

AGENDA – WORKSHOP OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, TO BE HELD ON MONDAY, JANUARY 9, 2012, AT 6:00 P.M., PUBLIC SAFETY BUILDING, 2555 CULLEN PARKWAY, SECOND FLOOR TRAINING ROOM NUMBER ONE, PEARLAND, TEXAS.

I. CALL TO ORDER

II. PURPOSE OF THE WORKSHOP:

- 1. COUNCIL INPUT AND DISCUSSION:** REGARDING PRIORITY BASED BUDGETING. *Ms. Claire Bogard, Finance Director.*
- 2. COUNCIL INPUT AND DISCUSSION:** REGARDING REPORT ON ALL CURRENT PROJECTS. *Mr. Trent Epperson, Project Director.*

III. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing at 281-652-1840 prior to the meeting so that appropriate arrangements can be made.

Workshop Item No. 1

1. **COUNCIL INPUT AND DISCUSSION:** REGARDING PRIORITY BASED BUDGETING. *Ms. Claire Bogard, Finance Director.*

**AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS**

AGENDA OF:	January 9, 2012	ITEM NO.:	Workshop Item No. 1
DATE SUBMITTED:	December 29, 2012	DEPT. OF ORIGIN:	Finance
PREPARED BY:	Claire Bogard	PRESENTOR:	Claire Bogard
REVIEWED BY:	Bill Eisen	REVIEW DATE:	1/3/12
SUBJECT: Priority Based Budgeting Workshop			
EXHIBITS: PowerPoint Presentation Exhibit A - List of Outcomes Exhibit B - Contract			
FUNDING:			
<input type="checkbox"/> Bonds To Be Sold	<input type="checkbox"/> Grant	<input type="checkbox"/> Developer/Other	<input type="checkbox"/> Cash
<input type="checkbox"/> Bonds- Sold	<input type="checkbox"/> L/P – Sold	<input type="checkbox"/> L/P – To Be Sold	
EXPENDITURE REQUIRED:		AMOUNT BUDGETED:	
AMOUNT AVAILABLE:		PROJECT NO.:	
ACCOUNT NO.:			
ADDITIONAL APPROPRIATION REQUIRED:			
ACCOUNT NO.:			
PROJECT NO.:			
To be completed by Department:			
Finance	Legal	Ordinance	Resolution

EXECUTIVE SUMMARY

BACKGROUND

Since fiscal year 2008, the City's total tax rate increased by 3.25 cents with the increases coming in fiscal 2010 and 2011, in order to meet debt service obligations for capital projects approved by the voters in 2001 and in 2007. During this same time period, the General Fund component of the tax rate has decreased by 3.52 cents, shifting to the Debt Service Fund, due to increases in sales tax and property taxes.

In fiscal year 2009, the once robust growing economy in Pearland, began to slow down with the overall national downturn in the economy; sales tax and property taxes flattened which has required the City to reduce the General Fund operating budget by \$4.0 million dollars over the last two years. Computer and vehicle replacement was funded this year vial lease/purchase versus in the past by cash. These are short-term fixes.

The City's current Five-Year Forecast shows an additional 7.49 cent increase needed from fiscal year 2012 to fiscal year 2016, with 2 cents in the General Fund. While the City has been able to reduce the General Fund budget by \$4.0 million without affecting services and no raises for civilian employees over two years, any future reductions would affect services and service levels.

In order to be pro-active before the next budget process, City staff is proposing an exercise where we identify our most important strategic priorities or outcomes, and then, through a collaborative, evidence-based process, rank programs or services according to how well they align with the priorities. Those programs or services that rank lowest would then be reviewed.

This process is known as "Priority Based Budgeting". The Budget staff attended a webinar put on by ICMA (International City Managers Association) on the topic, had a condensed version shared with the Assistant City Managers and City Manager and we recommend this exercise and approach for the upcoming budget year, given the still uncertain economy and City's forecast.

Staff will be present to review how the exercise works, the cost, and most importantly, a list of outcomes. The outcomes have to be agreed upon as these outcomes drive the process and ranking of services.

IMPORTANT NOTE

The entire process revolves around a list of outcomes; what are the results the City is aiming to achieve. Staff reviewed the last 3 years of Council's strategic objectives and identified a list of outcomes for City Council review.

Safe City
Economic Vitality
Well-Planned Community
Reliable Well-Maintained Infrastructure
Effective Transportation and Mobility
Efficient & Effective Governance

Results/Outcomes are to capture the fundamental purposes for which we exist and should be broad enough to have staying power from year to year. They should be expressed in terms of the results that are of value and the results should be specific enough to be meaningful and measurable, but not so specific as to say how the result will be achieved or become outmoded after a short time. These results are then defined in more detail.

Staff would like City Council to review the list of results/outcomes and get Council feedback at the workshop. Since Departments will score their programs/services against these, the results/outcomes have to be solidified and bought into the process at its very beginning.

Consequently, we are seeking Council guidance on the following questions. Is the list complete? Does the list convey the City's main purposes? See Exhibit A.

SCOPE OF CONTRACT

Staff is recommending that we utilize the assistance of two consultants, from Center for Priority Based Budgeting; that developed and have successfully implemented the process in approximately 27 local governments, mainly in California, Colorado and Florida. They will advise, facilitate the process, and analyze.

There will be a one time cost of \$30,000, exclusive of travel-related expenses, and departments will learn the process during this budget cycle; which we can then duplicate in future years. The one-time fee includes the City’s use of the software in future years.

See attached Exhibit.

BID AND AWARD

Staff would bring back the contract for approval at its next meeting.

SCHEDULE

If City Council approves of the approach and outcomes, we would begin with a Kick-Off meeting on February 7, 2012 and have a final product the end of May; right before budget meetings begin with departments.

POLICY/GOAL CONSIDERATION

This addresses several Council strategic goals; ensure sound financial policies, plan for “worst-case” financial scenario, and continue effective approach to budget preparation. This also would address minimizing any future tax-rate impacts to the citizens as well as identify services/programs that do not meet or minimally meet the strategic outcomes of the City.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

The actual contract is for \$30,000, however; the outcome of the exercise could have far reaching financial impacts, mainly in the terms of identifying services that do not meet or minimally meet the goals/objectives of the City and/or evaluate if the City should be providing that service, with possible reductions or elimination of services.

O&M IMPACT INFORMATION

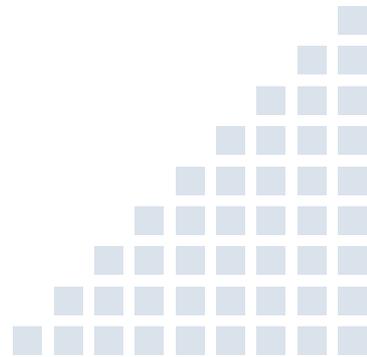
Fiscal Year		2012	2013	2014
General	Fund	\$30,000	\$-0-	\$-0-
Contingency				

RECOMMENDED ACTION

Receive presentation, review staff recommended outcomes, get direction and feedback from City Council on the process and the outcomes; as the outcomes will drive the entire process and results.

Priority Based Budgeting

January 9, 2012



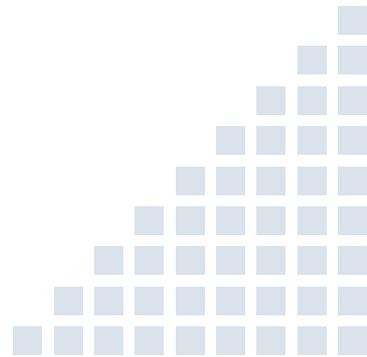
BACKGROUND

- Economy
 - Slowdown in the economy beginning fiscal year 2009
 - Reduction in construction and permitting activity
 - Flattened sales tax and property taxes
- Tax Rate
 - Total tax rate increase of 3.25 cents since 2008, with entire increase in last two years
 - General Fund component of tax rate since 2008 has decreased by 3.52 cents
 - Debt Service component of tax rate since 2008 has increased by 6.77 cents
- General Fund
 - Budget reductions of \$4.0 million over two years
 - No civilian raises for two years
 - Computer/Vehicle Replacement funded by lease/purchase
 - Some are short-term fixes



Future

- Five-Year Forecast
 - Total tax rate of .7600 cents by 2016, increase of 7.49 cents from current .6851.
 - FY2013 tax rate shows .7250
- Pro-Active Approach to FY2013 budget now

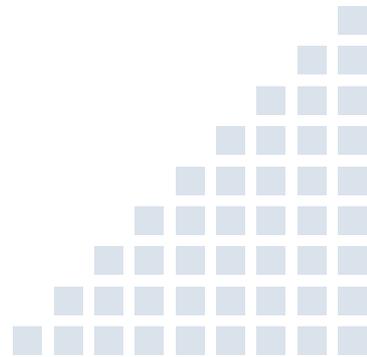


According to Moody's

- “Across-the-board cuts can be a way to avoid tough decisions”
- “Targeted cuts require **a serious discussion of community values, relative benefits of different services, and long-term implications**”
- “**Making targeted cuts can demonstrate a more strategic approach to managing fiscal crisis.**”



Priority Based Budgeting “Exercise”



Priority Based Budgeting

- Resources should be allocated according to how effectively a program or service achieves the goals and objectives that are of greatest value to the community
- Identify the most important strategic priorities, and then through a collaborative, evidence-based process, ranks programs and services according to how well they align with the priorities.

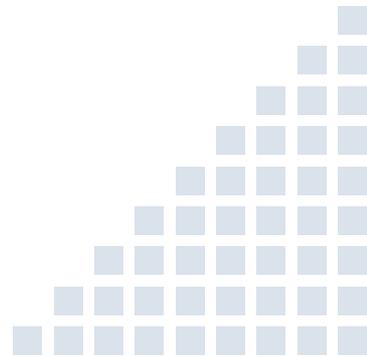


Steps to Successful Prioritization

- **1.) Identify Results or Outcomes**
 - Accurate prioritization of programs, reflecting the City's stated objectives, depends on the comprehensive identification of the Results we are in business to achieve
 - Results/Outcomes capture the fundamental purposes for which we exist and are broad enough to have staying power from year to year.
 - Should be expressed in terms of the results or outcomes that are of value
 - Results should be specific enough to be meaningful and measurable, but not so specific as to say how the result will be achieved or become outmoded after a short-time.
- **2.) Define Results/Outcomes**
 - Create a picture or map of how the outcome can be achieved.
 - Strategy maps provide an effective way to achieve clarity about what we aim to accomplish with each result/outcome.
 - With clearly defined Maps, detailing the factors we are in the business to achieve, we can seek to minimize subjectivity in the process of linking programs with Results
- **3.) Identify and List Programs and Services**
 - Identify, list and cost the programs and services we offer

Steps to Successful Prioritization

- **4.) Value Programs Based on Results**
 - With the right Results, and with clear definitions of those Results, we can more accurately place a value on a program relative to its influence on achieving Results
 - Score and rank the programs and services
- **5.) Allocate Resources Based on Priorities**
 - Using “Resource Allocation Diagnostic Model”







Safe Community

Ensures regulatory compliance in order to protect property, the environment and the lives of its residents and visitors

Protects the community by justly enforcing the law, promptly responding to calls for service and being prepared for all emergency situations

Offers a variety of safe activities and safety education to engage with youth and families

Fosters a feeling of personal safety through a visible and approachable presence that ensures proactive prevention and responds to community concerns

Provides safe traffic flow, safe roads and a well-maintained transportation system

Step 4: Score Programs on Basis of Results & Basic Program Attributes

Basic Program Attributes

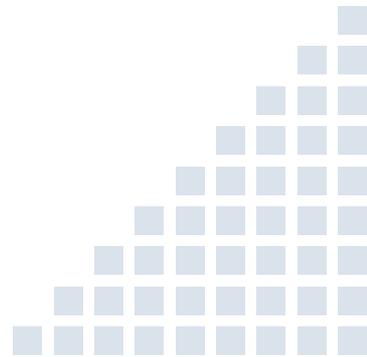
- Mandated to Provide the Service
- Reliance on the City to Provide the Service
- Self-Sustainability
(*Program Revenue*)
- Change in Demand for Service

City of Boulder's Results

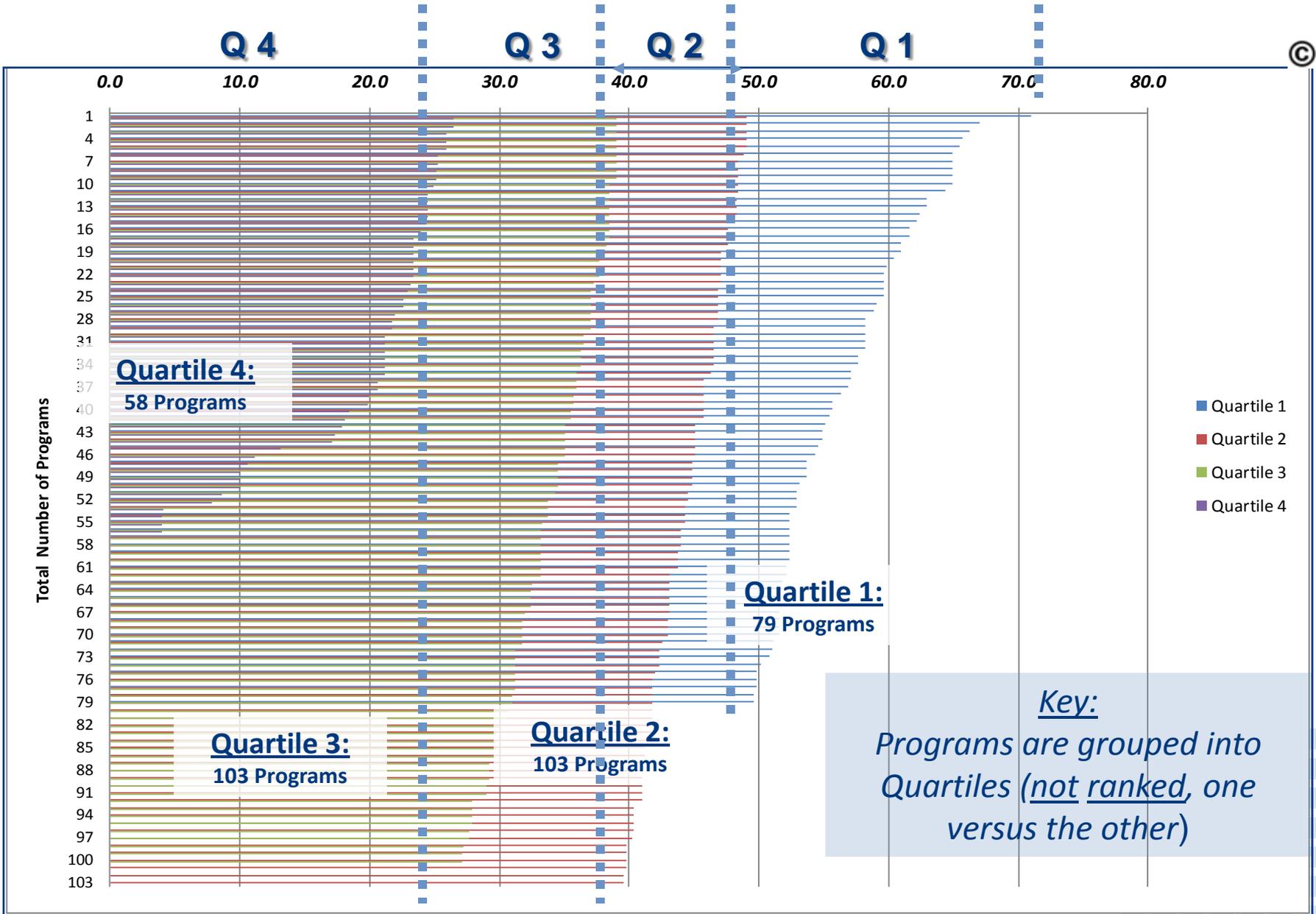
- Accessible & Connected Community
- Economically Vital Community
- Healthy Environment & Community
- Inclusive & Socially Thriving Community
- Safe Community

