b>	<b>9,691,577</b>	<b>(749,412)</b>	<b>45%</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ (413,258)</b>	<b>\$ (716,098)</b>		<b>\$ 6,346,831</b>	<b>\$ 7,000,823</b>	<b>\$ 653,992</b>	
Unassigned Fund Balance 9/30/18	\$ 3,092,863						
FY 2019 Budgeted Revenues	20,940,640						
FY 2019 Budgeted Expenditures	21,353,898						
Ending Unassigned Fund Balance	<u>\$ 2,679,605</u>	(a)					
60 Day Reserve Requirement	\$ 3,466,483						
(Includes only operating budget)							

(a) Unbudgeted Hurricane Harvey disaster related expenditures in FY 2018, mainly for debris collection, cause the Fund Balance to be temporarily below the 60 Day Reserve Requirement. We expect the fund balance will be restored above the minimum reserve once the Federal Emergency Management Agency reimbursement for debris removal expenditures (estimated at approximately \$1.4 million) is received.

**Enterprise Fund  
Revenues and Expenses (Unaudited)  
Fiscal Year-to-Date as of March 2019**

	FY 2019 Adopted Budget	March		Year-to-Date			
		Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
<b>Revenues</b>							
Water	\$ 4,378,000	\$ 239,339	5%	\$ 1,985,604	\$ 1,818,780	\$ (166,824)	42%
Wastewater	2,625,000	217,028	8%	1,304,107	1,338,671	34,564	51%
Solid Waste	1,663,500	135,652	8%	832,290	817,319	(14,971)	49%
All Other	94,000	44,453	47%	50,679	192,174	141,495	204%
<b>Total Revenues</b>	<b>8,760,500</b>	<b>636,472</b>	<b>7%</b>	<b>4,172,680</b>	<b>4,166,944</b>	<b>(5,736)</b>	<b>48%</b>
<b>Expenses</b>							
Salary & Benefits	1,826,974	131,782	7%	928,422	835,305	(93,117)	46%
Purchased Services	1,497,830	170,838	11%	667,951	785,923	117,973	52%
Supplies	2,634,904	168,557	6%	1,261,998	978,038	(283,960)	37%
Other Expenses and Transfers	2,820,267	234,981	8%	1,418,798	1,408,758	(10,040)	50%
Capital Purchases	50,000	-	0%	50,000	49,999	(1)	100%
Non-Payroll Disaster Related	-	-	n/a	-	2,060	2,060	n/a
<b>Total Expenses</b>	<b>8,829,975</b>	<b>706,158</b>	<b>8%</b>	<b>4,327,169</b>	<b>4,060,083</b>	<b>(267,086)</b>	<b>46%</b>
<b>Net Revenues/(Expenses)</b>	<b>\$ (69,475)</b>	<b>\$ (69,686)</b>		<b>\$ (154,489)</b>	<b>\$ 106,861</b>	<b>\$ 261,350</b>	
Working Capital 9/30/18	\$ 1,738,793						
FY 2019 Budgeted Revenues	8,760,500						
FY 2019 Budgeted Expenses	8,829,975						
Ending Working Capital	<u>\$ 1,669,318</u>						
30 Day Working Capital Requirement	\$ 554,559						
(Includes only operating budget)							

**City of Bellaire**  
**Debt Service Fund**  
**Revenues and Expenditures (Unaudited)**  
**Fiscal Year-to-Date as of March 2019**

	FY 2019 Adopted Budget	March		Year-to-Date			
		Actual	% of Adopted Budget	Allocated Budget	Actual	Over/(Under) Allocated Budget	% of Adopted Budget
Revenues							
Property Taxes	\$ 7,395,051	\$ 74,761	1%	\$ 7,275,120	\$ 7,174,445	\$ (100,675)	97%
Investment Earnings	9,000	2,609	29%	4,765	13,213	8,448	147%
Transfers from Enterprise Fund	1,965,267	163,772	8%	982,633	982,634	0	50%
Subtotal Before Refunding Revenues	9,369,318	241,142	3%	8,262,519	8,170,292	(92,227)	87%
Refunding Proceeds, including premiums	-	-	n/a	-	13,654,243	13,654,243	n/a
Total Revenues	9,369,318	241,142	3%	8,262,519	21,824,534	13,562,016	233%
Expenditures							
Principal Payments	5,085,000	-	0%	5,085,000	5,165,000	80,000	102%
Interest Payments	4,275,530	-	0%	2,074,875	2,012,840	(62,035)	47%
Other Expenditures	17,000	500	3%	7,140	2,450	(4,690)	14%
Subtotal Before Refunding Expenditures	9,377,530	500	0%	7,167,015	7,180,290	13,274	77%
Refunding Expenditures	-	-	n/a	-	13,627,750	13,627,750	n/a
Total Expenditures	9,377,530	500	0%	7,167,015	20,808,039	13,641,024	222%
Net Revenues/(Expenditures)	\$ (8,212)	\$ 240,642		\$ 1,095,503	\$ 1,016,495	\$ (79,008)	
	Budgeted						
Fund Balance 9/30/18	\$ 536,751						
FY 2019 Budgeted Revenues	9,369,318						
FY 2019 Budgeted Expenditures	9,377,530						
Ending Fund Balance	\$ 528,539						

**City of Bellaire**  
**Vehicle and Equipment Replacement Fund**  
**Revenues and Expenditures (Unaudited)**  
**Fiscal Year-to-Date as of March 2019**

	FY 2019 Adopted Budget	Budget Carry-Over (a)	Budget Adjustments	FY 2019 Revised Budget	March Actual	YTD Actual	Encumbrance	Budget Balance
<b>Revenues</b>								
Transfers - General Fund	\$ 275,000	\$ -	\$ -	\$ 275,000	\$ 32,083	\$ 192,500	n/a	\$ 82,500
Transfers - Enterprise Fund	110,000	-	-	110,000	-	-	n/a	110,000
<b>Total Revenues</b>	<b>385,000</b>	<b>-</b>	<b>-</b>	<b>385,000</b>	<b>32,083</b>	<b>192,500</b>	<b>n/a</b>	<b>192,500</b>
<b>Expenditures</b>								
Information Technology	215,000	-	-	215,000	-	30,199	9,750	175,051
Development Services	13,800	-	-	13,800	-	-	-	13,800
Fire	176,800	-	-	176,800	61,362	61,362	20,899	94,539
Police	161,560	154,287	-	315,847	-	122,226	33,363	160,258
Parks & Recreation	13,440	-	-	13,440	807	1,808	-	11,632
Public Works - General Fund	87,600	-	-	87,600	-	-	-	87,600
Public Works - Enterprise Fund	12,000	-	-	12,000	-	-	-	12,000
<b>Total Expenditures/Encumbrances</b>	<b>680,200</b>	<b>154,287</b>	<b>-</b>	<b>834,487</b>	<b>62,169</b>	<b>215,595</b>	<b>64,012</b>	<b>554,880</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ (295,200)</b>	<b>\$ (154,287)</b>	<b>\$ -</b>	<b>\$ (449,487)</b>	<b>\$ (30,086)</b>	<b>\$ (23,095)</b>	<b>n/a</b>	<b>\$ (362,380)</b>

(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. Budget carry-over amounts have not been finalized. These amounts are estimates.

Fund Balance 9/30/18	\$ 1,963,423
Budgeted FY 2019 Revenues	385,000
Budgeted FY 2019 Expenditures	680,200
Ending Fund Balance	<u>\$ 1,668,223</u>

**City of Bellaire**  
**Capital Improvement Fund**  
**Revenues and Expenditures (Unaudited)**  
**Fiscal Year-to-Date as of March 2019**

	FY 2019 Adopted Budget	Budget Carry-Over (a)	Budget Adjustments	FY 2019 Revised Budget	March Actual	YTD Actual	Encumbrance	Budget Balance
<b>Revenues</b>								
General Fund Transfer	\$ 280,000	\$ -	\$ -	\$ 280,000	\$ 23,333	\$ 140,000	n/a	\$ 140,000
Enterprise Fund Transfer	100,000	-	-	100,000	8,333	50,000	n/a	50,000
<b>Total Revenues</b>	<b>380,000</b>	<b>-</b>	<b>-</b>	<b>380,000</b>	<b>31,667</b>	<b>190,000</b>	<b>n/a</b>	<b>190,000</b>
<b>Project Expenditures</b>								
FY 2014 Street & Drainage Reconstruction - Phase 5B (b)	-	302,999	-	302,999	-	-	-	302,999
FY 2017 Flood Plain Hazard Mitigation Plan	-	8,130	-	8,130	-	-	-	8,130
FY 2019 North-South Drainage Study	315,000	-	-	315,000	-	-	-	315,000
FY 2017 Police/Courts Construction	100,000	304,804	-	404,804	125,117	400,462	4,343	-
FY 2017 City Hall/Civic Center Construction	100,000	290,506	-	390,506	24,129	263,494	109,194	17,818
FY 2017 Transition - New City Hall/Police/Municipal Court	-	155,740	-	155,740	37,904	58,609	35,165	61,966
FY 2018 Update Facilities Master Plan	-	50,000	-	50,000	-	3,030	770	46,200
FY 2019 PW Interim Facility Improvements	165,475	-	-	165,475	-	-	-	165,475
FY 2018 Playground/Shade/Amenities	-	72,646	-	72,646	-	69,725	-	2,921
FY 2016 Street Striping Program	-	12,154	-	12,154	-	-	-	12,154
FY 2016 Pavement Management Program	-	666,296	-	666,296	-	192,053	6,512	467,731
FY 2019 Decorative Standard for Streetlights	126,000	-	-	126,000	-	-	-	126,000
FY 2018 Decorative Standard for Major Streets	-	150,000	-	150,000	-	-	-	150,000
<b>Total General Project Expenditures</b>	<b>806,475</b>	<b>2,013,275</b>	<b>-</b>	<b>2,819,750</b>	<b>187,150</b>	<b>987,372</b>	<b>155,983</b>	<b>1,676,395</b>
FY 2015 City Wide SCADA System	-	287,860	-	287,860	-	-	-	287,860
FY 2016 Rehab Renwick Ground Storage	-	128,090	-	128,090	-	-	-	128,090
FY 2017 Water System Upgrades	-	50,000	-	50,000	-	-	-	50,000
FY 2018 Renwick Well - Pumps/Motors	-	278,806	-	278,806	-	-	-	278,806
FY 2019 Central Well Pumps	105,977	-	-	105,977	-	-	-	105,977
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	-	50,000	-	50,000	-	-	49,999	1
<b>Total Enterprise Project Expenditures</b>	<b>105,977</b>	<b>1,055,637</b>	<b>-</b>	<b>1,161,614</b>	<b>-</b>	<b>-</b>	<b>49,999</b>	<b>1,111,615</b>
<b>Total Expenditures/Encumbrances</b>	<b>912,452</b>	<b>3,068,912</b>	<b>-</b>	<b>3,981,364</b>	<b>187,150</b>	<b>987,372</b>	<b>205,982</b>	<b>2,788,010</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ (532,452)</b>	<b>\$ (3,068,912)</b>	<b>\$ -</b>	<b>\$ (3,601,364)</b>	<b>\$ (155,483)</b>	<b>\$ (797,372)</b>	<b>n/a</b>	<b>\$ (2,598,010)</b>

(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.

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

Budgeted Available Fund Balance 9/30/18	\$ 880,734
Budgeted FY 2019 Revenues	380,000
Budgeted FY 2019 Expenditures	912,452
Budgeted Available Ending Fund Balance	<u>\$ 348,282</u>

**City of Bellaire**  
**Capital Bond Fund**  
**Revenues and Expenditures (Unaudited)**  
**Fiscal Year-to-Date as of March 2019**

	FY 2019 Adopted Budget	Budget Carry-Over (a)	Budget Adjustments	FY 2019 Revised Budget	March Actual	YTD Actual	Encumbrance	Budget Balance
<b>Revenues</b>								
Interest	\$ -	\$ -	\$ -	\$ -	\$ 58,144	\$ 354,194	n/a	\$ (354,194)
Bonds Proceeds	10,000,000	-	-	10,000,000	-	-	n/a	10,000,000
All Other	-	-	-	-	-	1,000	n/a	(1,000)
<b>Total Revenues</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>	<b>58,144</b>	<b>355,194</b>	<b>n/a</b>	<b>9,644,806</b>
<b>Non-Project Expenditures</b>								
Bond Issuance Costs	-	-	-	-	-	9,500	-	(9,500)
Bond Expenditures	-	-	-	-	-	-	-	-
<b>Total Non-Project Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,500</b>	<b>-</b>	<b>(9,500)</b>
<b>Project Expenditures</b>								
FY 2017/18/19 Streets and Drainage	6,000,000	13,236,903	-	19,236,903	438,393	1,241,544	8,861,855	9,133,504
FY 2017 Police/Courts Construction	-	1,566,551	-	1,566,551	353,717	1,496,059	179,613	(109,120)
FY 2017 City Hall/Civic Center Construction	-	1,170,585	-	1,170,585	143,507	597,839	572,152	594
FY 2017 Transition - New City Hall/Police/Municipal Court	-	86,023	-	86,023	10,037	32,495	41,404	12,124
FY 2013 Design - New City Hall/Police/Municipal Court	-	94,130	-	94,130	-	51,501	37,414	5,215
FY 2017/18 Sidewalks	-	2,725,293	-	2,725,293	6,125	7,625	-	2,717,668
FY 2017/18/19 Water Line Improvements	4,000,000	7,003,496	-	11,003,496	258,088	1,099,448	3,346,677	6,557,371
FY 2017 Water Meter Installations	-	18,196	-	18,196	-	-	1	18,195
FY 2017 Wastewater Treatment Plant Improvements	-	354,550	-	354,550	71,233	354,550	0	0
FY 2017/18 Wastewater Line Improvements	-	463,828	-	463,828	5,425	181,483	305,703	(23,358)
<b>Total Project Expenditures</b>	<b>10,000,000</b>	<b>26,719,555</b>	<b>-</b>	<b>36,719,555</b>	<b>1,286,525</b>	<b>5,062,543</b>	<b>13,344,818</b>	<b>18,312,194</b>
<b>Total Expenditures/Encumbrances</b>	<b>10,000,000</b>	<b>26,719,555</b>	<b>-</b>	<b>36,719,555</b>	<b>1,286,525</b>	<b>5,072,043</b>	<b>13,344,818</b>	<b>18,302,694</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ -</b>	<b>\$ (26,719,555)</b>	<b>\$ -</b>	<b>\$ (26,719,555)</b>	<b>\$ (1,228,380)</b>	<b>\$ (4,716,849)</b>	<b>n/a</b>	<b>\$ (8,657,887)</b>

(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. Budget carry-over amounts have not been finalized. These amounts are estimates.

Budgeted Available Fund Balance 9/30/18	\$ -	93,605
Budgeted FY 2019 Revenues	10,000,000	
Budgeted FY 2019 Expenditures	10,000,000	
Budgeted Available Ending Fund Balance	\$ -	

**City of Bellaire  
Metro Fund  
Revenues and Expenditures (Unaudited)  
Fiscal Year-to-Date as of March 2019**

	<b>FY 2019 Adopted Budget</b>	<b>Budget Carry-Over (a)</b>	<b>FY 2019 Revised Budget</b>	<b>March Actual</b>	<b>YTD Actual</b>	<b>Encumbrance</b>	<b>Budget Balance</b>
<b>Revenues</b>							
Metro Sales Tax	\$ 1,244,750	\$ -	\$ 1,244,750	\$ 82,638	\$ 589,951	n/a	\$ 654,799
Interest	-	-	-	3,645	22,019	n/a	(22,019)
<b>Total Revenues</b>	<b>1,244,750</b>	<b>-</b>	<b>1,244,750</b>	<b>86,283</b>	<b>611,969</b>	<b>n/a</b>	<b>632,781</b>
<b>Project Expenditures</b>							
Street Striping Program	-	15,953	15,953	-	-	-	15,953
FY 2017 Street Pavement Mgt Program	-	18,710	18,710	-	18,710	-	-
FY 2018 Street Pavement Mgt Program	-	1,211,951	1,211,951	13,330	549,179	521,625	141,147
FY 2019 Street Pavement Mgt Program	1,466,775	-	1,466,775	-	-	-	1,466,775
Sidewalk Projects	-	185,283	185,283	-	-	-	185,283
City Wide Trip Hazard	-	115,615	115,615	-	-	-	115,615
<b>Total Expenditures/Encumbrances</b>	<b>1,466,775</b>	<b>1,547,512</b>	<b>3,014,287</b>	<b>13,330</b>	<b>567,889</b>	<b>521,625</b>	<b>1,924,773</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ (222,025)</b>	<b>\$ (1,547,512)</b>	<b>\$ (1,769,537)</b>	<b>\$ 72,953</b>	<b>\$ 44,080</b>	<b>n/a</b>	<b>\$ (1,291,992)</b>

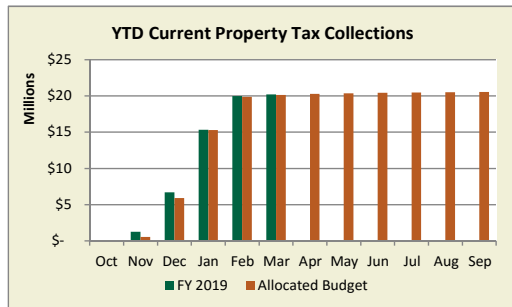
(a) Capital improvement budgets are project-length and do not expire at the end of the fiscal year. Unexpired prior-year carry-over budgets on ongoing projects are carried-over into the current fiscal year. Budget carry-over amounts have not been finalized. These amounts are estimates.

Budgeted Available Fund Balance 9/30/18	\$ 222,025
Budgeted FY 2019 Revenues	1,244,750
Budgeted FY 2019 Expenditures	1,466,775
Budgeted Available Ending Fund Balance	<u>\$ -</u>



**City of Bellaire**  
**Summary of Current Property Tax Collections**  
**FY 2015 - FY 2019**  
**March 2019**

Month	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Oct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nov	652,841	585,025	131,234	414,152	681,242	1,267,537
Dec	3,255,591	4,865,374	3,881,188	4,504,067	6,083,331	5,431,355
Jan	6,438,379	6,075,640	8,702,108	8,590,430	9,775,263	8,622,583
Feb	3,605,747	3,634,938	4,005,865	4,342,814	3,118,307	4,664,548
Mar	137,922	296,537	206,525	201,515	209,927	207,804
Apr	102,078	63,640	90,455	92,324	121,137	n/a
May	45,507	55,636	49,017	67,720	23,566	n/a
Jun	41,695	53,382	57,865	98,066	59,448	n/a
Jul	2,853	4,673	14,076	15,943	11,948	n/a
Aug	-	-	-	-	-	n/a
Sep	-	-	-	-	-	n/a

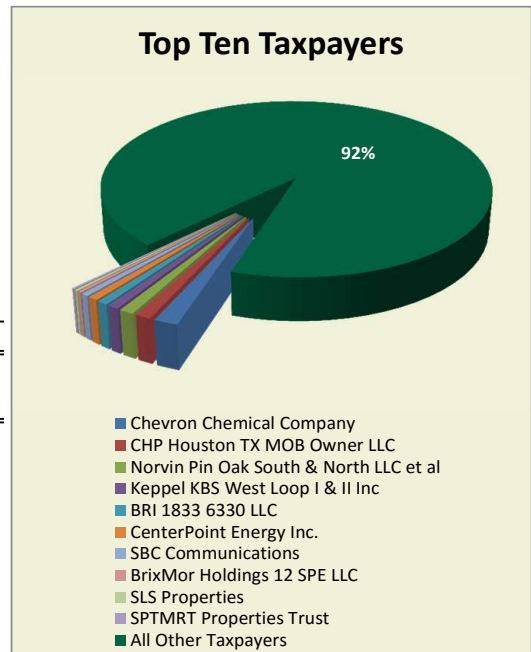


YTD Collections	\$ 20,193,827
% of Budget	98.29%
% of Total Levy	97.64%

FY 2019 Budget - Total Tax Revenue	\$ 20,545,091
2018 Tax Year Taxable Value - Certified Appraisal Roll (a)	\$ 4,135,247,384
2018 Tax Year - Under Protest or not Certified (a)	660,035,920
Total 2018 Tax Year	4,795,283,304
Total Levy at \$0.4313 / \$100 =	\$ 20,682,057