Identify “*Value*” of Program Based on their Influence on Results

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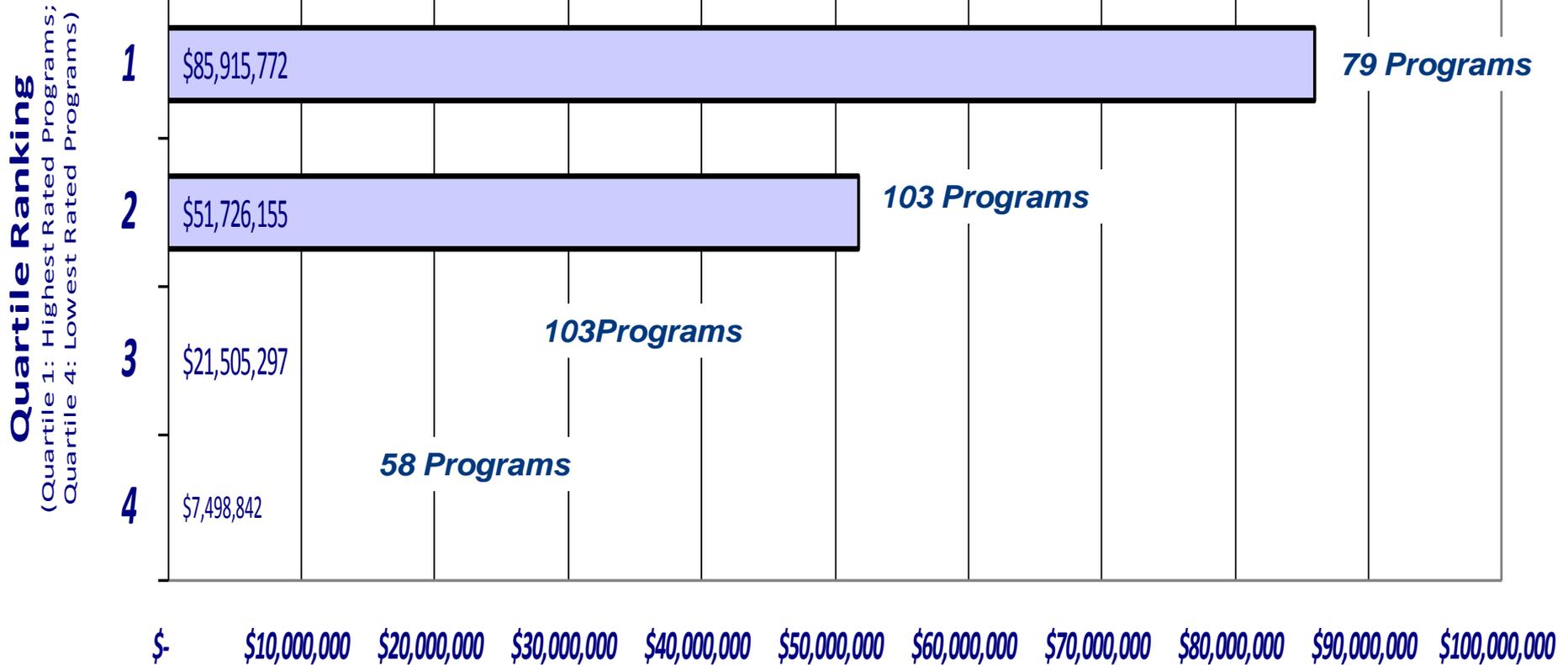


Defining Quartile Groupings



Step 5: Allocate Resources Based on Prioritization

Prioritization Array: Combined City-wide Programs



Resource Allocation Diagnostic Model

Program Type:

(All Programs, Governance, Community-oriented)

Prioritization Perspective:

(City-wide, Fund, Funds)

Choose Department:

(All Departments, Specific)

Funding Source:

(Est. Budget, Gen Gov Revenue, Program Revenues)



Every City Program

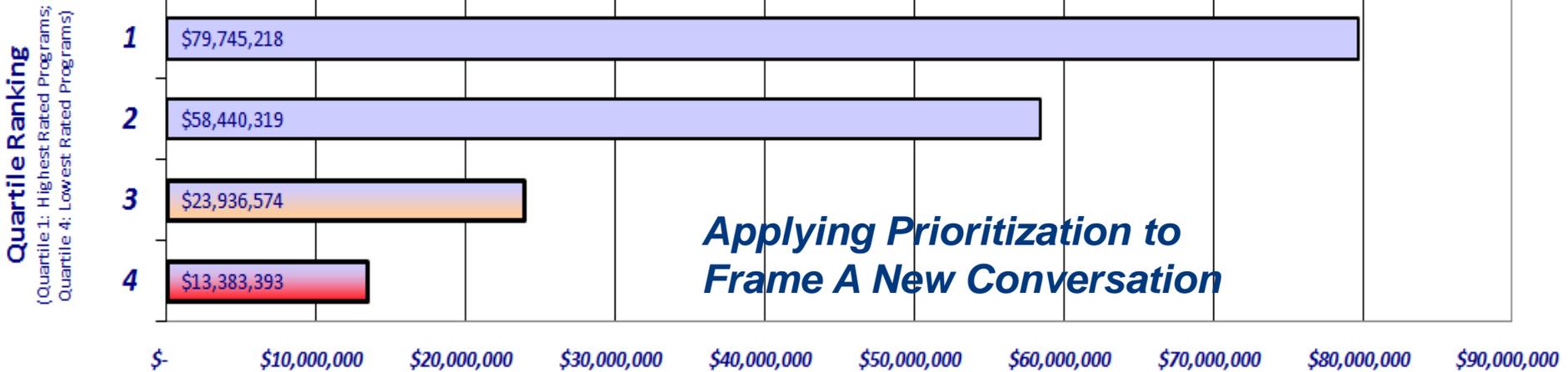
City-wide

All Departments

Portion Funded by General Government Resources

June 13, 2011

Priority Based Budgeting: Spending Array Perspectives



Quartile Ranking	2010 Budget	2011 Proposed Budget	Increase (Reduce) %	Impact	2011 Target Budget
Qrt 1	\$0	\$79,745,218	2.00%	\$1,594,904	\$81,340,122
Qrt 2	\$0	\$58,440,319	-3.00%	(\$1,753,210)	\$56,687,110
Qrt 3	\$0	\$23,936,574	-10.00%	(\$2,393,657)	\$21,542,917
Qrt 4	\$0	\$13,383,393	-20.00%	(\$2,676,679)	\$10,706,714
TOTALS	\$0	\$175,505,504	-2.98%	(\$5,228,641)	\$170,276,863

Center for Priority Based Budgeting

Denver, Colorado

Jon Johnson, *Senior Manager*

Chris Fabian, *Senior Manager*

Example of Client List

Boulder, CO

San Jose, CA

Chandler, AZ

Mission Viejo, CA

Fort Collins, CO

Delray Beach, FL

Monterey, CA

Chesapeake, VA

Plano, TX

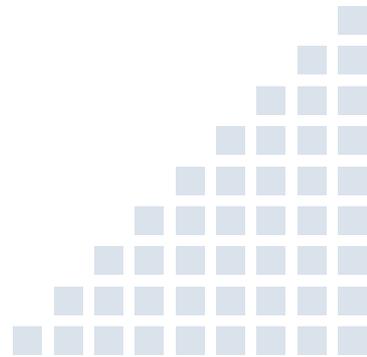
Lakeland, FL

Developed and implemented the process in approx. 27 local governments. Advise, facilitate the process, analyze.



Timeline

- January- Council approve Outcomes
Notice to Proceed
- February Kick-Off Meeting
Identify Services
- March Score Programs
- April Peer Review
- May Final Results



Pearland's Outcomes/Results

- Reviewed last 3 years of Council's strategic objectives
- Reviewed other outcomes from other cities
 - Wording
- Exhibit B

- Outcome/Results drive the process; the scoring and ranking; very important we get these right.



Pearland's Outcomes/Results

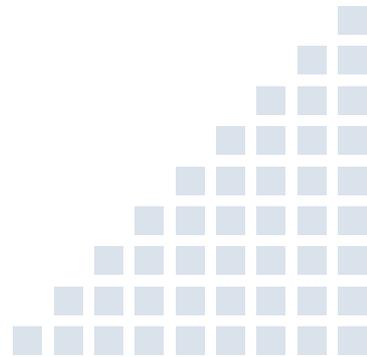
- Safe City
- Economic Vitality
- Well-Planned Community
- Reliable Well-Maintained Infrastructure
- Effective Transportation and Mobility
- Efficient & Effective Governance

Council feedback, changes, concurrence

Adopt these or revisions thereof at next Council meeting



QUESTIONS



CITY OF PEARLAND, TEXAS

Safe City

- Enforces the Law and Administers Justice
- Enhances Personal Safety
- Prevents Crime and Protects
- Provides for Emergency Response and Management
- Provides for Disaster Preparedness, Response and Recovery
- Sustains an Environment that Promotes Personal and Public Safety and Health
- Education Prevention of Crime, Fire, Injury & Illness

Economic Vitality

- Attracts, Recruits, and Retains Business
- Provides for a Quality of Life that attracts, sustains, and retains diverse business
- Provides for comprehensive planning strategies that focus on economic opportunities and sustainable community
- Actively markets Pearland's location, facilities and activities to residents, visitors and the business community
- Provides, Maintains & Enhances Infrastructure

Well Planned Community

- Plans for and designs responsible growth with predictable, compatible land uses and consistent with Comprehensive Plans, Policies, Standards
- Promotes environmental stewardship
- Supports, Preserves, and Sustains Natural Resources & Conservation
- Controls & abates threats to the Community
- Provides for diverse recreational programs and public open space
- Provides for multi-generational community enrichment
- Consistent development standards
- Promotes arts and cultural opportunities and venues
- Protects the identity and integrity of neighborhoods

Reliable Well-Maintained Infrastructure

- Provides for adequate infrastructure to support growth and to sustain existing community
- Maintains and manages existing public infrastructure to preserve long-term investment
- Provides for Infrastructure Strategic Planning
- Designs and constructs infrastructure to meet standards to maximize useful life.

Effective Transportation and Mobility

- Plan street systems that support all modes of transportation
- Well Built and Maintained Streets, Lights, Streetscapes, Sidewalks, and Multi-Use Trails
- Provides for an effective traffic management signal system
- Responsiveness to Traffic Problems and Issues
- Ease in Mobility

Efficient & Effective Governance

Attracts, motivates and develops a high quality workforce

Responsive, accessible and courteous Customer Service

Enables and Enhances Transparency, Accountability, Efficiency and Innovation

Protects and Manages financial, human, physical, and technology resources

Provides for Regulatory & Policy Compliance

Supports Decision Making with timely, accurate short-term and long-range analysis

Facilitates effective Communications

Easy Access to City Government: Information and Services

The Center for Priority Based Budgeting

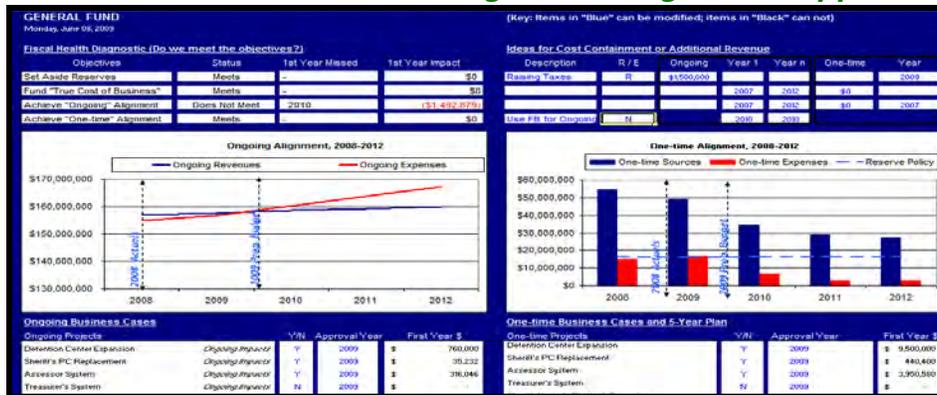
*"Leading Organizations to
Fiscal Health and Wellness"*



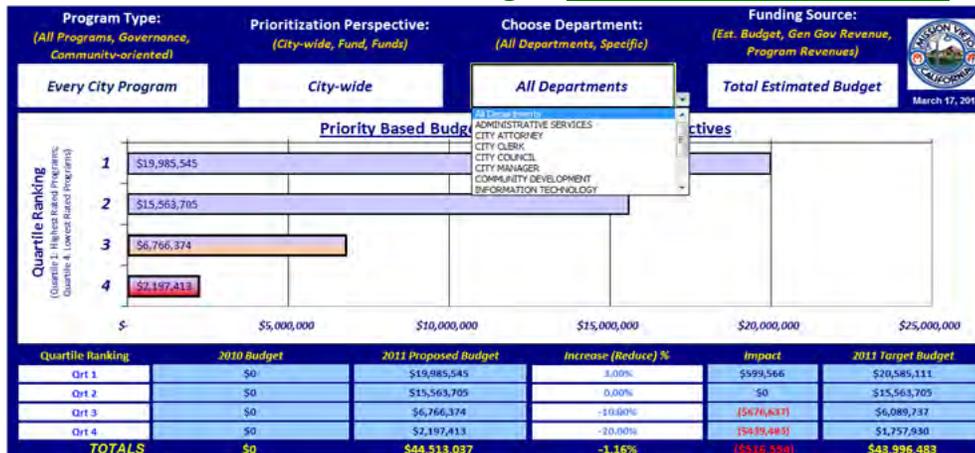
Implementing Priority Based Budgeting

A Proposal for the City of Pearland, Texas

Achieve Fiscal Health through our "Diagnostic" Approach



Achieve Fiscal Wellness through "Priority Based Budgeting"



CENTER FOR PRIORITY BASED BUDGETING

“Leading Communities to Fiscal Health and Wellness”

Mr. Bill Eisen
City Manager
City of Pearland
3519 Liberty Drive
Pearland, TX 77581

December 9th, 2011

Re: Implementation of Priority Based Budgeting in Pearland

Dear Bill:

The **Center for Priority Based Budgeting** is extremely pleased to provide this proposal in response to the City of Pearland’s request for advisory, analytical and facilitation assistance in the development and implementation of our **Priority Based Budgeting** process. We believe that this unique and timely results-based approach to resource allocation addresses the needs of local governments everywhere as they struggle to deal with unprecedented budgetary constraints as well as strive to achieve long-term financial sustainability.

We are truly excited to offer this creative and innovative process to the City of Pearland. As you are aware, while serving as local government practitioners, we developed the **Priority Based Budgeting** model to address our belief that there needed to be a process that would successfully link the stated strategic results that an organization strives to accomplish with the way resource allocation decisions are made through the budget process.

Because of its specific relevance to local governments needing to address their immediate short-term budgetary distress, our **Priority Based Budgeting** process has gained nationwide recognition and has been promoted by the International City/County Management Association (ICMA), the Government Finance Officers Association (GFOA) and the Alliance for Innovation. In the 27 local governments that have implemented **Priority Based Budgeting**, we have seen that this process not only provides a way in which an organization can make better short-term resource allocation decisions based on the relative priority of the various programs and services it offers, but also provides a new way to link budget decisions to the strategic results and outcomes that the organization wishes to achieve for the long-term.

It is gratifying and rewarding for the **Center** to be able to offer its assistance to the City of Pearland in the implementation of our **Priority Based Budgeting** process. It will be an honor and a pleasure to work with your organization to help it achieve all the benefits and outcomes of this process, which we believe will lead local governments to more open, transparent and sustainable decision-making for years to come.

Best Regards,

Jon Johnson *Chris Fabian*

Center for Priority Based Budgeting
720 S. Colorado Blvd., Suite 1000-N
Denver, CO 80426-1926
Jon - 303-909-9052 or jjohnson@pbbcenter.org
Chris - 303-520-1356 or cfabian@pbbcenter.org
Website - www.pbbcenter.org

The Center for Priority Based Budgeting

How Can My Organization Achieve Fiscal Health and Wellness?

The **Center for Priority Based Budgeting** proudly offers its services in helping local government organizations address their fiscal realities both in the short-term and long-term through a new and creative process that is actively being implemented across the country. These “hands-on” practitioners have developed the **Fiscal Health and Wellness** process to help cities counties, school districts, special districts and non-profit agencies find the answers to the most relevant questions of the day:

- How do we “**stop the bleeding?**”
- How can our organization “**spend within its means?**”
- How do we allocate scarce resources to “**top priority?**” programs?
- How can we link our budget with our strategic goals/objectives and then “**measure?**” their performance?
- How does our organization head down a path of long-term “**financial sustainability?**”

Traditional responses to a financial crisis such as “**across-the-board cuts,**” **employee furloughs, pay freezes, selling assets,** or mere cosmetic “**accounting gimmicks?**” are typically not the most effective treatments to turn to when trying to close an ongoing “gap” between ongoing revenues and ongoing costs to provide programs and services. Local governments choosing to implement **Fiscal Health and Wellness** as a treatment regimen are making substantial progress because they are doing the analytical work required to more accurately diagnosis the reasons behind their fiscal issues and then determining the best treatments that lead to a viable cure.

Fiscal Health can only be achieved by properly diagnosing the symptoms and causes of your organization’s budget issues, allowing you to “**prescribe?**” the correct treatments that can alleviate your fiscal distress. Applying the wrong treatment will not “**cure what ails you?**” and may even make matters worse. Once your organization is fiscally healthy, it can then become financially sustainable in the long term by implementing a **Fiscal Wellness** regimen that revolves around the principles of **Priority Based Budgeting.** Through this process, Jon Johnson and Chris Fabian have already helped dozens of local governments achieve **Fiscal Health and Wellness** in this tough and unprecedented economic climate. Additionally, by implementing **Priority Based Budgeting,** cities and counties alike have now found a way to link their strategic goals and objectives with the budget process and with their performance measurements.

The **Center for Priority Based Budgeting** offers the professional expertise, analytical skills and diagnostic tools needed to help your jurisdiction turn these tough times around. For the short-term we can provide you with the tools and techniques you need to assess and monitor your organization’s **picture of Fiscal Health.** For the long-term, we can assist your organization in clearly defining its goals and objectives and lead you in a process that prioritizes your spending to align with these goals. Our objective is to help you:

- Diagnose the root cause of your fiscal circumstances
- Establish clearly defined goals for your organization
- Prioritize resource allocation to your most valuable programs and services
- Provide decision-makers with better information about the impacts of their decisions
- Develop the tools you need to see things more clearly through a “**new lens?**” with our unique “**Fiscal Health Diagnostic Tool?**” and our “**Resource Alignment Diagnostic Tool?**”

The **Center for Priority Based Budgeting** offer several levels of services to meet the individual needs of your organization as it addresses its short-term and long-term fiscal concerns. These flexible and attainable approaches can be tailored to work with any level of engagement your organization is ready to embark upon. Many approaches are available to your organization depending on what suits your needs most effectively. Jon and Chris are available to talk through these alternative approaches and find the best one that meets your particular needs. Our main objective is to find the best way to assist your organization in dealing with its fiscal stress and reaching a stable and sustainable level of **Fiscal Health and Wellness**.

Please visit our website: www.pbbcenter.org

Among the wide range of services available through the
Center for Priority Based Budgeting:

- ✦ **"Priority Based Budgeting"** Process Implementation
- ✦ Fiscal Health Diagnostic Assessments
- ✦ **"Fiscal Health Diagnostic Tool"** Development
- ✦ Utility Rate Modeling (*using our "Fiscal Health Diagnostic Tool"*)
- ✦ Facilitated Goal-Setting / Strategic Planning Retreats *and* Workshops
- ✦ Citizen Engagement Facilitation
- ✦ **"Fiscal Health and Wellness"** Workshops
- ✦ Financial Policy Development
- ✦ Revenue Forecasting Support
- ✦ Revenue Manual *and* Program Inventory Development
- ✦ **"Capital Improvement Plan"** (CIP) Development *and* Prioritization
- ✦ Performance Measures *and* Metrics Assessments
- ✦ Internal Service Fund Analysis *and* Development
- ✦ Program Costing Support (*direct, indirect and overhead components*)

The Center for Priority Based Budgeting

How We Propose to Assist the City of Pearland

The **Center for Priority Based Budgeting** believes that the City of Pearland has accomplished a great deal towards effectively implementing the initial steps involved in the **Priority Based Budgeting** process developed by the **Center**. Our process is based entirely on the philosophy that the identified *Results* of any community need to be clearly aligned with the resource allocation decisions that are made during the budget process. This proposal details how the City can leverage and take advantage of the work they've completed to date and then continue forward with the full implementation of **Priority Based Budgeting**.

The **Center** strongly believes that the process needs to be integrated into the organization's culture for the long term and to that end, as a first step, would recommend that staff (*and elected officials, if desired*) gain a complete perspective on the process in an initial, on-site workshop. The workshop would engage them as participants from the outset of the process and help define their roles and responsibilities so it is clear what is expected of them. The **Fiscal Health and Wellness Orientation Workshop** would "kick-off" the project and would consist of:

- Conducting a half-day, on-site workshop with executive administration, managers, supervisors, employees, and/or elected officials to achieve "buy-in" from these stakeholders that **Fiscal Health and Wellness**, with emphasis on **Priority Based Budgeting**, is an appropriate tool for the City.
- Providing specific training to executive administration, managers and/or supervisors on the elements of the **Fiscal Health and Wellness** model to achieve a greater understanding of what will be involved in the full implementation of the process, how **Priority Based Budgeting** works, and how it can be used to achieve the objectives the City is seeking.

Following the orientation workshop, the Center will use the remainder of the day on-site to conduct a "Results Validation Exercise" and a "Result Mapping Exercise" with City staff – these exercises are described in greater detail in "Steps 1 and 2" of this proposal.

For the duration of this process, the **Center** would lead the organization through a process to leverage what the City has already completed to date, in order to completely accomplish the five steps of **Priority Based Budgeting**, with an approach to achieve the following key objectives:

- Implement a holistic process that will align strategic planning with resource allocation decisions (*budget process*) as well as performance measurement and management
- Leverage the work that staff is working on to validate Council's "Outcomes" to identify and define the strategic *Results* that the organization seeks to achieve
- Through the construction of "Results Maps," clearly define and articulate the "meaning" of the City's *Results* to internal as well as external stakeholders, thus providing a "roadmap" that guides the City in the direction of results-oriented resource allocation and decision-making
- Develop a comprehensive list of programs and services offered by the organization and identify the costs of those services in order to fully implement the **Priority Based Budgeting** process

- Evaluate and determine the degree to which those programs and services contribute to the achievement of the identified *Results*
- Prioritize those services which highly achieve those identified *Results* as compared with those programs that are less of a priority in terms of their impact on *Results*
- Align resource allocation decisions with higher priority programs
- Develop the **Center's** unique "**Resource Alignment Diagnostic Tool**" for the City – providing an entirely "*new lens*" through which the City can clearly see where opportunities exist to refocus attention on programs that are of the highest priority to the community and shift resources away from those programs that are not highly relevant in terms of achieving the City's *Results* for the community
- Lead the organization in the development of measures and metrics that demonstrate how a program achieves the identified *Results*
- Undertake a strategic process that will achieve these stated objectives without requiring the City to move at a faster pace than desired, ensuring a successful and permanent shift in direction and philosophy
- Demonstrate how this process can be adapted to evaluate significant capital projects and other one-time initiatives order to identify those that are of the highest priority in terms of accomplishing the City's overall *Results*

Based on these key objectives, the **Center** recommends the following methodology and approach to assist the City of Pearland in undertaking the implementation of **Priority Based Budgeting**.

1. **DETERMINE RESULTS**

Accurate prioritization of programs, reflecting the City's stated purpose, depends on the comprehensive identification of the Results it exists to achieve.

The City of Pearland will be taking a set of "**Outcomes**" to City Council in December / January for review and validation. These will be used as the basis for identifying the City's "*Results*." The work already accomplished by the City Council in developing "**Outcomes**" establishes the fundamental reasons that define "why" the City provides services. Using these as a foundation for the work to be undertaken will ensure that a direct link exists between the Council's stated objectives and the process through which all programs will be prioritized and City resources will be allocated through the budget process.

The Center will review these "**Outcomes**" to ensure that they are complete and comprehensive in order to leverage them directly for the remainder of the **Priority Based Budgeting** process. Based on our review, the Center will ensure that the "**Outcomes**" are closely aligned with what we consider to be appropriate "*Community-oriented Results*" and a "*Governance Result*" as utilized in the **Priority Based Budgeting** process. The Center will review the **Outcomes** to ensure that they are high-level goals, as opposed to specific projects or one-time initiatives. They should also be more overarching in nature that will "*stand the test of time,*" as opposed to more short-term needs or tasks which normally have a targeted "*finish-line.*" And finally, they should be comprehensive but also unique to the City of Pearland, in that they attempt to represent all the reasons why your organization exists and why it offers the types of unique services it does to the community. This way, we believe that the work accomplished by the City can successfully be leveraged in accomplishing the initial step of "*Determining Results*" inherent in our **Priority Based Budgeting** process.

During the initial, on-site workshop, the **Center** will facilitate a *Results* "validation" exercise with the City to review the City's *Results* (and subsequently establish *Results Definitions* as described in "*Step 2*": "*Clarify Result Definitions*" below). The City Council has spent considerable time providing their input for the development of the City's "**Outcomes**" which will serve as the basis for the City's *Results*, and therefore have provided sufficient

input to move ahead in the process without revisiting this issue with them until Council is re-engaged in the process. This facilitated “validation” exercise with the City staff is specifically designed to engage staff to ensure that the *Results* are sufficiently comprehensive and clearly understood before continuing with the implementation of the process.

Specifically, to help the City of Pearland **DETERMINE RESULTS**, the **Center** will offer the following services:

- Review and critique a list of recommended *Results* from the City Council’s “**Outcomes**” which will be validated in December / January to confirm that the City’s current *Results* are complete, and engage in dialogue to address any *Results* that may not have been identified.
- Work with the City to finalize a comprehensive list of *Results* to be used in the **Priority Based Budgeting** process through a facilitated *Results* “validation” exercise with City staff.

2. CLARIFY RESULT DEFINITIONS

Precision in Priority Based Budgeting depends on the clear articulation of the cause and effect relationship between a program and a defined Result. With clearly defined Result Maps, detailing the factors that influence the Results the City is in business to achieve, it can seek to minimize subjectivity in the process of linking those Results to programs or services offered to the community.

During the initial on-site workshop, the **Center** will lead the City’s Management Team (*and other staff, if desired*) through a facilitated exercise to develop comprehensive definitions for the City’s *Results* that were validated as outlined in “*Step 1*”. Participants in the “brainstorming” exercise will contribute by expressing all of the many ways that the City’s *Results* can be achieved, and then organizing all of those answers into similarly themed groups that form the basis for each of the *Result* definitions. The technique is called **Affinity Diagramming**, a proven and powerful method that: a.) gathers large and comprehensive amounts of information about all of the different ways the City’s *Results* can be defined, and b.) does so in an extremely efficient manner that makes the most optimal use of the participant’s time (*about 4 to 6 hours*) while still producing complete definitions.