**Ten Largest Property Taxpayers in the City of Bellaire (Tax Year 2018) (b)**

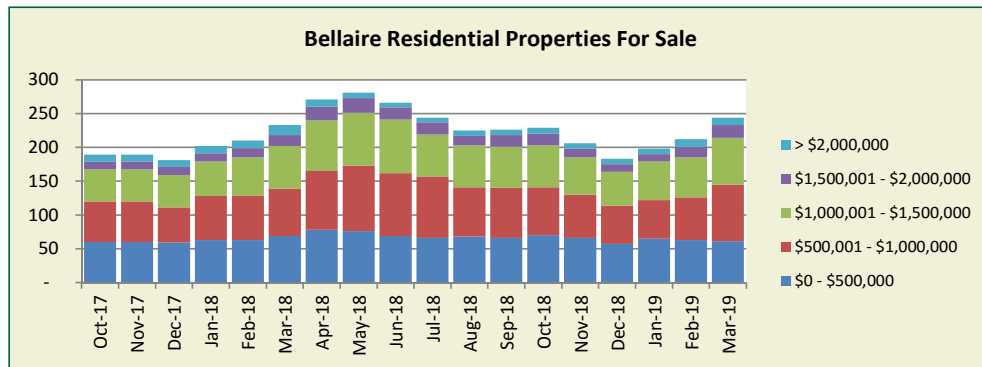
		Taxable Value
Chevron Chemical Company	Oil & Gas	\$ 80,822,517
CHP Houston TX MOB Owner LLC	Land/Improvements	53,288,982
Norvin Pin Oak South & North LLC et al	Land/Improvements	49,528,141
Keppel KBS West Loop I & II Inc	Land/Improvements	38,113,479
BRI 1833 6330 LLC	Land/Improvements	36,796,131
CenterPoint Energy Inc.	Electric Utility	33,864,393
SBC Communications	Utility	26,950,801
BrixMor Holdings 12 SPE LLC	Land/Improvements	14,720,485
SLS Properties	Land/Improvements	12,506,999
SPTMRT Properties Trust	Land/Improvements	11,414,470
		<u>\$ 358,006,398</u>
Tax Levy @ \$0.4313 / \$100		<u>\$ 1,544,082</u>
% of Total Levy		7.47%



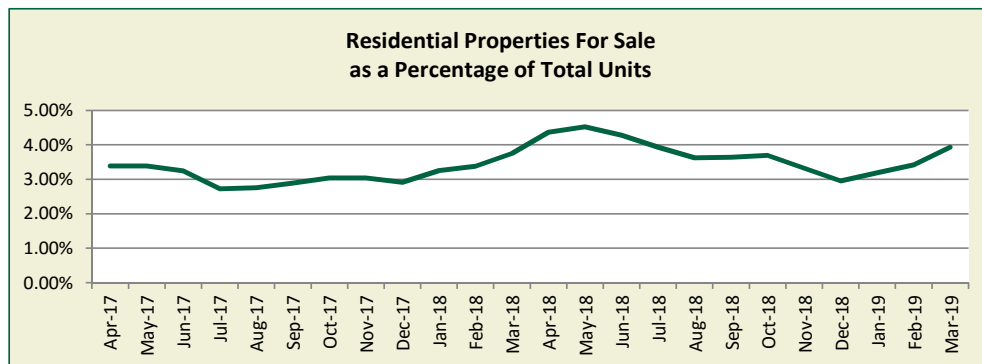
(a) Source: Harris County Appraisal District  
(b) Source: Harris County Tax Assessor-Collector

**City of Bellaire  
Housing Information  
FY 2019  
March 2019**

	<u>Mar-18</u>	<u>Sep-18</u>	<u>Mar-19</u>
<b>Houses, Townhomes &amp; Vacant Lots for Sale (a)</b>			
<u>Price Range</u>			
\$ 0 - \$ 500,000	69	66	61
\$ 500,001 - \$ 1,000,000	70	74	84
\$ 1,000,001 - \$ 1,500,000	63	61	69
\$ 1,500,001 - \$ 2,000,000	16	17	19
> \$ 2,000,000	15	8	11
<b>Total Units For Sale (a)</b>	<b>233</b>	<b>226</b>	<b>244</b>



<b>Total HCAD Residential Units/Lots (b)</b>	6,210	6,210	6,203
<b>For Sale as a % of Total Units</b>	3.75%	3.64%	3.93%



<b>Highest Listing Price - Home</b>	\$ 3,388,000	\$ 3,678,000	\$ 4,700,000
<b>Lowest Listing Price - TH/Lot</b>	\$ 254,900	\$ 270,000	\$ 279,500
<b>Houses for Lease (a)</b>	55	58	61
<b>Highest Lease/Month</b>	\$ 15,000	\$ 28,500	\$ 19,970
<b>Lowest Lease/Month</b>	\$ 1,525	\$ 1,495	\$ 1,100

**City of Bellaire  
Housing Information  
FY 2019  
March 2019**

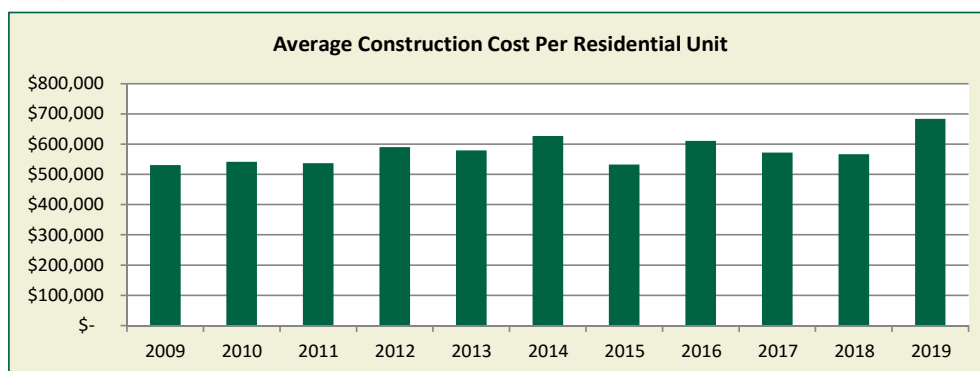
**Foreclosure History as of end of Quarter Reported by RealtyTrac**

	<u>Auction</u>	<u>Bank Owned</u>
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
At Quarter End 09-30-18	5	1
At Quarter End 12-31-18	3	2
At Quarter End 03-31-19	0	2

**New Residential Construction (c)**

<u>Fiscal Year</u>	<u>New Units</u>	<u>Construction Cost (d)</u>	
		<u>Construction</u>	<u>Avg/Unit</u>
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	110	\$ 62,397,992	\$ 567,254
2019	44	\$ 30,089,279	\$ 683,847

Average Appraised Value (Tax Year 2018) (b) \$ 937,657



(a) SOURCE: realtor.com - does not include "for sale or lease by owner"

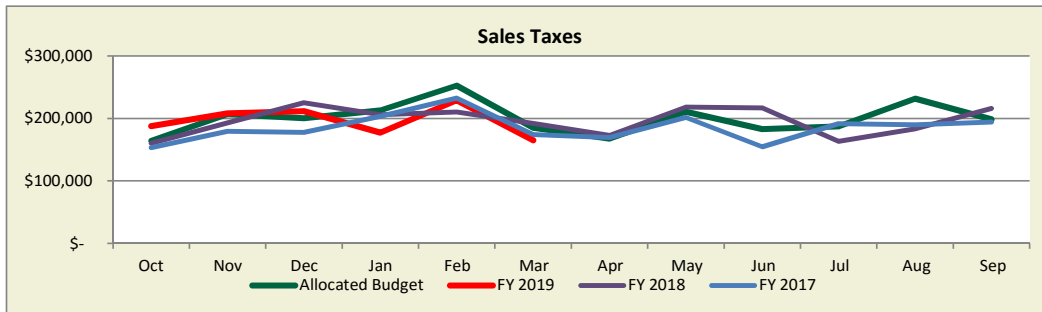
(b) SOURCE: Harris County Tax Assessor-Collector and/or Harris County Appraisal District

(c) Amounts shown are for the full year, except the current year which are year-to-date amounts.

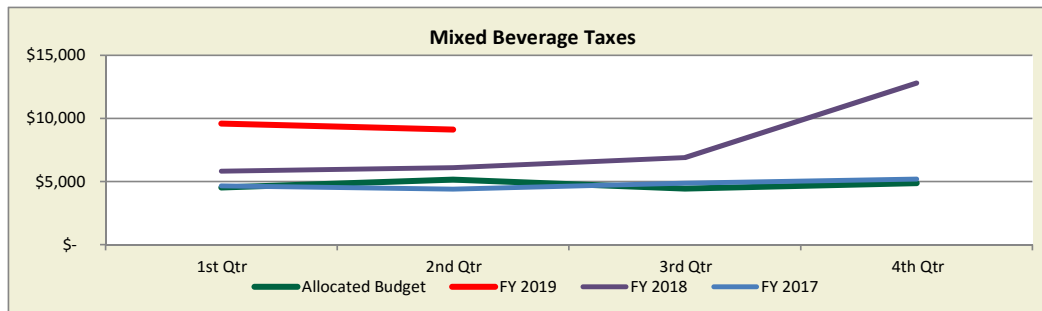
(d) Construction cost of structure. Not a market value. Excludes land value/cost.

**City of Bellaire**  
**Summary of Sales and Mixed Beverage Tax**  
**FY 2017 - FY 2019**  
**March 2019**

<b>Payment</b>						
<b>Month</b>	<b>Period</b>		<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Allocated Budget</b>
<b>Sales Tax</b>						
Oct	Aug	\$	153,452	\$ 160,106	\$ 187,944	\$ 164,068
Nov	Sep		179,528	193,080	208,309	206,695
Dec	Oct		177,498	225,253	211,788	200,392
Jan	Nov		203,388	206,157	177,334	213,170
Feb	Dec		232,674	210,256	229,261	252,690
Mar	Jan		174,240	192,127	165,276	185,312
Apr	Feb		169,626	172,897		167,752
May	Mar		201,758	218,236		210,612
Jun	Apr		154,642	216,831		182,749
Jul	May		191,746	163,187		187,079
Aug	Jun		190,031	183,563		231,575
Sep	Jul		194,122	215,839		198,405
<b>Sub-Total</b>		\$	2,222,707	\$ 2,357,532	\$ 1,179,911	\$ 2,400,500