Following the exercise, the **Center** will produce draft **Result Maps** for each of the City’s stated *Results*. These **Result Maps** provide a simple, graphic way to organize and articulate the concepts identified in the facilitated exercise as the definitions around each *Result*. The **Center** will present the City’s Executive Team with the **Result Maps** for revisions and refinement, in order to make sure that **Result** definitions are clear, and that they are expressed in the City’s “own words”. Once the **Result Maps** are refined, they will serve as one of the key criteria for program scoring, which will take place in “*Step 4*” outlined below.

Specifically to help the City of Pearland **CLARIFY RESULT DEFINITIONS**, the *Center* will offer the following services:

- Utilizing the proven **“Result-mapping”** exercise, the Center will facilitate a workshop to define outcomes and objectives relative to each **Result**. The workshop incorporates affirmative inquiry techniques and open-ended questioning to garner specific responses that helps define the organization’s **Results**.
- Facilitate a collaborative work session to establish a **“Governance Result Map”** to support the prioritization of internally focused programs (*i.e. Finance, Legal, Human Resources, Information Technology, etc.*).
- Develop **“Result Maps”** for each of the identified **Results** for approval by elected officials and/or staff, leveraging any work already completed to articulate the associated definitions (“sub-results”) for each of the stated **Results**.
- Coach and advise staff on how to facilitate a process to **“weight”** the relative importance of the organization’s stated **Results**, which establishes the **Result weighting factors** utilized in the calculation of program scores.

The graphic that follows illustrates a “Result Map” from the City of Boulder, Colorado that clearly defines their Result of achieving a “Safe Community.”



3. IDENTIFY ONGOING PROGRAMS and SERVICES

Differentiating programs and services offered by the City to the community, as opposed to drawing only a comparison between each of the individual departments that provide services to the community, builds a common understanding of exactly what the overall City organization offers to its citizens and leads to a more effective means of making discrete resource allocation decisions through the Priority Based Budgeting process.

Once an organization has determined what it is “*in business to do*” by identifying and defining the *Results* the community wants to achieve, it is important to determine exactly what programs and services are being offered. Many organizations attempt to “*prioritize*” their spending by comparing one department against another rather than determining which of the typically hundreds of programs and services offered across the organization are more highly valued by the community than others. By developing a comprehensive list of programs and services offered by the organization and identifying the costs of those services, the City will be able to better understand at a more discrete level what programs it provides and how much it costs to provide them.

Specifically to help the City of Pearland **IDENTIFY ONGOING PROGRAMS and SERVICES**, the **Center** will offer the following services:

- Coach the organization in the development of Program Inventories, including facilitating a *Program Inventory Training Workshop* to help City staff gain a better understanding of how to identify and define the individual programs and services that are offered by each department and provide guidance in distinguishing between a task (*too small to be considered a program*) and a department/division (*too large to be considered a program*).
- Provide Program Inventory worksheets for departments to use in compiling their listing of programs, including program costs and associated FTE
- Provide sample Program Inventories from similar organizations who have worked with the **Center** to assist City staff as they begin to develop their own Program Inventories
- Offer quality control in support of the City’s overall efforts in developing Program Inventories
- Provide guidance and coaching to the City on techniques and methodologies used in calculating program costs (*including direct and indirect costs*) and identifying the number of staff associated with each program offered (*if desired*)
- Assist in analyzing and utilizing appropriate tools to efficiently and effectively identify program costs

4. VALUE ONGOING PROGRAMS BASED ON RESULTS

With the right Results, and with clear definitions of those Results, the City is then ready to more accurately place a value on individual ongoing programs relative to its influence on achieving the organization’s stated Results.

In program scoring, it is essential to give departments the opportunity to first score their own programs, relative to the City's *Results* and demonstrate why they believe their programs are influential in achieving those *Results*. This gives departments the chance to provide their own unique intelligence on their own programs which no one else but the program providers would have known. Again, not only does this help solidify organizational buy-in but at the same time provides a more thorough and complete understanding about everything the organization does and how those programs help achieve the identified *Results* (i.e. "why" we offer the program).

The **Peer Review** process then provides for an authentication process to validate the department's belief that their programs indeed are relevant to the City's *Results*. Several organizations have commented that, unlike other more conventional approaches to performance measures, **Peer Review** provides a forum for a better discussion leading to a clearer understanding of how programs truly influence *Results*. Furthermore, as was the case in the City of Boulder, Colorado, departments gain an organization-wide perspective about programs being offered across the City, which has led to the uncovering of program redundancies. This has led to cross-departmental collaboration, as departments find out that they provide similar programs to other departments. This process has also contributed to changes in organizational culture as departments are tasked with the duty of objectively analyzing programs that aren't their own (i.e. a "jury of their peers").

The effect of **Peer Review** has been remarkable, not only for the purposes of **Priority Based Budgeting**, but for bringing an organization together to look at the programs they offer in the context of how they collectively achieve the *Results* that citizens find meaningful. In a sense, **Peer Review** begins to break down the old departmental "silos" and lets staff see the world from a more global perspective. Ultimately, it is through this step that more accurate program scores emerge, that a better understanding of programs is developed, and an assurance that the outcome of the entire process is objective and valid.

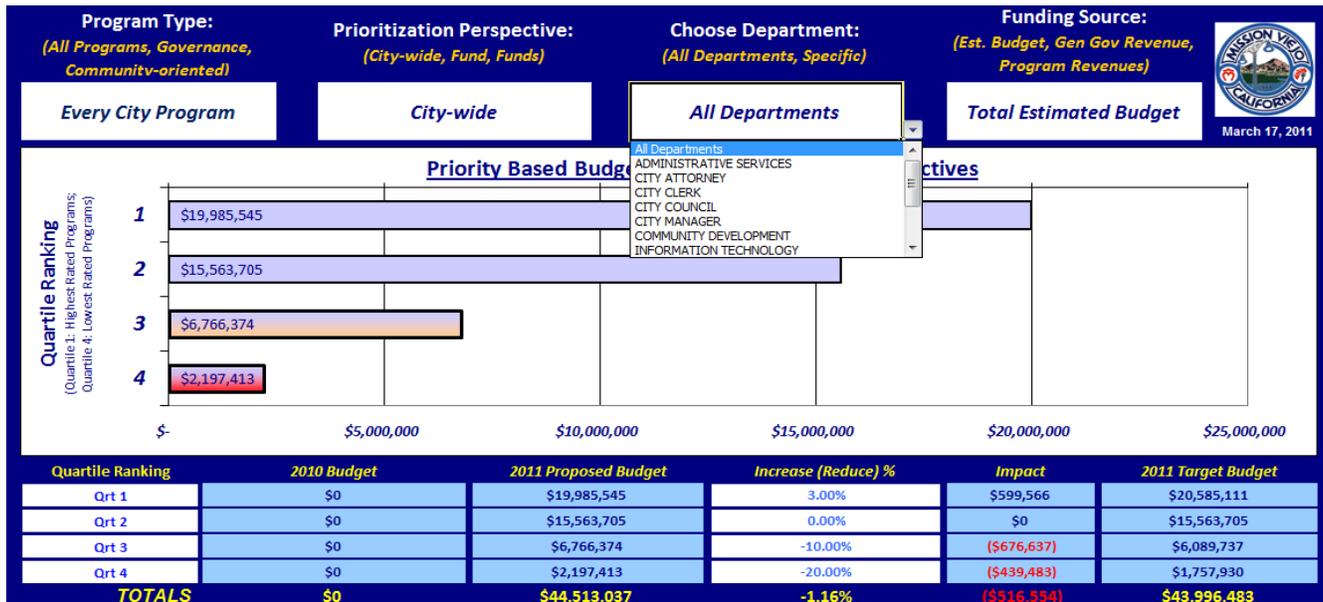
Specifically to help the City of Pearland **VALUE ONGOING PROGRAMS BASED ON RESULTS**, the **Center** will offer the following services:

- Facilitate a discussion to identify "**Basic Program Attributes**" with executive staff to determine what characteristics make a program in the community a high priority.
- Develop and create "**Program Scorecards**" that facilitate the City effort to score programs based on the program's influence on *Results*, and based on the Basic Program Attributes.
- Develop and support the **Peer Review** process to engage the City's staff in evaluating program scores, interviewing program managers to hear evidence to justify program scores, and then recommending program score adjustments where appropriate value programs based on the organization's stated *Results* (as defined by the "**Results Maps**").
- Calculate and apply the "weighting factor" to each *Result* as determined by the responses from the "**Results Weighting**" Exercise.
- Calculate final program scores and develop the quartile rankings for all the City's programs and services based on their relative score.

5. ALLOCATE RESOURCES BASED ON PRIORITIES

Ultimately, the Results identified and defined by the City and the programs that achieve those Results become clearly articulated in the budget through a process in which resource allocation decisions are linked to the prioritization of those individual programs and services.

Once programs have been scored against the Results and a relative value determined, the entire list of the City's offered services can be arranged in order of "highest priority" (those programs most relevant in achieving the City's stated Results) to "lowest priority" (those programs that are less relevant in achieving those Results). The programs are then grouped into four "Quartiles" based on the similarity of the scoring ranges, with Quartile 1 representing those programs of the highest priority and Quartile 4 including those programs of the lowest priority. Individual program costs are then associated with each program in order to develop a final "Spending Array by Quartile." The Center takes this information and develops a customized "Resource Alignment Diagnostic Tool" that can be utilized by the organization in 1) assessing its spending profile in terms of aligning resources with identified priorities; 2) developing "target budgets" for departments based on their individual prioritized spending profile and 3) analyzing programs using the "Resource Alignment Diagnostic Tool's" unique filtering capabilities.



The screen capture above demonstrates the front panel of the Resource Alignment Diagnostic Tool for the City of Mission Viejo, California.

With the "Resource Alignment Diagnostic Tool", the City will have a "unique window" to see their programs not only in terms of their relevance to Results, but also in light of mandates, fee structures, citizens' reliance and community partnerships. This unique "lens" allows staff to efficiently analyze programs and gain insights into areas such as:

- Direct VS. indirect costs for services
- Programs supported by specific user-fees VS. those funded through general government revenues (taxes)
- Stringently mandated services VS programs without any legislative requirement
- Programs that the community depends exclusively upon the City to provide VS programs offered by other entities in the community (private, non-profit, etc)

- *Programs that highly achieve one or more of the City’s stated Results VS those programs that do not help to achieve any of those Results.*

In addition, the “**Resource Alignment Diagnostic Tool**” provides staff with a way to engage in more powerful and meaningful discussions that address questions such as:

- *What services are truly mandated to be provided by the City, and how much does it cost to fulfill those mandates?*
- *What programs are most appropriate to consider a discussion about establishing or increasing user-fees?*
- *What programs are most appropriate for discussions about partnerships with other service providers in the community?*
- *What services might the City consider “getting out of” the business of providing altogether?*
- *Where are there apparent duplications in services offered across the organization that might lead to a meaningful efficiency discussion?*
- *How can succession planning be incorporated to focus on training staff providing lower priority programs to fill the positions left vacant in higher priority programs?*

The appendix of this document includes a graphic depiction of the “**Resource Alignment Diagnostic Tool**” to help illustrate how the *Results* of the City’s **Priority Based Budgeting** work can be used to derive departmental resource allocation targets.

Specifically to help the City of Pearland **ALLOCATE RESOURCES BASED ON PRIORITIES**, the **Center** will offer the following services:

- Provide recommendations on ways to integrate the outcomes of the **Priority Based Budgeting** process into discussions regarding resource allocation strategies for the upcoming budget cycle.
- Facilitate resource allocation discussions related to ongoing revenues to guide priority-driven budget decisions and ensuring that resource allocation starts with available revenues, as separated into ongoing and one-time sources.
- Develop a customized, interactive “**Resource Alignment Diagnostic Tool**” that will guide all resource allocation calculations based on the prioritization of programs and the amount of revenue available (*allowing allocations to be summarized by Fund, by Departments, etc.*).
- Provide user training on the full functionality of the “**Resource Alignment Diagnostic Tool**”.
- Prepare a high level interpretative analysis of the data available in the “**Resource Alignment Diagnostic Tool**” and identify opportunity areas for discussion related to programs and their continued relevance to the organization.

In addition to the development of the Resource Allocation Model, the **Center** will utilize its “**12-Point Diagnostic Questionnaire**” in order to assess the overall **Fiscal Health** of City of Pearland. For this step the **Center** will:

- Perform an off-site, high-level review of readily available financial data, records, budget documents and/or annual financial reports (*CAFR*)
- Facilitate the completion of the **Center’s “12-Point Diagnostic Questionnaire”** which addresses the five points of good **Fiscal Health**

- *“Spend within your means”*
- *Establish and maintain reserves*
- *Understand variances*
- *Be transparent about the true cost of doing business*
- *Incorporate economic analysis and long-term planning into decision-making*
- Provide key observations based on the high-level “check-up” performed, including:
 - Highlighting and validating practices that demonstrate good ***Fiscal Health***
 - Identifying areas where improvements could help strengthen the City’s overall fiscal condition
 - Recommend initiatives that could alleviate immediate short-term budget challenges
 - Identify opportunities for the City to consider that will lead to more long-term sustainability

The Center for Priority Based Budgeting

PROPOSED BUDGET

Given the amount of work that the City of Pearland has already accomplished that can be leveraged directly for the implementation of this process, ***the total proposed budget for this project is not to exceed \$30,000***, exclusive of travel-related expenses (*at least two on-site visits, and possibly a third, are anticipated but additional visits can be arranged at the discretion of the City*). Travel expenses, billed at cost, will include all reasonable and necessary charges related to airfare, lodging, ground transportation (*including rental car fees, shuttles, taxis and airport parking*) and meal per diem expenses (*based on a per person rate of \$60 per day*). These travel-related reimbursable costs are estimated at approximately \$1,000 to \$1,500 per visit.

The City may be asked to provide certain office supply items for use in onsite workshops such as paper, markers, white boards, and other needs as requested by the project team and agreed upon by the City. These items are estimated to cost no more than \$300.

The quotation of fees and compensation shall remain firm for a period of 120 days from this proposal submission. Travel costs will be billed separately on an occurrence basis. The **Center** agrees to work cooperatively with the City in order to reduce travel costs to the greatest extent possible while still meeting the requirements specified in this proposal.