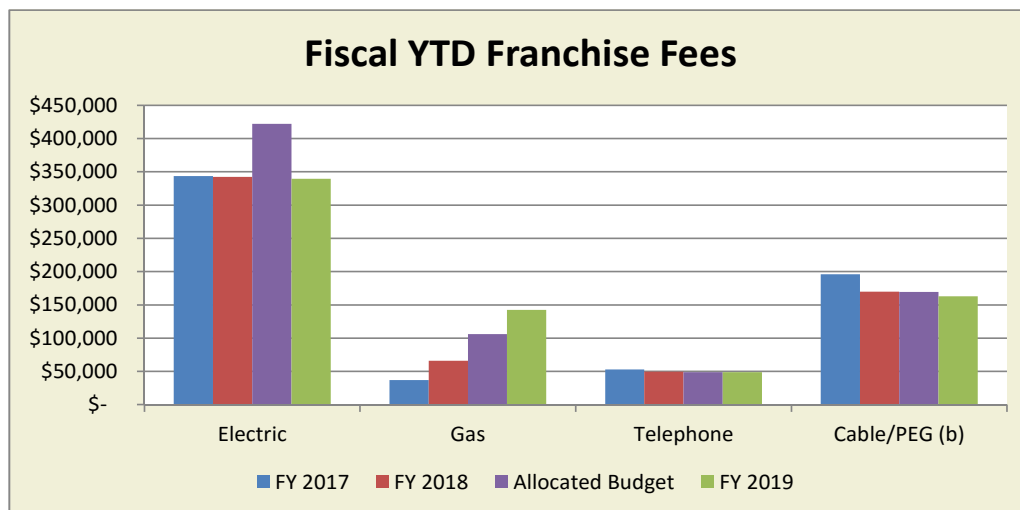
<b>Mixed Beverage</b>						
Oct	1st Qtr	\$	4,668	\$ 5,827	\$ 9,598	\$ 4,521
Jan	2nd Qtr		4,408	6,095	9,111	5,154
Apr	3rd Qtr		4,876	6,900		4,441
Jul	4th Qtr		5,201	12,801		4,884
<b>Sub-Total</b>		\$	19,153	\$ 31,624	\$ 18,709	\$ 19,000



**Total Sales and Mix. Bev. Tax**    \$    **2,241,860**    \$    **2,389,156**    \$    **1,198,620**    \$    **2,419,500**

**City of Bellaire**  
**Summary of Franchise Fees**  
**FY 2017 - FY 2019**  
**March 2019**

		<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Allocated Budget (a)</u>
<b>Electric</b>	<b>YTD</b>	\$ 343,533	\$ 342,546	\$ 339,329	\$ 422,076
	<b>Total</b>	823,888	820,180	n/a	835,000
<b>Gas</b>	<b>YTD</b>	36,989	65,948	142,255	106,151
	<b>Total</b>	128,135	192,334	n/a	210,000
<b>Telephone</b>	<b>YTD</b>	53,088	49,569	48,827	49,032
	<b>Total</b>	103,487	98,018	n/a	97,000
<b>Cable/PEG (b)</b>	<b>YTD</b>	196,036	169,909	162,980	169,336
	<b>Total</b>	383,314	332,770	n/a	335,000
<b>All</b>	<b>YTD</b>	<u>\$ 629,646</u>	<u>\$ 627,973</u>	<u>\$ 693,391</u>	<u>\$ 746,595</u>
	<b>Total</b>	<u>\$ 1,438,824</u>	<u>\$ 1,443,302</u>		<u>\$ 1,477,000</u>



(a) The allocated budget percentages were computed for the Franchise Fees category as a whole and are skewed toward a monthly allocation due to the relative concentration of electric franchise fees which are typically paid monthly. The allocation is less informative for the other categories of franchise fees which are all generally paid quarterly.

(b) Includes cable franchise fees recorded in the General Fund and PEG fees recorded in the Special Revenue Fund.

# City of Bellaire

## Quarterly Investment Report

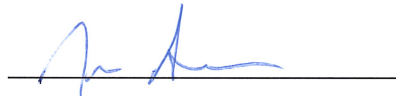
### March 31, 2019

To the best of our knowledge, this report is in compliance with the investment strategy expressed in Chapter 2, Administration, Section 2-10, Investment Policy of the Code of Ordinances of the City of Bellaire, Texas and with the Texas Public Funds Investment Act., V.T.C.A., Government Code Ch. 2256, as amended.

CHIEF FINANCIAL OFFICER:



ASSISTANT DIRECTOR OF FINANCE:



**City of Bellaire**  
**Investment Report Introduction**  
**As of March 31, 2019**

CHART 1

**Cash and Investments 3/31/19 Market Value**

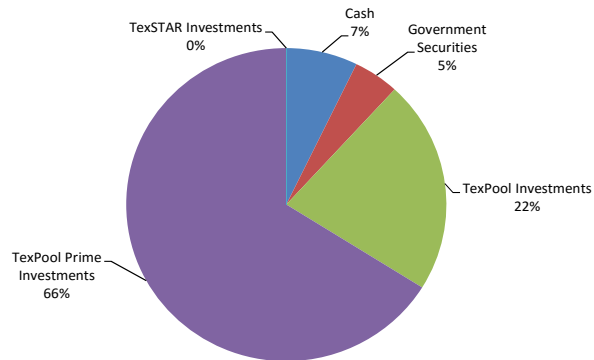


CHART 2

**Average Monthly Yields**

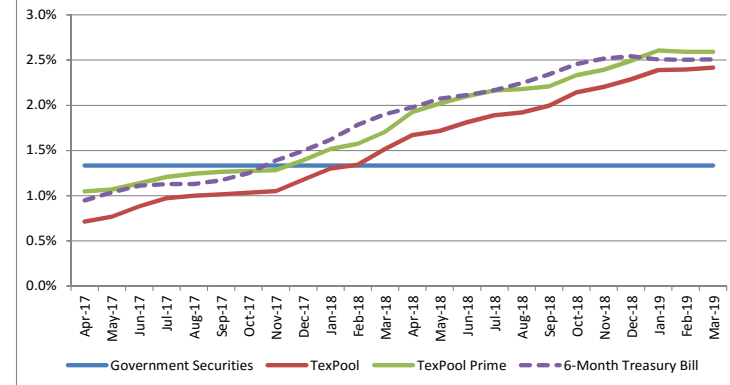


CHART 3

**Claim on Cash and Investments 3/31/19**

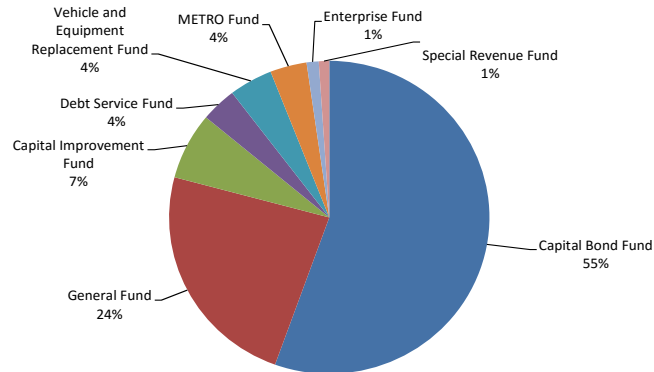


CHART 4

**Claim on Cash and Investments 3/31/19**

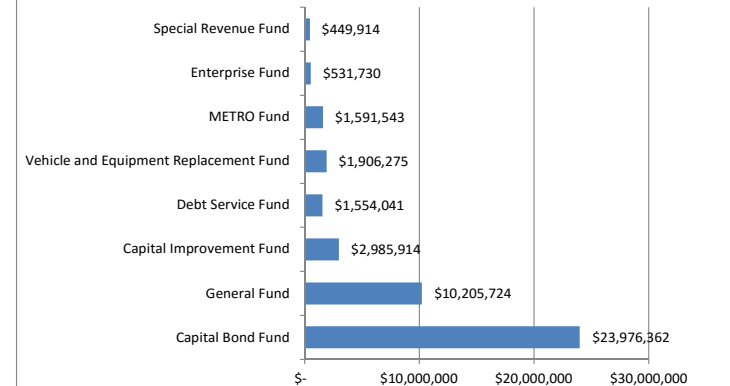


CHART 1 - As illustrated in Chart 1, the vast majority (88%) of the City's investable funds are currently held in government investment pools. These are essentially variable rate investments with yields that increase or decrease with market rates.

CHART 2 - Chart 2 illustrates the two-year performance of the City's three (3) main types of investments (government securities, TexPool funds, and TexPool Prime funds) as compared to yields on the 6-month treasury bill as a benchmark. The government securities the City holds are fixed rate and used to out-perform the benchmark. Given the rising interest rate environment, the City has recently kept the vast majority of its investments in variable rate government investment pools.

CHART 3 and CHART 4 - These two charts illustrate the relative cash and investment balances of each fund. Chart 4 also illustrates the actual balances. Not surprisingly, the Capital Bond Fund has the largest balance.

City of Bellaire  
Summary Investment Report  
Fiscal Year 2019 through March 31, 2019

Account Description	Date			Rate/ Coupon	Purchase Yield	Purchase Price	Market Price	Face Amount	Book Value	Market Value	Interest Accrued	Beginning Values @ 10/01/18	
	Purchase	First Call	Maturity									Book Value	Market Value
<b><u>Amegy Bank of Texas</u></b>													
Concentration Account	03/31/19	n/a	04/01/19	0.0000%	0.0000%	\$ -	\$ -	\$ 3,122,939	\$ 3,122,939	\$ 3,122,939	\$ -	\$ 703,620	\$ 703,620
Sub-total								3,122,939	3,122,939	3,122,939	-	703,620	703,620
<b><u>Government Securities</u></b>													
FFCB 3133EFV38	03/29/16	03/29/17	03/29/19	1.2500%	1.2500%	100.000	-	-	-	-	6,250	1,000,000	993,846
FNMA 3136G4AP8	09/30/16	03/30/17	09/30/19	1.2500%	1.2500%	100.000	99.258	1,000,000	1,000,000	992,582	6,250	1,000,000	986,297
FHLMC 3134GA7A6	03/28/17	09/09/18	09/09/19	1.5000%	1.5000%	100.000	99.442	1,000,000	1,000,000	994,423	7,500	1,000,000	989,548
Sub-total								2,000,000	2,000,000	1,987,005	20,000	3,000,000	2,969,691
<b><u>TexPool Investments</u></b>													
Concentration Account	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	2,519,433	2,519,433	2,519,433	9,848	1,352,776	1,352,776
METRO Account	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	394,557	394,557	394,557	4,874	360,391	360,391
G.O. Bonds, Series 2014	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	54,868	54,868	54,868	626	54,202	54,202
G.O. Bonds, Series 2015	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	263,171	263,171	263,171	3,003	259,981	259,981
GOB 2017 New Municipal Buildings	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	487,704	487,704	487,704	11,305	1,301,342	1,301,342
GOB 2017 Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	0	0	0	1,492	257,384	257,384
GOB 2017 Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	83,573	83,573	83,573	2,966	315,561	315,561
GOB 2017A Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	740,638	740,638	740,638	10,463	911,033	911,033
GOB 2017A Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	2,060,807	2,060,807	2,060,807	23,518	2,035,827	2,035,827
GOB 2018 Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	886,793	886,793	886,793	10,120	876,044	876,044
GOB 2018 Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.4164%	2.4164%	100.000	100.000	2,026,956	2,026,956	2,026,956	23,132	2,002,386	2,002,386
Sub-total								9,518,500	9,518,500	9,518,500	101,347	9,726,927	9,726,927
<b><u>TexPool Prime Investments</u></b>													
Concentration Account	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	7,562,284	7,562,284	7,562,284	77,735	3,734,568	3,734,568
METRO Account	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	1,183,581	1,183,581	1,183,581	17,144	1,513,014	1,513,014
G.O. Bonds, Series 2014	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	164,610	164,610	164,610	2,038	162,612	162,612
G.O. Bonds, Series 2015	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	789,551	789,551	789,551	9,775	779,963	779,963
GOB 2017 New Municipal Buildings	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	1,462,789	1,462,789	1,462,789	28,198	3,904,120	3,904,120
GOB 2017 Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	(0)	(0)	(0)	3,238	772,170	772,170
GOB 2017 Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	250,517	250,517	250,517	1,431	946,709	946,709
GOB 2017A Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	2,221,727	2,221,727	2,221,727	32,200	2,733,166	2,733,166
GOB 2017A Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	6,182,713	6,182,713	6,182,713	76,542	6,107,633	6,107,633
GOB 2018 Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	2,660,505	2,660,505	2,660,505	32,937	2,628,197	2,628,197
GOB 2018 Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.5907%	2.5907%	100.000	100.000	6,081,152	6,081,152	6,081,152	75,285	6,007,306	6,007,306
Sub-total								28,559,429	28,559,429	28,559,429	356,523	29,289,457	29,289,457
<b><u>TexSTAR Investments</u></b>													
Concentration Account	03/31/19	n/a	04/01/19	2.4112%	2.4112%	100.000	100.000	634	634	634	7	626	626
Sub-total								634	634	634	7	626	626
Total								\$ 43,201,502	\$ 43,201,502	\$ 43,188,507	\$ 477,877	\$ 42,720,630	\$ 42,690,321
Amegy Bank Earnings Credit Rate:				1.1000%		Year-to-date Bank Fee Offset				\$ 16,904			
Weighted Average Yield:				1.8552%									
Comparative Yields:				3-month Treasury Bill 2.4000%									
				6-month Treasury Bill 2.4400%									
				2-year Treasury Note 2.2700%									



City of Bellaire  
Investment Activity Report  
Fiscal Year 2019 through March 31, 2019

Account Description	Date			Rate/ Coupon	Face Amount	Beginning Values		Fiscal Year-To-Date Activity			Ending Values		
	Purchase	First Call	Maturity			10/01/18	10/01/18	Deposits/ Purchases	Withdrawals/ Maturities/Calls	Incr/(Decr) Market Value	03/31/19	03/31/19	
						Book Value	Market Value				Book Value	Market Value	
<b>Amegy Bank of Texas</b>													
Concentration Account	03/31/19	n/a	04/01/19	0.0000%	\$ 3,122,939	\$ 703,620	\$ 703,620	\$ 36,646,604	\$ 34,227,285	\$ -	\$ 3,122,939	\$ 3,122,939	
Sub-total					3,122,939	703,620	703,620	36,646,604	34,227,285	-	3,122,939	3,122,939	
<b>Government Securities</b>													
FFCB 3133EFV38	03/29/16	03/29/17	03/29/19	1.2500%	1,000,000	1,000,000	993,846	-	1,000,000	6,154	-	-	
FNMA 3136G4AP8	09/30/16	03/30/17	09/30/19	1.2500%	1,000,000	1,000,000	986,297	-	-	6,285	1,000,000	992,582	
FHLMC 3134GA7A6	03/28/17	09/09/18	09/09/19	1.5000%	1,000,000	1,000,000	989,548	-	-	4,875	1,000,000	994,423	
Sub-total					3,000,000	3,000,000	2,969,691	-	1,000,000	17,314	2,000,000	1,987,005	
<b>TexPool Investments</b>													
Concentration Account	03/31/19	n/a	04/01/19	2.4164%	2,519,433	1,352,776	1,352,776	9,648,431	8,481,775	-	2,519,433	2,519,433	
METRO Account	03/31/19	n/a	04/01/19	2.4164%	394,557	360,391	360,391	123,347	89,182	-	394,557	394,557	
G.O. Bonds, Series 2014	03/31/19	n/a	04/01/19	2.4164%	54,868	54,202	54,202	730	64	-	54,868	54,868	
G.O. Bonds, Series 2015	03/31/19	n/a	04/01/19	2.4164%	263,171	259,981	259,981	3,190	-	-	263,171	263,171	
GOB 2017 New Municipal Buildings	03/31/19	n/a	04/01/19	2.4164%	487,704	1,301,342	1,301,342	11,305	824,943	-	487,704	487,704	
GOB 2017 Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.4164%	0	257,384	257,384	1,492	258,876	-	-	0	
GOB 2017 Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.4164%	83,573	315,561	315,561	2,966	234,954	-	83,573	83,573	
GOB 2017A Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.4164%	740,638	911,033	911,033	10,796	181,190	-	740,638	740,638	
GOB 2017A Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.4164%	2,060,807	2,035,827	2,035,827	24,980	-	-	2,060,807	2,060,807	
GOB 2018 Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.4164%	886,793	876,044	876,044	10,749	-	-	886,793	886,793	
GOB 2018 Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.4164%	2,026,956	2,002,386	2,002,386	24,570	-	-	2,026,956	2,026,956	
Sub-total					9,518,500	9,726,927	9,726,927	9,862,556	10,070,984	-	9,518,500	9,518,500	
<b>TexPool Prime Investments</b>													
Concentration Account	03/31/19	n/a	04/01/19	2.5907%	7,562,284	3,734,568	3,734,568	18,591,356	14,763,640	-	7,562,284	7,562,284	
METRO Account	03/31/19	n/a	04/01/19	2.5907%	1,183,581	1,513,014	1,513,014	696,277	1,025,710	-	1,183,581	1,183,581	
G.O. Bonds, Series 2014	03/31/19	n/a	04/01/19	2.5907%	164,610	162,612	162,612	2,102	104	-	164,610	164,610	
G.O. Bonds, Series 2015	03/31/19	n/a	04/01/19	2.5907%	789,551	779,963	779,963	9,775	187	-	789,551	789,551	
GOB 2017 New Municipal Buildings	03/31/19	n/a	04/01/19	2.5907%	1,462,789	3,904,120	3,904,120	853,141	3,294,472	-	1,462,789	1,462,789	
GOB 2017 Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.5907%	(0)	772,170	772,170	149,859	922,028	-	-	(0)	
GOB 2017 Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.5907%	250,517	946,709	946,709	242,311	938,503	-	250,517	250,517	
GOB 2017A Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.5907%	2,221,727	2,733,166	2,733,166	213,390	724,829	-	2,221,727	2,221,727	
GOB 2017A Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.5907%	6,182,713	6,107,633	6,107,633	76,542	1,462	-	6,182,713	6,182,713	
GOB 2018 Water/Wastewater Improv	03/31/19	n/a	04/01/19	2.5907%	2,660,505	2,628,197	2,628,197	32,937	629	-	2,660,505	2,660,505	
GOB 2018 Streets/Drainage/Sidewalks	03/31/19	n/a	04/01/19	2.5907%	6,081,152	6,007,306	6,007,306	75,285	1,438	-	6,081,152	6,081,152	
Sub-total					28,559,429	29,289,457	29,289,457	20,942,974	21,673,002	-	28,559,429	28,559,429	
<b>TexSTAR Investments</b>													
Concentration Account	03/31/19	n/a	04/01/19	2.4112%	634	626	626	7	-	-	634	634	
Sub-total					634	626	626	7	-	-	634	634	
Total					\$ 44,201,502	\$ 42,720,630	\$ 42,690,321	\$ 67,452,142	\$ 66,971,270	\$ 17,314	\$ 43,201,502	\$ 43,188,507	

City of Bellaire  
Investment Supplementary Report  
As of March 31, 2019

GASB 31 Market Reserve				
Account Description	Maturity	Book Value	GASB 31 Market Reserve	Market Value
<b><u>Amegy Bank of Texas</u></b>				
Concentration Account	04/01/19	\$ 3,122,939	\$ -	\$ 3,122,939
<b>Sub-total</b>		<u>3,122,939</u>	<u>-</u>	<u>3,122,939</u>
<b><u>Government Securities</u></b>				
FNMA 3136G4AP8	09/30/19	1,000,000	(7,418)	992,582
FHLMC 3134GA7A6	09/09/19	1,000,000	(5,577)	994,423
<b>Sub-total</b>		<u>2,000,000</u>	<u>(12,995)</u>	<u>1,987,005</u>
<b><u>TexPool Investments</u></b>				
Concentration Account	04/01/19	2,519,433	-	2,519,433
METRO Account	04/01/19	394,557	-	394,557
G.O. Bonds, Series 2014	04/01/19	54,868	-	54,868
G.O. Bonds, Series 2015	04/01/19	263,171	-	263,171
GOB 2017 New Municipal Buildings	04/01/19	487,704	-	487,704
GOB 2017 Water/Wastewater Improv	04/01/19	0	-	0
GOB 2017 Streets/Drainage/Sidewalks	04/01/19	83,573	-	83,573
GOB 2017A Water/Wastewater Improv	04/01/19	740,638	-	740,638
GOB 2017A Streets/Drainage/Sidewalks	04/01/19	2,060,807	-	2,060,807
GOB 2018 Water/Wastewater Improv	04/01/19	886,793	-	886,793
GOB 2018 Streets/Drainage/Sidewalks	04/01/19	2,026,956	-	2,026,956
<b>Sub-total</b>		<u>9,518,500</u>	<u>-</u>	<u>9,518,500</u>
<b><u>TexPool Prime Investments</u></b>				
Concentration Account	04/01/19	7,562,284	-	7,562,284
METRO Account	04/01/19	1,183,581	-	1,183,581
G.O. Bonds, Series 2014	04/01/19	164,610	-	164,610
G.O. Bonds, Series 2015	04/01/19	789,551	-	789,551
GOB 2017 New Municipal Buildings	04/01/19	1,462,789	-	1,462,789
GOB 2017 Water/Wastewater Improv	04/01/19	(0)	-	(0)
GOB 2017 Streets/Drainage/Sidewalks	04/01/19	250,517	-	250,517
GOB 2017A Water/Wastewater Improv	04/01/19	2,221,727	-	2,221,727
GOB 2017A Streets/Drainage/Sidewalks	04/01/19	6,182,713	-	6,182,713
GOB 2018 Water/Wastewater Improv	04/01/19	2,660,505	-	2,660,505
GOB 2018 Streets/Drainage/Sidewalks	04/01/19	6,081,152	-	6,081,152
<b>Sub-total</b>		<u>28,559,429</u>	<u>-</u>	<u>28,559,429</u>
<b><u>TREASURY SECURITIES</u></b>				
Concentration Account	04/01/19	634	-	634
<b>Sub-total</b>		<u>634</u>	<u>-</u>	<u>634</u>
<b>Total</b>		<u>\$ 43,201,502</u>	<u>\$ (12,995)</u>	<u>\$ 43,188,507</u>