The Center for Priority Based Budgeting

Who Are We?

The ***Center for Priority Based Budgeting*** prides itself in providing creative solutions to local governments struggling to address their own fiscal realities. Our mission is to share our experience and technical knowledge of government financial operations and budget development with organizations that are seeking to achieve "***Fiscal Health and Wellness***" that is sustainable for the long-term. Above all, the ***Center*** strives to be viewed as a trusted advisor and a dependable, objective resource that assists local governments who are seeking service excellence, transparency to their stakeholders and a strong desire to achieve the *Results* that are important to their community. In particular, our experience in dealing with finance-related issues combined with our backgrounds in performance measurement, achievement of efficiencies, and genuine community engagement, makes the ***Center for Priority Based Budgeting*** a truly unique and beneficial partner in dealing with fiscal issues and budgetary concerns, especially in these unprecedented and turbulent times.

The ***Center for Priority Based Budgeting ("Center")*** was formed in 2010 by Jon Johnson and Chris Fabian to further the initiative of "***Fiscal Health and Wellness,***" a methodology they developed while serving as local government practitioners for the largest county government in Colorado. The ***Center*** operates as an incubator project of the National Environmental Health Association ("***NEHA***"), a non-profit corporation located in Denver Colorado. The ***Center*** shares office space with NEHA, located at 720 S. Colorado Blvd., Suite 1000-N, Denver, Colorado, 80246, and functions as a division within that organization.

Prior to the creation of the ***Center***, Jon and Chris were independent local government advisors during 2009 after leaving their positions with Jefferson County, Colorado. During that time they were associated with the International City/County Management Association (***ICMA***) as consulting contractors as well as serving as trainers and speakers for the Government Finance Officers Association (***GFOA***) and the Alliance for Innovation. Before becoming local government advisors, Jon served local governments as a finance/budget practitioner for 28 years and Chris also served as both a local government budget professional and a finance/budget consultant to government organizations, specializing in costing analysis and outcomes-based budgeting initiatives.

Please visit our website: www.pbbcenter.org

The Center for Priority Based Budgeting

Meet Our Team

JON JOHNSON

Jon is currently serving as Senior Manager with the **Center for Priority Based Budgeting**, a newly established non-profit Denver-based organization whose mission is to help local governments achieve “*fiscal health and wellness*” during these challenging economic times. Jon has more than 25 years of experience as a practitioner in financial administration for municipalities, counties, school districts and public universities. Throughout his career as a finance/budget director, he has been responsible for the management of all aspects of local government finance operations for both small and large organizations. Jon brings with him not only the “hands-on” technical skills associated with the day-to-day financial operations of local governments, but also the ability to apply a diagnostic approach to the analysis needed to assess the fiscal health of an organization and the management experience to implement the resulting solutions from that diagnostic analysis.

Most recently, Jon served as the Director of Budget and Management Analysis for Jefferson County, Colorado. Previous to that position, he was Assistant Director of Finance for Douglas County, Colorado. Prior to moving to Colorado in 2002, Jon served as the Director of Finance for several municipalities in Missouri, including the City of Blue Springs, the City of Joplin, and the City of Kansas City (MO) Aviation Department. He has also been associated with ICMA as a Senior Management Advisor and with GFOA as a regional trainer and workshop presenter. Jon holds a B.A. in political science and a B.S. in accounting from Missouri Southern State University, as well as a master’s degree in College Administration from Pittsburg (KS) State University.

CHRIS FABIAN

Chris holds the position of Senior Manager for Research and Advisory Services with the **Center for Priority Based Budgeting**, an incubator project with the National Environmental Health Association (*NEHA*) located in Denver, CO. During his career, Chris has provided consulting and advisory services to numerous local governments across the country. His consulting experience has focused on public entities at all levels, advising top municipal managers, department heads and program directors from over 50 organizations concerning the fundamental business issues of local government. Of most significance, his work has centered on the budget process as a lever to produce results, accountability and change; performance and outcome-based management; purpose, productivity, and efficiency in operations; and rigorous financial analysis and strategy. Pursuing the objectives of “*Budgeting for Outcomes*” (*BFO*), Chris was a partner of the consulting team that implemented BFO in Ft. Collins, Colorado, one of the leading organizations using this approach and is now assisting with their conversion to the **Priority Based Budgeting** model he developed in partnership with Jon.

Most recently Chris has served as a budget practitioner with Jefferson County, Colorado, where he incorporated the lessons learned from BFO into the development of the **Priority Based Budgeting** process. He holds a B.S. in engineering from the Colorado School of Mines.

Jon and Chris have been featured speakers at numerous national and regional conferences webinars, and workshops sponsored by the **Government Finance Officers Association** (GFOA), the **International City/County Management Association** (ICMA), the **National Association of Counties** (NACo) and the **Alliance for Innovation**. They have co-authored several articles describing their approach to “*Fiscal Health and Wellness*” for local governments including:

- **“Getting Your Priorities Straight”** published by ICMA in the June 2008 issue of **PM** magazine
- **“Leading the Way to Fiscal Health”** published by Government Finance Officers Association (GFOA) in their December 2008 issue of the **“Government Finance Review”**
- **“It’s All in the Questions: The Manager’s Role in Achieving Fiscal Health”** a two-part article appearing in the September and October 2009 issues of **PM** magazine
- **“Anatomy of a Priority Based Budget Process,”** co-authored with Shayne Kavanagh of GFOA, published in the May, 2010 issue of the **“Government Finance Review”**
- **“Anatomy of a Priority Based Budget Process,”** a white paper on **“Priority Based Budgeting”** as a best practice, published by GFOA in March 2011, co-authored with Shayne Kavanagh

The Center for Priority Based Budgeting

Who Has Embraced “Fiscal Health and Wellness”

The **Priority Based Budgeting** process was first developed by Jon Johnson and Chris Fabian for Jefferson County, Colorado, where both of them served prior to April, 2009. After publishing an article in ICMA’s professional journal “**Public Management**” (“**PM**”) magazine, Jon and Chris were contacted by several organizations seeking assistance in implementing their **Fiscal Health and Wellness** initiative. We are honored to be working with some of the most notable local governments in the country to implement and integrate our process and have learned so much because of the work we have accomplished together. Non-profit associations such as the Alliance for Innovation, the International City/County Management Association (*ICMA*) the Government Finance Officers Association (*GFOA*), the National Association of Counties (*NACo*) and most recently the Institute for Local Government (*ILG*) in California are among the most prominent organizations endorsing **Priority Based Budgeting** as a best practice – publishing case studies, journal articles and hosting seminars and conferences to promote the accomplishment of cities and counties implementing this work. Among those local governments that have worked with Jon and Chris to introduce **Priority Based Budgeting** to their organization are:

City of Chandler, Arizona

City of Boulder, Colorado

City of Fort Collins, Colorado

City of Thornton, Colorado (Fiscal Health Only)

City of Manitou Springs, Colorado

City of Fairfield, California

City of Mission Viejo, California

City of Monterey, California

City of San Jose, California

City of Seaside, California

City of Walnut Creek, California

City of Delray Beach, Florida

City of Lakeland, Florida

Pasco County, Florida

City of Grand Island, Nebraska

Douglas County, Nevada

City of Blue Ash, Ohio

City of Tualatin, Oregon (Fiscal Health Only)

City of Plano, Texas

City of Chesapeake, Virginia

City of Christiansburg, Virginia

City of Green River, Wyoming

Currently, the cities of Boulder, Colorado, Seaside, California, Walnut Creek, California, Grand Island, Nebraska and Chesapeake, Virginia are working with the **Center** in their second budget cycle using our **Priority Based Budgeting** process. The **Center** is also working currently with the City of Delray Beach, Florida, the City of Chandler, Arizona, Douglas County, Nevada and the City of Placentia, California. Jon and Chris are currently in conversations with several other city and county organizations that are interested in implementing a **Priority Based Budgeting** model, which will be used to guide their budget development process for the upcoming fiscal year. In addition, Jon and Chris continue to be invited to speak about their process by ICMA, GFOA and the Alliance for Innovations at various conferences and workshops. They led two pre-conference workshops at ICMA’s Annual Conference in San Jose, CA in October 2010 and participated in a national press conference discussing the fiscal crisis facing local governments at the present time. They again presented at ICMA’s 2011 annual conference in Milwaukee, WI in September. Along with Shayne Kavanagh from GFOA, they conducted a two-day training session on “*Achieving Financial Resiliency*,” featuring the principles of their **Fiscal Health and Wellness** initiative. During 2011, they had presented several audio conferences on the topic of achieving **Fiscal Health and Wellness** for ICMA, the Alliance for Innovations, Illinois/Wisconsin City/County Management and the New Hampshire Municipal Managers Association, as well as being featured at the annual conferences of the National Environmental Health Association (*NEHA*) and the Colorado GFOA.

The following examples of engagements with local government entities are meant to be illustrative of the types of advisory services offered by the **Center**. While we pride ourselves in tailoring the process to the needs of each organization, the work done with all of our organizations is of a similar nature. Based on the number of local governments that have introduced our process into their culture, we feel we have the technical and creative skill set to work with any entity that wishes to embrace the concepts of **Priority Based Budgeting**.

- **City of Lakeland, Florida** (December 2008 to June 2009) - For this engagement, Jon and Chris conducted several workshops for both management staff and Council; facilitated the process by which the Council, executive staff, department heads and community stakeholders identified organizational-wide goals and then defined them through the result mapping process. Throughout the process, Jon and Chris provided offsite coaching, guidance and technical assistance as well as providing assistance in the development of the templates needed for the process to unfold. For specific information about how the City of Lakeland implemented **Priority Based Budgeting**, please contact Mr. Stanley Hawthorne, Assistant City Manager, at 863-834-6006 or at Stanley.Hawthorne@lakelandgov.net. The city's mailing address is 228 S. Massachusetts Ave., Lakeland, FL 33801
- **City of Walnut Creek, California** (June 2009 to February 2010) - Similar to their work with the City of Lakeland, Jon and Chris were engaged to provide the Walnut Creek with an overall **Fiscal Health** assessment and then to implement their **Priority Based Budgeting** model for the City's FY 2010-2011 biennial budget development process. A workshop for department managers and a workshop for Council were provided as well as coaching workshops on developing program inventories and establishing basic attributes. Jon and Chris also facilitated a Result-setting workshop with the City Council and trained City staff in the techniques of facilitating a Result Definition workshop with citizens. Additionally, Jon and Chris provided templates, process development and advisory assistance in the program scoring process as well as the Peer Review process. They also provided assistance in estimated program costs that were used to develop the final Resource Alignment Diagnostic Model that provided the City with their list of prioritized programs. For specific information about how the City of Walnut Creek implemented **Priority Based Budgeting**, please contact Ms. Lorie Tinfow, Assistant City Manager, at 925-943-5899 or Tinfow@walnut-creek.org. The city's mailing address is 1666 N. Main Street, Walnut Creek, CA 94596.
- **City of Grand Island, Nebraska** (May 2009 to present) - This is an ongoing engagement with the City of Grand Island to implement the concepts of **Fiscal Health and Wellness**. For the first year of implementation, Jon and Chris were engaged to assist the City with the identification and definition of its strategic **Results**, conducting an orientation workshop for department directors and on for the City Council. The project called for the **Center** to develop and provide "**Result Maps**" for each of the identified strategic goals established by the Council and then to assist the City in preparing its program inventory listing. Upon completion of the first phase, the City moved on to the next phase of the work where Jon and Chris facilitated and coordinated the completion of the program scoring process, conducted a Peer Review process and finally developed the program prioritization arrays by score and by cost for utilization in the City's budget process. The **Center** is now working with the City to develop a "Fiscal Health Diagnostic" tool to depict its current and project financial picture. In addition, Jon and Chris are advising the City as to the steps required for the continued utilization of the **Priority Based Budgeting** process for the second budget cycle. For specific information about this engagement with the City of Grand Island, please contact Ms. Mary Lou Brown, City Administrator, at 308-385-5444, ext 169 or maryloub@grand-island.com. The city's mailing address is 100 E. First St., Grand Island, NE 68802
- **City of Boulder, Colorado** (December, 2009 to present) – Now entering its second budget cycle using the **Priority Based Budgeting** process, the City of Boulder continues to work with the **Center** in using this process to link resource allocation decisions with their strategic goals and objectives. During the first year, Jon and

Chris worked with the City to develop Results definitions and “**Result Maps**” involving not only staff but citizens, conducting several public workshops to solicit the community’s input. They worked with the City to develop a comprehensive list of programs, coached departments through the program scoring process and were on-site to coordinate and advise the City through their “**Peer Review**” process. This later process was successful in involving middle management and rising leaders within the organization to support this phase. The **Center** then developed a “**Resource Allocation Model**” for the City that was used extensively in making leading decision-makers in new conversations around difficult budget choices. Requests for new programs or enhancements to existing services were also evaluating against the priorities established to determine if those request would be brought forward for further consideration. Now in year two, the **Center** continues to provide advisory assistance as the “**Resource Allocation Model**” is utilized in making new choices about resource allocation. For specific information about the engagement with the City of Boulder, please contact Mr. Bob Eichem, Chief Financial Officer, at 303-441-1819 or Eichemb@bouldercolorado.gov. The city’s mailing address is 1777 Broadway, Boulder, CO 80302.

- **City of Monterey, California** (June 2010 to April, 2011) - For this engagement, the City of Monterey Island chose a two-year implementation process. For the first year, Jon and Chris were engaged to assist the City in reviewing their strategic *Results* in the form of “value drivers” and then developing definitions of those value drivers and creating “**Result Maps**”, conducting an orientation workshop for department directors and one for Council. The project also called for the project team to coach the City as it developed program inventory listings. Upon completion of this first phase, the City moved on to the next phase where Jon and Chris assisted the City in the completion of the scoring of programs, conducting a Peer Review process, assisted and facilitated a robust Citizen Engagement process and finally developing the program prioritization arrays by score and by cost for utilization in the City’s upcoming budget process. For specific information about the engagement with the City of Monterey, please contact Mr. Don Rhoads, Director of Finance, at 831-646-3940 or rhoads@ci.monterey.ca.us or Mr. Mike McCann, Assistant Director of Finance at 831- 646-3947 or McCann@ci.monterey.ca.us. The city’s mailing address is 735 Pacific Street, Suite A, Monterey, CA 93940.

Additionally, the following individuals may also be contacted for more information about the implementation of the **Priority Based Budgeting** model in their communities:

- **City of Chesapeake, Virginia** – Mr. William Harrell, City Manager at 757-382-6166 weharrell@cityofchesapeake.net
- **City of Blue Ash, Ohio** – Mr. David Waltz, City Manager at 513-745-8538 or DWaltz@BlueAsh.com, or Ms. Kelly Osler, Assistant City Manager at 513-745-8503 or kosler@blueash.com
- **City of Fairfield, California** – Mr. David White, Assistant City Manager at 707-428-7398 or dwhite@fairfield.ca.gov
- **Town of Christiansburg, Virginia** – Mr. Barry Helms, Interim Town Manager at 540-382-6128 or bhelms@christiansburg.org or Ms. Valerie Tweedie, Town Treasurer at 540-382-9519 or vtweedie@christiansburg.org
- **City of San Jose, California** – Ms. Kim Walesh, Chief Strategist at 408-535-8177 or Kim.Walesh@sanjoseca.gov
- **City of Fort Collins, Colorado** – Mr. Mike Freeman, Chief Financial Officer at 970-481-1866 or mfreeman@fcgov.com

The Center for Priority Based Budgeting

... and What are they Saying About It!

"Councilmen Larry Carney and Scott Dugan praised Pederson and Brown for the prioritization process. They called it a logical and understandable method of making some difficult decisions to come."

- ***Grand Island(Nebraska) Independent Newspaper***

Using ROI for City Budgeting: Business Planning Meets Government Spending - the city of Boulder is going about this full spectrum analysis of the highest ROI where "return on investment" is the return of City programs on the results our citizens expect in the community.

- ***"Boulder Tomorrow" – Colorado Business Association on Priority Based Budgeting process***

Budget process requires clear priorities, vision - By examining each of the 365 programs that are directed out of City Hall, the administration, mayor and city council are looking under every rock for ways to save taxpayer dollars and keep core services intact. It is a ***responsible and rational way*** to control expense growth on programs that may be well intended, but do not significantly support the community in the four core areas.

- ***Grand Island (Nebraska) Independent Newspaper***

"I read with both pleasure and envy the recent article on the city's (*Grand Island*) new Program Prioritization process. Pleasure because a discerning approach like this is the type of focused decision making model that successful businesses use. I am glad to see its use in our city's governance. I am envious because it is the type of approach the Unicameral is moving toward with our recently initiated planning committee process. In this instance, the city of Grand Island is well ahead of the state of Nebraska."

- ***Nebraska State Senator Mike Gloor on the Priority Based Budgeting Process***

Walnut Creek, California, which must close a \$20m (€14m, £12.5m) deficit for the 2010 financial year, is polling citizens on what services they value most, so it can make targeted cuts. Lorie Tinfow, assistant city manager, also expects the expansion of volunteer programmes such as checking on the elderly at home. "*We are rethinking what services the city provides, what we are paying for them and what we are expecting as American taxpayers to get for that dollar,*" Ms Tinfow said.

- ***Financial Times, quoting Lorie Tinfow, City of Walnut Creek, California***

The City of Monterey is launching a public review of its budget priorities this fall and your participation is vital to the success of the Priority-based Budgeting project. In good times, the City allocated its resources to a wide range of programs and services. Now, the City needs to adjust to "the new normal" of reduced revenues. In Monterey, revenue from hotel, sales and property taxes have fallen to levels not seen in years. Significant recovery is unlikely for the next several years. So, the City needs to tighten its belt just like other municipalities, businesses and citizens have done.

- ***Press Release -City of Monterey, California***

"The process is called Priority-based Budgeting and it recasts the budget into programs instead of line items."

- ***Monterey County (California) Herald Newspaper***

The city of Boulder is looking to change the way it manages its annual budget. Under the new model, the programs that best help the city achieve the community's goals of having a safe, economically sustainable and socially vibrant place to live will receive top priority for funding. *Those programs that are duplicated, waste money or don't meet the community's goals could be cut.*

- ***Boulder(Colorado) Daily Camera Newspaper***

"Although Boulder is in a better financial condition than many of its peer cities, the economic outlook continues to be uncertain," said City Manager Jane Brautigam. "In response, we're taking a prudent and strategic approach to the 2011 recommended budget by focusing on achieving greater efficiencies in how services are delivered to the Boulder community. In many cases we have been able to reallocate staff and funding to those areas most likely to achieve community goals, and are reducing duplication of services to hold the line on spending at 2010 levels."

- ***Boulder (Colorado) Daily Camera Newspaper***

The new list divides the city's 443 programs into four categories, ranking them from highest to lowest priority, based on whether they help meet the community's general goals of cultivating a safe, economically sustainable and socially thriving community.

- ***Boulder (Colorado) Daily Camera Newspaper***

With budgets getting tighter across the country, more cities are turning to Prioritization. "I just feel like we need to begin to put proactive steps in place so we can prepare the organization for what is ahead," said William Harrell, City Manager. "Sure, we can just start eliminating things. But then is that what the citizens are saying? Is that what council is saying to us? This is a more disciplined and analytical approach."

- ***(Chesapeake) Virginia Pilot Newspaper***

"It sounds intuitive but what we found was there was no real methodology to connect all of the things that government does" to what policymakers want to see for their cities."

- ***(Chesapeake) Virginia Pilot Newspaper***

Recent information from Moody's (the nation's largest bond rating agency) confirms that prioritization processes such as what Blue Ash is going through demonstrate a strategic approach to managing the current fiscal environment. So where do we go from here? The local government advisors developed a unique tool that Blue Ash can utilize for years to come as a part of the city's annual budgetary planning process. This tool will be valuable in assisting the council and administration in determining what services and programs contribute directly to the city's overall objectives, including the evaluation of any future new programs or services being considered.

- ***Press Release - City of Blue Ash, Ohio***

Even cities with a relatively well-off population are facing difficult choices due to falling revenues. In the eastern San Francisco bay area city of Walnut Creek, as in many other cities around the state, local officials faced the unpleasant task of cutting programs in 2009 due to budget shortfalls, and the more unpleasant task of explaining this to the public. Building on an ongoing tradition of collaboration with residents and community building programs, city staff and officials worked with consultants and adopted a multi-stage public engagement Fiscal Health and Wellness prioritization process to educate and gather informed input from hundreds of residents.

- ***Institute for Local Government on Priority Based Budgeting process***

“PBB is attractive to the City because it relies on community input and the work of employees to be successful. In contrast to past years, decisions on potential funding reductions are expected to occur at the program level rather than at the level of individual budget line items that run across multiple programs. The results of this process are anticipated to enable decision makers to reallocate funding between programs based upon changing needs and priorities.”

- *Internal Memo - City of Fairfield, California*

San Jose Outcomes of Prioritization Approach:

- Increased connection of budget to City’s Priority Results
- Stakeholder engagement in program priorities
- Rationale for reducing or eliminating programs that have the least impact on achieving the City’s Priority Results

- *City Manager’s Budget Message, City of San Jose, California*

The Program Prioritization effort will inform the development of the City’s 2010-2011 Proposed Budget and serve as a tool to identify potential service reductions and eliminations. The evaluation of programs as part of this process may also identify potential duplication of efforts or opportunities to consolidate similar programs and/or services that can delivered through partnership with other governmental agencies, non-profit agencies, or the private sector.

It is important to note that a high rating of a program will not guarantee that a program will be retained; nor does it guarantee that a lower-ranking program will be proposed for elimination. Also, the rankings do not reflect whether a program is being delivered in the most efficient manner. The prioritization process will provide valuable information for budget proposal development and City Council deliberation. It will not be the "only answer" to how best to rectify the City’s budget shortfall.

- *City Manager’s Budget Message, City of San Jose, California*

Workshop Item No. 2

2. **COUNCIL INPUT AND DISCUSSION:** REGARDING REPORT ON ALL CURRENT PROJECTS. *Mr. Trent Epperson, Project Director.*

**AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS**

AGENDA OF: January 9, 2012	ITEM NO.: Workshop Item No. 2
DATE SUBMITTED: December 29, 2011	DEPARTMENT OF ORIGIN: Projects
PREPARED BY: Trent Epperson	PRESENTOR: Trent Epperson
REVIEWED BY: Mike Hodge	REVIEW DATE: December 29, 2011
SUBJECT: Monthly Project Update	
EXHIBITS: A – Monthly Reports 01.2012	
EXPENDITURE REQUIRED: \$NA AMOUNT AVAILABLE: \$NA ACCOUNT NO.: NA	AMOUNT BUDGETED: \$NA PROJECT NO.: NA
ADDITIONAL APPROPRIATION REQUIRED: ACCOUNT NO.: PROJECT NO.:	
To be completed by Department: <input type="checkbox"/> Finance <input type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution	

EXECUTIVE SUMMARY

Council will be updated regarding the status of all current projects, including water, drainage, wastewater and thoroughfare.

RECOMMENDED ACTION

Conduct the workshop.



Monthly Projects Update

December 27, 2011

**Magnolia Road Expansion (& Water)
Dixie Farm Road Widening
Recreation Center & Natatorium
Hickory Slough Detention at Max Rd &
Max Rd Sports Complex, Phase 1
Far Northwest Wastewater Plant Improvements
Hatfield Basin Trunk Sewer
BellaVita Waterline Interconnect
Dolores Fenwick Nature Center, Phase 2
Pearland Parkway Extension**

**Prepared by:
Andrea Brinkley**

For Distribution to City Council

Magnolia Road Expansion and Water

Progress this period:

Segment 3: (Construction Phase 1) Magnolia Rd. from Harkey Rd. to Veterans Dr.

Design Engineer: Othon Consulting Engineers

Contractor: WW Webber LLC

CM: PBS&J

Billed to Date: \$9,021,575.64

% Billed: 100%

Contract Days Used: 443 (90 rain days)

% of Contract Days: 89%

- Accepted into maintenance

Traffic Signal Installation at Southfork and CR90 and CR 94

Design Engineer: TEDSI Infrastructure Group

Contractor: Florida Traffic Control Devices

CM: Staff

- Accepted into maintenance.

Segment 3: (Construction Phase 1) Landscaping for Magnolia Rd. from Harkey Rd. to Veterans Dr.

Landscape Architect: Knudson

Contractor: Westco Irrigation

CM: Staff

Billed to Date: \$ 275,248.27

% Billed: 96%

Contract Days Used: 92 (2 rain days)

% of Contract Days: 100%

- Continued monitoring and payments for 2nd year of tree-only maintenance.

Segments 1 & 2: (Construction Phase 2) Magnolia Rd. from Veterans Dr. to SH 35 and John Lizer Rd. from SH 35 to Pearland Parkway

Segment 1: Kirst Kosmoski Inc.

Segment 2: Bridgefarmer & Associates

Contractor: Texas Sterling Construction

CM: Jacobs Carter Burgess

Billed to Date: \$12,358,855.86

% Billed: 99.9%

Contract Days Used: 575 (65 rain days)

% of Contract Days: 97.0%

- **Completed warranty repairs on pavement markings.**
- **Processed final payment.**
- Continued maintenance and maintenance payment on trees.

Segments 4 & 5: (Construction Phase 3) Magnolia Rd. from Morgan Rd. to Harkey Rd. and CR-89/Cullen Parkway from Southfork to Northfork

Design Engineers: Seg. 4 Cobb Fendley & Associates; Seg. 5 Klotz Associates

Magnolia Rd Bridge over Mary's Creek: Bridgefarmer & Associates

Contractor: Cross Roads Industries

CM: ESPA Corp

Billed to Date: \$9,748,318.33

% Billed: 98.6%

Contract Days Used: 507 (114 rain days)

% of Contract Days: 100%

- Contractor reported completion of punchlist items.
- Engineers determined concrete temperature did not meet specification for bridge approach slabs.
- Notified the contractor, requested response.

Magnolia Rd. Speed Zone Study:

Design Engineer: TEDSI Infrastructure Group

- No action

Magnolia Road Expansion and Water (continued)

Planned activities for the period ending January 31, 2012:

Segment 3: (Construction Phase 1) Magnolia Rd from Harkey Rd. to Veterans Dr.

- Accepted into maintenance.

Segment 3: (Construction Phase 1) Landscaping for Magnolia Rd. from Harkey Rd. to Veterans Dr.

- Continue monitoring and payments for tree maintenance.

Segments 1 & 2: (Construction Phase 2) Magnolia Rd. from Veterans Dr. to Pearland Parkway

- Continue maintenance on median trees.

Segments 4 & 5: (Construction Phase 3) Magnolia Rd from Morgan Rd. to Harkey Rd., and CR-89 from Southfork to Northfork.

- Resolve bridge approach slab issue.
- **Re-inspect final punch list items and issue Final Completion certificate.**
- Continue maintenance payments for median landscaping maintenance.
- Accept project files from Construction Manager
- Begin closeout of project file.

Project Schedule:

- Construction Phase 1 (Magnolia Rd.: Harkey Rd. to Veterans Dr.)
 - Substantial completion August 27, 2008.
- Landscaping Ph 1 – Council Award on December 14, 2009.
 - Substantial completion April 13, 2010.
 - 2nd Yr Tree Maintenance completes April 2012.
- Construction Phase 2 (Segments 1 & 2: Veterans Dr. to Pearland Parkway)
 - Substantial completion: Revised: July 13, 2010
 - 2nd Yr Tree Maintenance completes August 2012.
- Construction Phase 3 (Segments 4 & 5: Magnolia Rd from Morgan Rd. to Harkey Rd., and CR-89 from Southfork to Northfork.)
 - Substantial completion: Revised to May 13, 2011; 114 rain days
 - 1st Yr landscape and irrigation maintenance completes May 2012.
- Traffic Signal Installation at Southfork and CR90 and CR 94:
 - Substantial Completion August 26, 2009.
- Speed Zone Study – All Phases
 - Draft Report: Late September 2011
 - Final Report: Mid October 2011
 - Council Workshop – December 2011
 - Council Approval – Scheduled for January 2012.

Dixie Farm Road Widening - Phase I

Design Engineer: Freese Nichols Inc.

Contractor: W.W. Webber LLC

Billed to Date: \$21,117,175.62

Contract Days Used: 529

CM: TxDOT

% Billed: 99%

% of Contract: 95%

Progress this Period:

- Engineer submitted preliminary lay out for street lighting north of McDonald

Planned activities for the period ending January 31, 2012:

- Meet and Coordinate with Center Point street lighting staff for power design and layout.
- Obtain approval from Center Point.
- Create plan set and prepare to bid out small contract.