Claim on Cash by Fund	
Fund Classifications	03/31/19 Balance
<b><u>Governmental Funds</u></b>	
100 - General Fund	\$ 10,205,724
200 - Special Revenue Fund	449,914
300 - Debt Service Fund	1,554,041
600 - VET Fund	1,906,275
610 - CIP Fund	2,985,914
620 - CIP Bond Fund	23,976,362
630 - METRO Fund	1,591,543
Total Governmental Funds	<u>42,669,772</u>
<b><u>Proprietary Funds</u></b>	
500 - Enterprise Fund	531,730
Total Proprietary Funds	<u>531,730</u>
<b>Total</b>	<u>\$ 43,201,502</u>

**Quarterly Reporting of Donations Approved by City Manager as per Ordinance 14-09**  
**Donations Approved During Quarter Ended March 31, 2019**

Date	Donor	Designation	Value
Fire - Donations			
03/13/19	Vivian Levin	No designation specified.	\$ 25
			<u>\$ 25</u>
Police - Donations			
03/21/19	The Jerry and Maury Rubenstein Foundation	Equip the fitness room of the new municipal police and courts building	\$ 21,030
			<u>\$ 21,030</u>
Library - Donations			
01/30/19	Friends of Bellaire Library	Monetary donation for purchases for enhancement of library services.	\$ 14,335
02/01/19	Pin Oak Estates HOA	Travel books for adult collection.	100
			<u>\$ 14,435</u>

**MEETING:** City Council - May 06 2019

**DEPARTMENT:** Finance

**ITEM TITLE:**

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas suspending for ninety days the effective date of the new electric rates of CenterPoint Energy Houston Electric, LLC, within the City of Bellaire, Texas, and maintaining current rates in effect.

**RECOMMENDATION:**

Terrence Beaman, Chief Financial Officer, recommends approval of the Ordinance to suspend CenterPoint Houston's new electric rates for ninety days beyond May 10, 2019 and maintain the current rates in effect.

**BACKGROUND/SUMMARY:**

On April 5, 2019, CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston") filed a Statement of Intent to Change Rates and an Application for Authority to Change Rates (collectively, the "Application") with each municipality exercising jurisdiction over CenterPoint Houston's electric rates, including the City of Bellaire, Texas (the "City"). Additionally, CenterPoint Houston filed the Application with the Public Utility Commission of Texas ("Commission") under Docket No. 49421. Compared to the current rates, CenterPoint is requesting a \$193.4 million annual base rate increase of which \$186.6 million will be collected from retail customers and \$6.8 million from wholesale transmission customers. CenterPoint Houston is also proposing, through a separate Tax Cuts and Jobs Act Rider ("TCJA Rider"), to return approximately \$97 million to customers over a three-year period. THE TCJA Rider addressed the excess deferred income taxes and reduces CenterPoint Houston's request by approximately \$32.4 million to \$154.2 million annually for a three-year period. After the three-year period, the TCJA Rider expires, and retail customers will pay the full \$186.6 million increase.

The City is participating in this proceeding, as a member of the Houston Coalition of Cities (Coalition) formed by the City of Houston, a coalition of similarly situated cities with CenterPoint customers within their city limits.

The Public Utility Regulatory Act ("PURA") provides that the new rates take effect on the 35th day after the filing with the City unless the City suspends the effective date of the new rates within 35 days of the filing. Therefore, the City's deadline to adopt an ordinance suspending the new rates is May 10, 2019. PURA further provides that the City may suspend the operation of the new rates for up to 90 days beyond the date the new rates would otherwise be effective. If the City does not take action within the 35 day period to suspend the new rates for up to 90 days beyond the effective date of the new rates, the new rates will be in effect. If the City suspends the effectiveness of the new

rates, the City will need to maintain the current rates in effect or adopt interim rates during the suspension period.

As a result of the short timeframe, the utility rate experts retained by the Coalition to review the Application have not had sufficient time to determine whether CenterPoint Houston has justified its request for new rates.

Because of the expedited nature of the filing, the Coalition experts recommend that City Council, as a Coalition member, adopt an Ordinance suspending CenterPoint Houston's new rates to allow for coordinated rate analysis and consideration of the new rates and maintain the current rates in effect during the suspension period. The City of Bellaire, as a member of the Coalition formed by the City of Houston, will participate in any proceeding at the PUC regarding the new CenterPoint Houston rates.

#### **PREVIOUS COUNCIL ACTION:**

Approval of Resolution on May 6, 2019 to join coalition of cities to deny the CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston") Application for Approval of a Distribution Cost Recovery Factor ("DCRF") with the Public Utility Commission of Texas ("Commission").

#### **CITY ATTORNEY REVIEW:**

☒ **Yes** ☐ **No**

## City of Bellaire

### ORDINANCE NO. 19-\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS SUSPENDING FOR NINETY DAYS THE EFFECTIVE DATE OF THE NEW ELECTRIC RATES OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC WITHIN THE CITY OF BELLAIRE, TEXAS AND MAINTAINING THE CURRENT RATES IN EFFECT**

**WHEREAS**, on April 5, 2019, CenterPoint Energy Houston Electric, LLC ("CenterPoint") submitted a Statement of Intent and Application for Authority to Change Rates ("Application") within the City of Bellaire, Texas ("City"), requesting a rate increase, riders, and tariff changes (collectively "New Rates"); and

**WHEREAS**, the City, as a local regulatory authority, exercises original jurisdiction over the rates, operations and services of CenterPoint for customers located within the City under Section 33.001 of the Public Utility Regulatory Act ("PURA") in the Texas Utilities Code; and

**WHEREAS**, the City is a member of the Coalition of Cities ("Coalition") in this CenterPoint electric base rate proceeding, as approved by Resolution 19-\_\_\_\_ by the City Council on May 6, 2019; and

**WHEREAS**, the New Rates would affect rates, operations or services for CenterPoint retail customers within the City; and

**WHEREAS**, PURA Sections 36.102 and 36.108 provide that the New Rates take effect on the 35<sup>th</sup> day after the local filing, unless the local regulatory authority suspends the effective date of the New Rates within 35 days of filing; and

**WHEREAS**, PURA Section 36.108 further provides that a local regulatory authority may suspend the operation of the Application for ninety days beyond the date the New Rates would otherwise be effective (the "Suspension Period"); and

**WHEREAS**, PURA Section 36.109 provides that unless the local regulatory authority establishes interim rates, the rates in effect at the time the Application is filed remain in effect during the Suspension Period; and

**WHEREAS**, during the Suspension Period, the City, through the Coalition's consultants and outside counsel, will review the Application, perform a coordinated analysis of the New Rates, obtain additional information from CenterPoint, receive public comments, and prepare a rate ordinance recommendation to the City Council of the City; and

**WHEREAS**, the expert utility rate consultants retained to review the Application on behalf of the Coalition have not had sufficient time to determine whether CenterPoint has justified its request for New Rates; and

**WHEREAS**, the Coalition's consultants and outside counsel recommend that the City suspend CenterPoint's New Rates for ninety days beyond May 10, 2019, the date the New Rates would otherwise be effective, to allow for coordinated rate analysis, consideration of the New Rates, and public comment; and

**WHEREAS**, the City has standing in each case before the Texas Public Utility Commission ("PUC") that relates to an electric utility providing service within the City pursuant to PURA Section 33.025;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, THAT:**

1. The recitals contained herein are found to be true and correct and are hereby adopted as part of this Ordinance.

2. To allow for coordinated rate analysis, consideration of other issues, and public comment, the effective date of the New Rates filed with the City by CenterPoint on April 5, 2019, is hereby suspended for ninety days beyond May 10, 2019, or the date the Rate Increase would otherwise be effective, to August 8, 2019.

3. The rates in effect as of April 5, 2019, the Application filing date, shall remain in effect until the earlier of the expiration of the Suspension Period or until changed by the adoption of a replacement rate ordinance by the City Council.

4. The City may intervene and participate in all proceedings related to or affecting CenterPoint's rates within the City at the PUC until the final resolution of the New Rates.

5. If any word, phrase, clause, sentence, paragraph, section or other part of this Ordinance or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, neither the remainder of this Ordinance, nor the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Ordinance to any other persons or circumstances, shall be affected thereby.

6. The City Council officially finds, determines, and declares that a sufficient written notice of the date, hour, place, and subject of each meeting at which this Ordinance was discussed, considered, or acted upon was given in the manner required by the *Texas Open Meetings Act*, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration, and action. The City Council ratifies, approves, and confirms such notices and the contents and posting thereof.

7. This Ordinance shall be effective immediately upon its adoption by the City Council.

**PASSED, APPROVED, and ADOPTED** this 6th day of May 2019.

**SIGNED:**

---

Andrew S. Friedberg  
Mayor

**ATTEST:**

---

Tracy L. Dutton, TRMC  
City Clerk

**APPROVED AS TO FORM:**

---

Alan P. Petrov  
City Attorney



**MEETING:** City Council - May 06 2019

**PREPARED BY:** Todd Gross

**DEPARTMENT:** Finance

**ITEM TITLE:**

Consideration of and possible action on the adoption of a resolution of the City Council of the City of Bellaire, Texas, to join with the City of Houston, Texas, in a coalition of cities in the conduct of proceedings pertaining to the CenterPoint Energy Houston Electric, LLC, Statement of Intent and Application for Authority to Change Rates Pending as PUC Docket No. 49421 and related proceedings and to authorize the Coalition of Cities to represent the City in said proceedings.

**RECOMMENDATION:**

Terrence Beaman, Chief Financial Officer, recommends approval of the Resolution authorizing the joining of the Coalition of Cities.