Project Schedule:

- Complete streetlight installation by 1st quarter of 2012.

Dixie Farm Road Widening - Phase II

Design Engineer: Freese Nichols Inc.

Contractor: Hassell Construction

Billed to Date: \$10,267,268.39

Contract Days Used: 445

CM: TxDOT

% Billed: 80.61%

% of Contract: 90%

Progress this Period:

- **Remaining punch list items re-communicated to TxDOT.**
- **Completed payment for streetlights.**
- **Scheduled staking of streetlight locations.**

Planned activities for the period ending January 31, 2012:

- **Begin streetlight installation.**
- **Coordinate light locations at the bridges.**
- Complete signal pre-emption in Phase 1 segment.

Project Schedule:

- Notice to Proceed April 9, 2009
- Substantial Completion: April 6, 2011.

Dixie Farm Road Detention Mitigation

Phase 1: Cowart's Creek and Clear Creek Detention

Design Engineer: Freese Nichols Inc.

Contractor: Lecon Inc.

CM: Staff

Dixie Farm Road Detention Mitigation (cont'd)

Billed to Date: \$1,347,670.00

Billed: 99%

Contract Days Used: 180

% of Contract: 94.2%

Progress this period:

- Accepted into maintenance.

Phase 2: East Mary's Creek Detention (Regional)

Design Engineer: Freese Nichols Inc.

Contractor: Triple B Services.

CM: Staff

Billed to Date: \$2,852,715.26

Billed: 90.00%

Contract Days Used: 269 (81 rain days)

% of Contract: 82.8%

Progress this period:

- No action.

Planned activities for the period ending January 31, 2012:

- Monitor extended warranty until grass germinates and growth issue is resolved.

Project schedule:

- In warranty

Recreation Center & Natatorium

Architect: PBK Architects

Contractor: EMJ Corporation

CM: PBK Architects

Billed to Date: \$17,642,981.58

% Billed: 100%

Contract Days Used: 429 days (41 rain days)

% of Contract Time: 98.62%

Progress this period:

- Contractor continue working to complete repairs.
- **Bonding Agent continues to monitor progress.**

Planned activities for the period ending January 31, 2012:

- Complete repairs noted as warranty and 11th month inspection corrections.
- Re-inspect work.
- Process final payment to architect pending completion of project close out.
- Public Works to decommission old PISD lift station.

Project schedule:

- Substantial completion: July 29, 2010 (adjusted per contract)

Hickory Slough Detention at Max Rd & Max Rd Sports Complex, Phase 1

Design Engineer: Jacobs Engineers, Inc.

Progress this period:

- **Transmitted Interlocal Agreement and MOU to BDD#4.**
- **Met with developer and MUD engineer/developer regarding improvements and draft agreement.**
- Engineer working on 90% Pond, CR 403 PS&E package.
- USACE responded requesting more information and clarification on PCN for outfalls and weir to USACE for review.
- Addendum letter to be issued to clarify geotechnical report.
- **Reviewed potential for solar lighting in parking lot.**
- Property acquisition ongoing.

Planned activities for the period ending January 31, 2012:

- **Complete developer agreement, submit for Council consideration.**
- **Obtain BDD#4 approval of Interlocal and MOU.**
- Engineer to submit 90% PS&E package and H&H report for staff review.
- Coordinate with CenterPoint Energy regarding power for pump station/site.
- Coordinate with BDD#4 on 90% plans and H & H report.
- Submit easement abandonment to GCWA
- Continue property acquisition.

Project schedule:

- Design: Detention: Nov. 2010 to Dec. 2011; Sports Complex: Mar. 2012
- Construction: Council approved construction budget for FY 2012.

Far Northwest Wastewater Treatment Plant Improvements

Progress this period:

- Engineer submitted revised proposal, staff completing final review.
- **Preparing revised Design proposal for Council consideration in January.**

Planned activities for the period ending January 31, 2012:

- Coordinate with Public Works wastewater staff.
- Accept and schedule manufacturer offer to repair decanter components on one of the four decanters.
- **Prepare for Council approval in January 2012.**
- **Begin Preliminary Design.**

Project schedule:

- Scope of issues: February 2011 – September 2011.
- Construction: pending Council approval of construction budget.

Hatfield Basin Trunk Sewer

Design Engineer: Freese & Nichols, Inc.

Progress this period:

- Completed minor contract amendment to scope for alternate route.
- Completed environmental site work and reviewed draft report.
- Completed geotechnical site work and reviewed draft report.
- Completed review of Phase 1 ESA report.
- **Engineer submitted PER.**

Planned activities for the period ending January 31, 2012:

- **Complete staff review of PER.**
- **Address implications of Mary's Creek crossing.**
- Initiate Final Design.
- Coordinate with BDD#4 staff.

Project schedule:

- Design: February 2011 to December 2011.
- PER: October 2011 (Delayed to November due to Fite alternate route)
- Construction: pending Council approval of construction budget.

BellaVita Waterline Interconnect

Design Engineer: Freese & Nichols, Inc.

Progress this period:

- **Public Works began work at Bella Vita in mid December.**
- **Obtained right of entries from HOAs.**
- **Requested USACE to review wetland findings and environmental reports for Dixie Farm Rd Park property.**
- Survey work ongoing.
- Environmental field work completed, USACE contacted to verify the current conditions report and an earlier 2007 report.
- Coordinated with Harris Co. Pct. 1

Planned activities for the period ending January 31, 2012:

- **Public Works to complete tree removal on easement and begin water line installation at Bella Vita connection.**
- **Prepare for Villa Verde connection.**
- **USACE to verify site wetlands.**
- **Coordinate and send project updates to HOAs.**
- Prepare preliminary plans for project.
- Complete survey work.
- Continue property acquisition/easement acquisition.
- Coordinate with Harris Co. Pct. 1 and Harris Co. Flood Control.

BellaVita Waterline Interconnect

Engineer: Freese & Nichols, Inc.

Project schedule:

- Design: September 2011 – December 2011.
- Construction with Public Works crews: December 2011
- Construction of contracted segments: January 2011 (pending environmental)

Dolores Fenwick Nature Center, Phase 2

Architect: Randall-Porterfield Architects, Inc.

Progress this period:

- **Removed pedestrian bridge, boat launches from scope.**
- **Confirmed scope of project.**
- **Reviewed items to include from pre-development meeting information.**
- **Consultant submitted 30% schematic PS&E design package.**

Planned activities for the period ending January 31, 2012:

- Staff to review plans.
- Coordinate with KPB.
- Initiate Final Design.

Project schedule:

- Design: September 2011 – March 2012.
- Construction: Pending funding

Pearland Parkway Extension

Progress this period:

- **TxDOT issued notification of funding with State Bond funds.**
- **Issued Request for Proposals on December 15th.**

Planned activities for the period ending January 31, 2012:

- SF 330 and Consultant Qualifications due January 10th.
- Select consultant.
- Coordinate with TxDOT on scope.
- Begin contract negotiations
- Prepare for Council consideration of Design Engineer contract.

Project schedule:

Design: February 2012 – August 2013.

Letting: August 2013

Construction: October 2013 – September 2014



Monthly Projects Update

December 29, 2011

**Animal Control Shelter Renovations
Bailey Rd (Veterans to FM1128)
Business Center Drive
Cowart Creek Diversion Project
McHard Rd – Sound Wall
Old Alvin Road Water Line
SH35 South Water line
Trail Connectivity Phase I
Twin Creek Regional Lift Station**

***Prepared by:*
Cara Davis**

For Distribution to City Council

Animal Control Shelter Renovations

Architect: Jackson & Ryan Architects

Contractor: JC Stonewall Constructors, LP

CM: N/A

Billed to Date: \$510,496.16

% Billed: 100%

Contract Days Used: (130) 197

% of Contract Days: 151.5%

Progress last period:

- Contractor contacted their installer to resolve issues with the floor. We are awaiting a response from the installer.

Planned activities for the period ending January 31, 2012:

- Resolve warranty items with epoxy floor. If no response received from the installer a letter will be issued to the contractor and bonding company.
- Close out project.

Project schedule:

- Consultant Selection – July 2007.
- Design – 4th Quarter 2007 thru 3rd Quarter 2009.
- Bid & Start Construction – 4th Quarter 2009.
- Project completion - end of 4th Quarter 2010.

Bailey Road (Veterans to FM 1128)

Design Engineer: Wilbur Smith Associates (WSA)

Progress last period:

- Waiting on a proposal from WSA for modifications to the plans to address TxDOT comments at FM 1128 intersection

Planned activities for the period ending January 31, 2012:

- Receive updated status report from design team regarding FM 1128 intersection changes due to TxDOT requirements.
- Continue acquisition process.
- **Continue utility relocations**

Project schedule:

- Consultant Selection – 2nd thru 3rd Quarter 2008.
- Design – 3rd Quarter 2008 thru 2nd Quarter 2010

Business Center Drive

Design Engineer: Freese & Nichols

Progress last period:

- 90% comments returned to the engineer
- Held monthly update with Freese & Nichols 100% plans will be submitted after the first of the year.

Planned activities for the period ending January 31, 2012:

- Receive 100% plans and return comments to the engineer

Project schedule:

- Consultant Selection – 2nd thru 3rd Quarter 2008.
- PER – 3rd Quarter 2008 thru 2nd Quarter 2010
- Design – 2nd Quarter 2011 thru 4th Quarter 2011

Cowart Creek Diversion Project – Detention Pond & Diversion Ditch

Design Engineer: JKC & Associates, Inc.

Progress last period:

- DD4 continued excavation of diversion ditch west of CR 143.

Planned activities for the period ending January 31, 2012:

- DD4 to continue excavation of diversion channel

Project Schedule:

- Diversion Ditch: Construction: 3rd Quarter 2011

Cowart Creek Diversion Project – N/S Roadside Ditch Re-grades

Design Engineer: ESPA Corp

Progress last period:

- Met with the local water provider to assess/verify locations of water lines along Wayne Rd. Submitted a letter to the County requesting exceptions to the standard design criteria since this is a maintenance project rather than new construction.

Planned activities for the period ending January 31, 2011:

- Release ESPA to complete design upon receipt of County's acceptance of deviations from standard design criteria

Cowart Creek Diversion Project – N/S Roadside Ditch Re-grades (cont....)

Project Schedule:

- Re-grade Roadside Ditches: Bid, award and begin construction – dependent upon progress of diversion ditch.

Cowart Creek Diversion Project – Pump Station

Design Engineer: Montgomery & Barnes, Inc.

Progress last period:

- **Awarded the final design and construction phase services contract to Montgomery & Barnes. Issued NTP.**

Planned activities for the period ending January 31, 2012:

- Receive 90% construction plans for review.

Project Schedule:

- Pump station:
 - Bid: 1st Quarter 2012.
 - Construction: 1st Quarter 2012 – 2nd Quarter 2012

McHard Road Sound Wall

Design Engineer: HDR|Claunch & Miller

Contractor: John Reed & Company, Inc.

Billed to Date: \$ 870,187.06

Contract Days Used: 130

CM: Freese & Nichols

% Billed: 100%

% of Contract Days: 100%

Progress last period:

- **Final close out in progress, awaiting final payment affidavit**

Planned activities for the period ending January 31, 2012

- Close out contract.

Project schedule:

- Consultant Selection – 1st Quarter 2010.
- Design – 1st Quarter 2010 thru 3rd Quarter 2010
- Construction – 4th Quarter 2010 thru 3rd Quarter 2011

Old Alvin Road Water Line

Design Engineer: Charles D. Gooden Consulting Engineers, Inc.

Progress this period:

- **Final PER received.**

Planned activities for the period ending January 31, 2012:

- Engineer to begin final design phase services.

Project Schedule:

- Consultant Selection – 4th Quarter 2010.
- Design/Acquisition – 1st Quarter 2011 thru 1st Quarter 2012

SH 35 South Water Line

Design Engineer: HR Green, Inc.

Progress this period:

- **PELR submitted at progress meeting. City staff reviewed and discussed changes at the meeting. Plans submitted to AT&T, Centerpoint Electric, Centerpoint Gas, and TxDOT for review**

Planned activities for the period ending January 31, 2012:

- Engineer will submit 60% plans for review.

Project Schedule:

- Consultant Selection – 4th Quarter 2010.
- Design/Acquisition – 4th Quarter 2011 thru 2nd Quarter 2012

Trail Connectivity Ph 1

Design Engineer: Clark Condon

Contractor: Millis Development & Construction, Inc.

Billed to Date: \$212,672.50

Contract Days Used: 77

CM: Pearland Projects

% Billed: 36.68

% of Contract Days: 42.78

Progress this period:

- **All drainage installed. Trail areas around Park and along McLean to Magnolia are cut and ready for forms.**
- Site furnishings received.

Planned activities for the period ending January 31, 2012:

- Complete all concrete trail sections with the exception of informational blockouts.
- Await arrival of shade structures and signage.

Project Schedule:

- Consultant Selection – 4th Quarter 2007.
- Design/Acquisition – 1st Quarter 2008 thru 4th Quarter 2010.
- Bid and Award – 3rd Quarter 2011
- Construction – 3rd Quarter 2011 – 1st Quarter 2012

Twin Creek Regional Lift Station

Design Engineer: Pate Engineers, Inc.

Progress this period:

- Engineer continued design phase services. **90% plans in review with City staff**

Planned activities for the period ending January 31, 2012:

- Return comments to the engineer.
- **Hold community meeting**

Project Schedule:

- Consultant Selection – 4th Quarter 2010.
- PER – 1st Quarter 2011 thru 3rd Quarter 2011.
- Design – 3rd Quarter 2011 thru 1st Quarter 2012.