**BACKGROUND/SUMMARY:**

On April 5, 2019, CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston") filed a Statement of Intent to Change Rates and an Application for Authority to Change Rates (collectively, the "Application") with each municipality exercising jurisdiction over CenterPoint Houston's electric rates, including the City of Bellaire, Texas. Additionally, CenterPoint Houston filed the Application with the Public Utility Commission of Texas ("Commission") under Docket No. 49421. The City of Houston, Texas has issued an invitation to cities located in the CenterPoint Houston service territory to participate in a Coalition of Cities led by the City of Houston (the "Coalition"). The Coalition represents municipalities' interests in the electric rate case proceedings. No financial contribution will be required by member cities.

CenterPoint Houston's application contains several issues that warrant a more thorough review and analysis. The City of Houston has organized a team of experts to review and analyze the Application and assist in the preparation of a final recommendation.

Participation in the coalition will include access to these experts and will avoid duplication of effort and result in a stronger position through collective action.

**CITY ATTORNEY REVIEW:**

☒ **Yes** ☐ **No**

## City of Bellaire

### RESOLUTION NO. 19-\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS  
TO JOIN WITH THE CITY OF HOUSTON, TEXAS IN A COALITION OF CITIES IN THE  
CONDUCT OF PROCEEDINGS PERTAINING TO THE CENTERPOINT ENERGY HOUSTON  
ELECTRIC, LLC STATEMENT OF INTENT AND APPLICATION FOR AUTHORITY TO CHANGE  
RATES PENDING AS PUC DOCKET NO. 49421 AND RELATED PROCEEDINGS AND TO  
AUTHORIZE THE COALITION OF CITIES TO REPRESENT THE CITY IN SAID PROCEEDINGS**

**WHEREAS**, on April 5, 2019, CenterPoint Energy Houston Electric, LLC. ("CenterPoint") filed a Statement of Intent and Application for Authority to Change Rates ("Statement of Intent") within the City of Bellaire, Texas ("City"), requesting a rate increase, riders, and tariff changes (collectively "New Rates"); and

**WHEREAS**, CenterPoint has simultaneously requested the New Rates at the Public Utility Commission of Texas ("PUC") for customers receiving service in unincorporated areas ("environs"); and

**WHEREAS**, the PUC hears appeals from the ordinances of local regulatory authorities to determine just and reasonable rates; and

**WHEREAS**, the New Rates would affect rates, operations or services for CenterPoint retail customers within the City; and

**WHEREAS**, City has exclusive original jurisdiction as a local regulatory authority over the rates, operations and services of an electric utility for customers within the City pursuant to the Public Utility Regulatory Act ("PURA"); and

**WHEREAS**, PURA requires a local regulatory authority to make a reasonable determination of rate base, expenses, investment and rate of return and to retain the necessary personnel to determine reasonable rates; and

**WHEREAS**, the City desires to exercise its original jurisdiction over the request for the Statement of Intent to the fullest extent allowed by law; and

**WHEREAS**, the City desires to participate in all proceedings affecting the rates, operations and services of CenterPoint for customers within the City, through the Coalition of Cities; and

**WHEREAS**, the City Council finds that City's participation in the Coalition of Cities will achieve coordinated efforts among similarly situated affected municipalities in order to maximize the efficient use of resources and expertise in reviewing analyzing, and investigating the CenterPoint rate filings; and

**WHEREAS**, the City Council finds the Coalition of Cities will bring together CenterPoint service area municipalities to coordinate the hiring and direction of counsel and consultants working on behalf of the Coalition of Cities and the City; and

**WHEREAS**, the Coalition of Cities shall be led by the City of Houston, which shall direct the selection of legal counsel and consultants on behalf of the Coalition of Cities; and

**WHEREAS**, interested parties must seek party status to comply with the intervention deadline to be set in the proceedings; and

**WHEREAS**, the City Council finds that the participation of the City of Bellaire, Texas in the Coalition of Cities will achieve coordinated efforts among similarly situated affected municipalities in order to maximize the efficient use of resources and expertise in reviewing, analyzing, and investigating CenterPoint's Statement of Intent; and

**WHEREAS**, City Council has determined that it is in the best interest of the City that the City participates with the Coalition of Cities in the proceedings;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, THAT:**

1. The recitals contained herein are found to be true and correct and are hereby adopted as part of this Resolution.

2. That the City is hereby authorized to join with other municipalities as part of the Coalition of Cities and to participate to the fullest extent permitted by law in proceedings affecting the rates, operations and services of CenterPoint for customers within the City of Bellaire, Texas and in particular regarding the Statement of Intent.

3. That the City is hereby authorized to intervene in the proceedings as a member of the Coalition of Cities.

4. The City authorizes the Coalition of Cities to represent the City in proceedings affecting the rates, operations and services of CenterPoint for customers within the City of Bellaire, Texas and in particular regarding the Statement of Intent.

5. That such outside counsel that the City of Houston may select, shall represent the City in all of the proceedings and are hereby authorized to take all legal and other actions necessary to forward the interests of the City in the proceedings and all matters related to such proceedings, including without limitation any hearings, conferences, negotiations and related proceedings.

6. If any word, phrase, clause, sentence, paragraph, section or other part of this Resolution or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, neither the remainder of this Resolution, nor

the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Resolution to any other persons or circumstances, shall be affected thereby.

7. The City Council officially finds, determines, and declares that a sufficient written notice of the date, hour, place, and subject of each meeting at which this Resolution was discussed, considered, or acted upon was given in the manner required by the *Texas Open Meetings Act*, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration, and action. The City Council ratifies, approves, and confirms such notices and the contents and posting thereof.

8. This Resolution shall be effective immediately upon its adoption by the City Council.

**PASSED, APPROVED, and ADOPTED** this 6th day of May 2019.

**SIGNED:**

\_\_\_\_\_  
Andrew S. Friedberg  
Mayor

**ATTEST:**

\_\_\_\_\_  
Tracy L. Dutton, TRMC  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Alan P. Petrov  
City Attorney

Ord. No. 19-\_\_\_\_

Page 4 of 4

Page 3 of 3

**MEETING:** City Council - May 06 2019

**PREPARED BY:** Jim Harrison

**DEPARTMENT:** Finance

**ITEM TITLE:**

Consideration of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending the budget of the City of Bellaire, Texas, for the fiscal year beginning October 1, 2018, and ending September 30, 2019 (FY 2019), consisting of the following new appropriations: \$27,030 Special Revenue Fund and \$300,000 Capital Bond Fund – Submitted by Terrence Beaman, Chief Financial Officer.

**RECOMMENDATION:**

Terrence Beaman, CFO, recommends approval for the amendment to the FY 2019 Budget and for the adoption of the related ordinance.

**BACKGROUND/SUMMARY:**

The Texas Local Government Code, Section 102.010 authorizes cities to amend their budgets for municipal purposes. There have been no previous amendments to the FY 2019 Budget. The proposed amendment would (1) increase budgeted revenues in the Special Revenue Fund by \$138,447 for donations received, (2) increase budgeted expenditures in the Special Revenue Fund by \$27,030 so a portion of the donated funds may be expended, and (3) increase budgeted expenditures in the Capital Bond Fund by \$300,000 to supplement the municipal facilities budget. See attached memo to City Manager for more detailed information.

**PREVIOUS COUNCIL ACTION:**

- On April 6, 2015, Council adopted a resolution accepting a donation in an amount ranging from \$110,000 to \$125,000 from the Estate of Edward Houston Wilson, Jr., to be utilized by the Bellaire Police Department to further their capabilities within the community conditioned upon the installation of a suitable plaque or monument in Edward Houston Wilson, Jr.'s name in a public place.
- The FY 2019 Budget was adopted by Council on September 17, 2018 with Ordinance No. 18-055.
- On April 15, 2019, Council heard a presentation regarding the status of the municipal facilities project in which the planned budget amendment of \$300,000 was discussed, but no action was requested of Council at that time, so no action was taken.

**FISCAL IMPACT:**

This amendment will increase total budgeted appropriations in the Special Revenue Fund by \$27,030 and will increase total budgeted appropriations in the Capital Bond Fund by \$300,000. The additional appropriations in the Special Revenue Fund will be funded by donations. The additional appropriations in the Capital Bond Fund will be funded by interest that has accrued on the municipal facilities bond proceeds.

**CITY ATTORNEY REVIEW:**

☒ **Yes** ☐ **No**

# City of Bellaire

---

## Finance

To: Paul A. Hofmann  
From: Terrence Beaman  
Date: April 23, 2019  
Subject: Fiscal Year 2019 ("FY 2019") Budget Amendment Number 1

I am recommending City Council approve an ordinance for the adoption of FY 2019 Budget Amendment Number 1 (the "Amendment"). The Amendment would (1) increase budgeted revenues in the Special Revenue Fund by \$138,447 for donations received, (2) increase budgeted expenditures in the Special Revenue Fund by \$27,030 so a portion of the donated funds may be expended, and (3) increase budgeted expenditures in the Capital Bond Fund by \$300,000 to supplement the municipal facilities budget.

### ***Increasing the Special Revenue Fund Budgeted Revenues by \$138,447***

On April 6, 2015, City Council adopted a resolution accepting a donation in an amount ranging from \$110,000 to \$125,000 from the Estate of Edward Houston Wilson, Jr., (the "Estate") to be utilized by the Bellaire Police Department to further their capabilities within the community conditioned upon the installation of a suitable plaque or monument in Edward Houston Wilson, Jr.'s name in a public place. After an extended probation process, the Police Department finally received a distribution of \$117,417 from the Estate in March 2019. The FY 2019 budget did not anticipate these revenues, therefore, I am recommending an increase to the Special Revenue Fund budgeted revenues.

On March 22, 2019, you approved a \$21,030 donation from The Jerry and Maury Rubenstein Foundation (the "Foundation") to the Bellaire Police Department to be used to equip the fitness room of the new municipal police and courts building. The FY 2019 budget did not anticipate these revenues, therefore, I am recommending an increase to the Special Revenue Fund budgeted revenues.

The total of the \$117,417 donation from the Estate and the \$21,030 donation from the Foundation is \$138,447, which is the total increase in budgeted revenues in the Special Revenue Fund reflected in the proposed amendment.

***Increasing the Special Revenue Fund Budgeted Expenditures by \$27,030***

The Police Department anticipates spending only \$6,000 of the \$117,417 proceeds from the Estate in FY 2019. These funds will be spent to provide an appropriate acknowledgement in Edward Houston Wilson, Jr.'s name. This acknowledgement is intended to be part of a broader recognition of Bellaire military veterans. The FY 2019 budget did not anticipate these expenditures, therefore, I am recommending an increase to the Special Revenue Fund budgeted expenditures. The remaining \$111,417 of unappropriated Estate proceeds will be included in the FY 2020 budgeted expenditures.

The Police Department anticipates spending the entire \$21,030 donation from the Foundation in FY 2019 to equip the fitness room, therefore, I am recommending an increase to the Special Revenue Fund budgeted expenditures.

The total of the \$6,000 expected to be spent from the Estate's donation in FY 2019 and the entire \$21,030 donation from the Foundation which is expected to be spent in FY 2019 is \$27,030, which is the total increase in budgeted expenditures in the Special Revenue Fund reflected in the proposed amendment.

***Increasing the Capital Bond Fund Budgeted Expenditures by \$300,000***

As presented to City Council on April 15, 2019, the municipal facilities project has expenditures of approximately \$100,000 which have been deferred due to budgetary constraints and there have been approximately \$42,500 of project-related expenditures that have been paid from the General Fund operating budget. Also presented to Council on April 15, was a funding source of approximately \$300,000 – interest of approximately \$342,000 that has accrued on the municipal facilities bond proceeds less a contingency reserve of approximately \$42,000 as arbitrage calculations have not yet been performed. These unappropriated revenues are available to be spent on the municipal facilities project. City Council was notified that we intended to propose a budget adjustment to increase the municipal facilities project budget by \$300,000. Of that amount, approximately \$42,500 will be used to reimburse the General Fund for project-related expenditures, approximately \$100,000 will be used to fund the deferred items, and the remainder will be available for additional municipal facilities project expenses. Therefore, I am recommending an increase to the Capital Bond Fund budgeted expenditures for the municipal facilities project by \$300,000.



## City of Bellaire

### ORDINANCE NO. 19-\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, AMENDING THE BUDGET FOR THE CITY OF BELLAIRE, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019, BY INCREASING THE SPECIAL REVENUE FUND BY \$138,447 FOR RECEIPT AND \$27,030 FOR EXPENDITURE OF DONATIONS TO THE BELLAIRE POLICE DEPARTMENT; AND BY INCREASING THE CAPITAL BOND FUND BY \$300,000 FOR AN INCREASE TO THE MUNICIPAL FACILITIES PROJECT BUDGET FROM ACCRUED INTEREST INCOME ON BOND PROCEEDS**

**WHEREAS**, on September 17, 2018, the City Council of the City of Bellaire, Texas, by Ordinance No. 18-055, duly adopted and approved the budget for the City of Bellaire, Texas, (the "City") for the fiscal year beginning October 1, 2018, and ending September 30, 2019; and

**WHEREAS**, pursuant to *Section 102.010, Texas Local Government Code*, the City Council of the City of Bellaire, Texas, may amend the City's budget for municipal purposes; and

**WHEREAS**, the City has received both donations to the Bellaire Police Department and accrued and not appropriated interest income on bond proceeds; and

**WHEREAS**, the City Council of the City has determined that City's budget should be amended to include use of the donations and accrued and not appropriated interest income on bond proceeds for municipal purposes; and

**WHEREAS**, such amendment shall not result in the authorization of expenditures in excess of the total of estimated income plus funds available from earlier years; **NOW, THEREFORE**,

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

1. **THAT** the recitals contained herein are found to be true and correct.
2. **THAT** the budget for the City of Bellaire, Texas for the fiscal year beginning October 1, 2018, and ending September 30, 2019 is hereby amended by increasing the Special Revenue Fund by \$138,447 for receipt and \$27,030 for expenditure of donations to the Bellaire Police Department and by increasing the Capital Bond Fund by \$300,000 for an increase to the municipal facilities project budget from accrued interest income on bond proceeds, as reflected in "Appendix A" attached hereto.

3. **THAT** a true and correct copy of this Ordinance shall be filed with the City Clerk of the City of Bellaire, Texas, and maintained as a part of the budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2018, and ending September 30, 2019.

4. **THAT** the City Clerk shall cause to be filed a true and correct copy of this Ordinance with the County Clerk of Harris County, Texas.

5. **THAT** this Ordinance shall be effective immediately upon its adoption by the City Council.

**PASSED, ADOPTED and APPROVED** this 6th day of May, 2019.

---

Andrew S. Friedberg  
Mayor

ATTEST:

---

Tracy L. Dutton, TRMC  
City Clerk

APPROVED AS TO FORM:

---

Alan P. Petrov  
City Attorney

Ord. No. 19-  
Page 2 of 2

## APPENDIX A: FY 2019 Budget Amendment Number 1

Account Type	Description	FY 2019 Adopted Budget	Amendment	FY 2019 Amended Budget	Purpose of Amendment
200 SPECIAL REVENUE FUND					
Revenue	DONATIONS TO POLICE DEPARTMENT	\$ 1,500	\$ 138,447	\$ 139,947	Increase the Special Revenue Fund revenue budget for donations received from the Edward H Wilson Jr Estate (\$117,416.71) and The Jerry & Maury Rubenstein Foundation (\$21,030.40).
Expenditure	EXPENDITURE OF RESERVED DONATIONS - POLICE DEPARTMENT	\$ 5,400	\$ 27,030	\$ 32,430	Increase the Special Revenue Fund expenditure budget to appropriate the expenditure of the donations received from the Edward H Wilson Jr Estate (\$117,416.71) and The Jerry & Maury Rubenstein Foundation (\$21,030.40).
200 SPECIAL REVENUE FUND TOTAL INCREASED BUDGETED REVENUES			\$ 138,447		
200 SPECIAL REVENUE FUND TOTAL INCREASED BUDGETED EXPENDITURES			\$ 27,030		
620 CAPITAL BOND FUND					
Expenditure	MUNICIPAL FACILITIES PROJECT	\$ -	\$ 300,000	\$ 300,000	Increase the municipal facilities project budget. Funding is available from interest income that has accrued on the bond proceeds and has not been appropriated.
620 CAPITAL BOND FUND TOTAL INCREASED BUDGETED REVENUES			\$ -		
620 CAPITAL BOND FUND TOTAL INCREASED BUDGETED EXPENDITURES			\$ 300,000		

**MEETING:** City Council - May 06 2019

**PREPARED BY:** Karl Miller

**DEPARTMENT:** Parks, Recreation and Facilities

**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 change proposals to the Guaranteed Maximum Price Contract with Horizon|Christensen, a Joint Venture, for construction and construction management services associated with the Municipal Facilities Project, in an amount not to exceed \$30,000.00 - Submitted by Karl Miller, Director of Parks, Recreation and Facilities.

**RECOMMENDATION:**

Karl Miller, Director of Parks, Recreation and Facilities, recommends that the City Council of the City of Bellaire approve the ordinance authorizing the City Manager, Paul A. Hofmann, to execute future change proposal related to the Municipal Facilities Project in an amount not to exceed \$30,000.00.

**BACKGROUND/SUMMARY:**

During the December 17, 2018, Council meeting, the City Manager was given the authority to approve change proposals related to the Municipal Facilities project up to \$40,000.00. Since that Council meeting, there were nineteen (19) Change Proposals related to the Police and Municipal Courts Building totaling \$33,719.00, four (4) Change Proposals related to City Hall for \$647.00 and three (3) related to the demolition of the Civic Center at a cost of \$5,296.00 for a total expenditure of \$39,662.00.

**PREVIOUS COUNCIL ACTION:**

On December 17, 2018, City Council approved eleven (11) change proposals totaling \$262,516.00 and authorized the City Manager to approve up to an additional \$40,000.00 of future change proposals related to the Municipal Facilities Project.

**FISCAL IMPACT:**

Funding for the future change proposals would be provided by the allocation of interest earned from the Municipal Facilities bonds.

**CITY ATTORNEY REVIEW:**

☒ **Yes** ☐ **No**

## City of Bellaire

### ORDINANCE NO. 19-\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS, AUTHORIZING THE CITY MANAGER OF THE CITY OF BELLAIRE, TEXAS, TO APPROVE AND EXECUTE ADDITIONAL CHANGE PROPOSALS TO THE GUARANTEED MAXIMUM PRICE CONTRACT WITH HORIZON | CHRISTENSEN, A JOINT VENTURE, FOR CONSTRUCTION AND CONSTRUCTION MANAGEMENT SERVICES ASSOCIATED WITH THE MUNICIPAL FACILITIES PROJECT, IN AN AGGREGATE AMOUNT NOT TO EXCEED \$30,000.00.**

**WHEREAS**, by Ordinance No. 18-076 dated December 17, 2018, the City Council of the City of Bellaire, Texas approved eleven (11) change proposals totaling \$262,516.00 and authorized the City Manager to approve and execute additional change proposals related to the Municipal Facilities Project in an aggregate amount not to exceed \$40,000.00; and

**WHEREAS**, since December 17, 2018, the City Manager has used such authority to approve and execute twenty-six (26) change proposals for a total amount of \$39,662.00; and

**WHEREAS**, City Council of the City of Bellaire, Texas anticipates additional change proposals related to the Municipal Facilities Project and wishes authorize the City Manager to approve and execute change proposals related to the Municipal Facilities Project in an aggregate amount not to exceed \$30,000.00, which amount will be in addition to the previously authorized aggregate amount of \$40,000.00 approved in Ordinance No. 18-076;

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

- 1. THAT** the recitals contained herein are found to be true and correct.
- 2. 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, change proposals to the Guaranteed Maximum Price Contract with Horizon | Christensen, a Joint Venture, for construction and construction management services associated Municipal Facilities project in an aggregate amount not to exceed \$30,000.00, which amount is in addition to the authorization granted by Ordinance No. 18-076.
- 3. THAT** all ordinances and parts of ordinances in conflict with this Ordinance are repealed to the extent of conflict only.
- 4. THAT** if any word, phrase, clause, sentence, paragraph, section or other part of this Ordinance or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, neither the remainder of this Ordinance, nor the application of such word, phrase, clause,

sentence, paragraph, section, or other part of this Ordinance to any other persons or circumstances, shall be affected thereby.

**5. THAT** the City Council officially finds, determines, and declares that a sufficient written notice of the date, hour, place, and subject of each meeting at which this Ordinance was discussed, considered, or acted upon was given in the manner required by the *Texas Open Meetings Act*, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration, and action. The City Council ratifies, approves, and confirms such notices and the contents and posting thereof.

**6. THAT** this Ordinance shall be effective immediately upon its adoption by the City Council.

**PASSED, APPROVED and ADOPTED** this 6th day of May, 2019.

(SEAL)

**ATTEST:**

**SIGNED:**

\_\_\_\_\_  
Tracy L. Dutton, TRMC  
City Clerk

\_\_\_\_\_  
Andrew S. Friedberg  
Mayor

**APPROVED AS TO FORM**

\_\_\_\_\_  
Alan P. Petrov  
City Attorney