City of Pearland

Projects Department

Monthly Projects Update

Dec. 27, 2011

**Cullen Parkway Improvement
Public Safety Building
Hillhouse Satellite Public Works Facility
Longwood Wastewater Plant
Barry Rose Wastewater Plant
Adaptive Traffic Signal Improvements
Project Stars: Pearland Gateway
Highway 35 Reconstruction
Highway 35 Fill Mitigation Ponds
FM 2234 Reconstruction**

**Prepared by:
Skipper Jones**

For Distribution to City Council

Cullen Parkway Improvement (Beltway 8 to FM 518)

Engineer: Design Engineers: Bury + Partners

Contractor: Hassell Construction

CM: TxDOT

Elapsed time: **695** Days

Progress this period:

Phase I

- Electrical (signals) acceptance is the only outstanding item remaining on TxDOT's list for acceptance.
 - The pedestrian signal at Hawk was added to the work along with a pedestrian ramp, waiting for TxDOT inspection to clear the work for inspection by TDLR for final acceptance

Phase II

- In preparation for improvements on the west side, temporary lanes have been installed on the east side and all traffic has been shifted towards the east.
 - Concrete barrier has been installed along the west paving boundary
 - **The bridge over clear creek has been partially demolished to allow work to begin on the new bridge**
 - **Work has begun on the installation of the storm trunk along the west right of way beginning at the creek**
 - Roadbed excavation is well underway along the west side from the park driveway to the creek

Planned Activities for period ending Jan. 31, 2012:

- Conduct Walk-through for **Phase I** with TxDOT
 - **PENDING TxDOT schedule**
- **Phase II** work will continue on storm drainage and begin on the first phase of the bridge
- Continue to liaise with TxDOT to provide advanced warning of work or lane changes and traffic impediments

Project Schedule (Phase II)

- Street Preconstruction Conference Oct. 2011.
 - Official Start Date was Nov.,2011
 - Construction Contract Time, 16 months
 - Completion Date: February 2013

Public Safety Building

Design Engineer: JE Dunn/ Wilson Estes Police Architects

Design Builder: JE Dunn

CM: In House

Billed to Date: \$ **19,934,641**

% Billed: **100.27**

Contract Days Used: **786** to substantial completion

% of Contract Days: **100**

Progress this period:

- **The LEED review by the USGBC continues.** Reviews of the USGBC Website indicate that additional data has been requested for a number of categories for the LEED classification. The review of several categories remains incomplete, with no points awarded indicating that the review is still open and active. Additional information has been requested from design and construction entities
- J.E. Dunn and Wilson Estes Police Architects remain involved at this time and both have been contacted by Staff to supply the requested additional project information.

Planned Activities for period ending Jan. 31, 2012:

- Continue to monitor LEED website for developments in the project review and interact with design/ build team for the LEED review

Project Schedule

- Held design kick-off meeting April 2008.
- Break ground Nov.2008.
- Building construction began December 2008.
- Final Acceptance was issued July 8, 2011
 - JE Dunn remains engaged in the completion of the LEED certification process

Hillhouse Satellite Public Works Facility

Design Engineer: Huitt-Zollars.

Contractor: R. Hassell Construction, Inc. CM: In-House

Billed to Date: \$ **1,954,282** % Billed: **94**

Contract Days Used: **305** to substantial completion % of Contract Days: **102**

Progress this period:

- There are still 2 outstanding punch list items and several smaller issues that have appeared over the last several weeks
- Equipment and systems training is complete
- Fire suppression system complete
- O & M Manual submittal made last week, Designer reviewing now
- As Built drawings been submitted
- **LEED Documentation is still being collected by the Engineer**
- **Fuel island equipment now up and running** after several weeks of operational problems
- Parks Department has almost completed the landscaping for the facility

Planned Activities for period ending Jan.. 31, 2012:

- Complete outstanding work/ punch list items and perform final walk-through for final acceptance
- Receive finalized Contract Close Out documentation
- Process final Change Order and close contract

Project Schedule

- Design notice to proceed Feb. 10, 2010
 - Actual start Feb. 24
- Complete Schematic Designs March 26, 2010
- Complete Design Development May 25, 2010
- Complete Construction Documents August 21, 2010
 - Late due to City delay of final review
- Bid Date for Project, October 28, 2010, 4 days late
 - Contract Awarded Nov. 22, 2010
 - Construction NTP issued for December 13, 2010
 - Scheduled completion Sept 9, 2011,
 - Extended deadline to Sept 26.
 - Substantial Completion achieved October 6

Longwood Wastewater Treatment Plant

Design Engineer: Malcolm Perni / ARCADIS

Contractor:

Billed to Date: **\$ 158,892**

Contract Days Used: **239**

CM:

% Billed: **60**

% of Contract Days: **62**

Progress this period:

- **60% plan reviews completed and comments returned to consultant**
- Held follow up meeting to discuss plan review comments for clarification
 - Continued discussion regarding timing of filter purchase and developing pricing options for this equipment
 - Discussed accelerating completion of design process to match equipment manufacturing schedules

Planned Activities for period ending Jan. 31, 2012:

- Hold progress meeting #8 January 5
- Continue design effort

Project Schedule

- NTP issued May 2, 2011
 - Design kick-off meeting May 2
- 30% Design submittal for review late July, on schedule
- 60% Design submittal late October
- **90% Design submittal early Feb. 2012**
- Bid April 2012

Barry Rose Wastewater Treatment Plant

Design Engineer: Binkley & Barfield, Inc.

Contractor:

Billed to Date: **\$157,017**

Contract Days Used: **301**

CM:

% Billed: **78**

% of Contract Days: **100**

Progress this period:

- **Design Completed**
- A Technical Review meeting was held Nov. 16 and mylar cover sheet prepared for signature.
- Staff is loading bid information for this project into the E-Bid system
- Staff are reviewing filter purchasing strategies with this project too since this will be the first project to purchase filter equipment
 - The purchase requires an updated price guarantee letter from the filter manufacturer as well as an agreement to meet schedules

Planned Activities for period ending Jan. 31, 2011:

- Perform final review of bid proposal and complete preparation of electronic bid documents
- Schedule advertisements
- Complete pricing discussions with Filter manufacture
- **Advertise bid and hold Pre-bid meeting**

Project Schedule

- Award Design Contract Feb. 14, 2011
 - NTP issued for March 1, 2011
- Design of improvements complete November, 2011
- Bid Phase January, 2012

Adaptive Traffic Signal Improvements

Design Engineer: Siemens Industries, Traffic Signal Division

Contractor: Siemens CM:

Billed to Date: \$ **297,464** % Billed: **72**

Contract Days Used: **136** to substantial completion % of Contract Days: **115**

Progress this period:

- System has been running in full automated control since late November
 - The basic software system, Tactics, was installed in early November
 - Tactics began a test period during the week of Nov 7th
 - "ACS Lite", the adaptive software, was switched on the week of Nov. 14
- On Nov. 22, Centerpoint replaced a faulty transformer and installed covers over live connections that had been shorted out by birds.
- UPS's were installed on the base repeaters the first week of Dec.
- **System performance has been stable since the corrections to the power with only minor upsets**
- **A system evaluation was performed Dec. 6th and Training was begun that same day**
- **The system was determined to be Substantially Complete on Dec. 15th and a punch list was developed and transmitted to Siemens**

Planned Activities for period ending Jan. 31, 2012:

- Complete an extend performance testing period prior including the completion of the punch list items
- Final Acceptance by the end of the month

Project Schedule

- Contract Award April 25, 2011
- NTP issued for August 1
- Scheduled for substantial completion Oct. 7, 2011
 - This completion date was delayed slightly by completion of the Hillhouse Traffic Operations building

Project Stars: Pearland Gateway

Design Engineer: Knudson Architects,

Contractor: Architrave Construction

Billed to Date: \$ 0

Contract Days Used: 28

CM: In-House

% Billed: **Awarding Nov. 14**

% of Contract Days: 23

Progress this period:

- **Foundation piers were drilled the week of Dec. 12th**
- Structural inspections were completed Dec. 20
- **Monument base was formed and poured Dec 21**
- Architect reviewing stone and decorative steel submittals currently

Planned Activities for period ending Jan. 31, 2012:

- **Contractor projects that the monument structure will be complete by this date with only the installation of the decorative star outstanding**

Project Schedule

- Completion of Plans and specifications by end of June
- Completion of bidding documents by end of July
- Advertise in Sept. and Bid in Oct.
- Award Construction Contract Nov. 14
- Possible Start Date Dec.1
- Construction Time is 120 days to Substantial completion

Highway 35 Reconstruction

Design Engineer: S&B Engineers & TxDOT,

Contractor: **Triple B Construction**

Billed to Date: \$

Contract Days Used:

CM: **TxDOT**

% Billed:

% of Contract Days:

Completion Date: June 2013

Progress this period:

- Traffic Change over to new lanes was performed on November 30

- Barricade and barrier installation continued the first week of Dec.
- Work to demo existing paving in the center lane and medians began Dec. 1st and drainage laterals will be extended to the existing northbound lanes. The contractor is also preparing to begin lime stabilization at the north end of this central area.
 - **This work is expected to require 8 to 9 months to complete**
- TxDOT district office is now trying to determine what work protocols will be used in the contaminated areas of the intersection with FM518
 - TCEQ is involved and working with TxDOT to determine what will be required there..

Planned Activities for period ending Jan. 31, 2012:

- Effort will be focused on the central area of the work with subgrade preparation followed by base and bond breaker then paving.
 - If weather allows, paving activity should be underway at the north end by the end of the month
- **Bridges will be expanded towards the east during this phase as well.**
- Work on the mitigation ponds should start during January
- The work to reconstruct the Broadway/ Main Street intersection will be delayed by the environmental investigation and what ever mitigation may be required

Highway 35 Fill Mitigation Ponds

Design Engineer: S&B Engineers

Contractor:

CM: **In House**

Billed to Date: \$

% Billed:

Contract Days Used:

% of Contract Days:

Progress this period:

- **Project bid on Dec. 8 with two bidders**
- **Contract is scheduled for Award by Council January 9, 2012**
- Contracted for materials testing services with Ninyo & Moore Dec. 7

Planned Activities for period ending Jan. 31, 2012:

- Work could begin as early as Jan. 16

Project Schedule

- Project bid Dec. 8 2011
- Contract Award Jan. 9, 2012
- Potential Completion date of May 15, 2012

TxDOT FM2234 Improvements

Design Engineer: CLR, Inc.

Contractor: JD Abrams

CM: TxDOT

Contract Amount: **\$12,675,636.89**

Contract Duration: **372 working days (18 months)**

Completion Schedule: **January 2012**

Progress for period ending December 2011:

- Riprap at certain areas of ditches completed.
- Sod completed.
- All signal poles installed.
- Eastbound pavement striping started.
- Sidewalk ramps completed.

Planned progress for period ending January 2012:

- Complete placing concrete in medians.
- Complete traffic signals and pavement striping.
- Fully open south side of 2234 (Eastbound).



Monthly Projects Update

December 28, 2011

Walnut/Veterans Reconstruction and Drainage Improvements
Fire Station #5-Kirby Drive
Fire Station #6-Lakes of Savannah
Orange Street Improvements
Town Ditch Phase III
McHard Road 16" Water Line and roadway PER

Prepared by:
Jennifer Lee

For Distribution to City Council

Walnut/Veterans Reconstruction & Drainage Improvements

Design Engineer: LJA Engineering

Contractor: Calco Contracting

CM: Costello Engineering

Contract Amount: **\$2,858,859.50**

Change Orders to Date: **\$49,975.55**

Adjusted Contract Total: **\$2,908,835.05**

% of Increase: **1.75**

Billed to Date: \$ **2,631,213.72**

% Billed: **91.0**

Contract Duration: **310**

Contract Days Used: **300**

% of Contract Days: **97**

Additional Rain Days: **4**

Progress this period:

- Attended Substantial Walk-thru on December 7, 2011.
- Calco provided the subcontractor with a copy of the decorative street light layout that had been reduced without changing the scale to reflect the reduction. The sub-contractor installed all of the conduits in the wrong location. **The sub-contractor began relocating the conduits for the decorative street lights that were installed erroneously and should complete the relocation by December 30, 2011.**
- Centerpoint installed 10 ft. decorative lights instead of the 21 ft. light. When the sub-contractor has relocated all of the conduits, Centerpoint will replace the shorter lights with the correct poles.
- **The landscaper has completed the installation of the irrigation system.** The plans did not require irrigation of the newly installed decorative trees. The landscaper was asked to modify the system to include the trees located back of curb.
- 90 percent of the vegetation planting is complete; work was delayed because of rain.
- AT&T still has a pedestal that is in conflict with the new roadway alignment east of SH 35.
- **The sub-contractor completed the asphalt overlay segments with significant overruns on the Black Base line item which increased because of the poor condition of the existing roadway subgrade.** There were a number of areas that had to be patched that were not taken into account in the initial planning.
- **Additional overruns included the removal of existing 18, 30, and 36 inch RCP that was not included in the plan quantities.**

Planned activities for the period ending January 31, 2012:

- Continue coordination between BNSF, TxDOT, Centerpoint, and AT&T to resolve remaining utility and traffic signal conflicts.
- **Prepare the balancing change order.**

Project Schedule and Significant Milestones:

- **The intersection of SH 35 and Walnut has opened with the existing signalization.** The outside lanes have been barreled off until the permanent TxDOT signal can be installed. This installation is expected by late March or early April.
- Project will not be closed out until the new Traffic Signal has been installed because of the block outs for the poles. The plan is to reduce the retainage to cover the cost of completing the work when the new signal is installed and the existing signal poles removed.

Fire Station #5-Kirby Drive

Design Architect: HBL Architects

Contractor: Crain Group

CM: N/A

Contract Amount: **\$1,805,000.00**

Change Orders to Date: **\$16,405.89**

Adjusted Contract Total: **\$1,830,136.54**

% of Increase: **< 1**

Billed to Date: **\$ 1,830,136.54**

% Billed: **100**

Contract Duration: **206 Days**

Contract Days Used: **252**

% of Contract Days: **100**

Additional Rain Days: **46**

Progress this period:

- The humidity levels have remained within an acceptable range in part because relative humidity levels have been lower in recent months. The city will continue to monitor the performance of the Aeon unit.
- **The manufacturer has agreed to extend the warranty on the Aeon unit for another year.**
- **Conducted the one-year walk-thru on December 14, 2011. Several minor issues were identified but there were no major problems with the facility.**

Planned activities for the period ending January 31, 2012:

- Monitor the contractor as the walk-thru issues are addressed.

Project Schedule:

- Project is complete.

Fire Station #6-Lakes of Savannah

Architect: Joiner Partnership, Inc.

Contractor: Frost Construction Company, Inc.

CM: N/A

Contract Amount: **N/A**

Change Orders to Date: **N/A**

Adjusted Contract Total: **N/A**

% of Increase: **0**

Billed to Date: **\$ 0**

% Billed: **N/A**

Contract Duration: **N/A**

Contract Days Used: **0**

% of Contract Days: **N/A**

Additional Rain Days: **0**

Progress this period:

- Attended progress meeting.
- Work in the apparatus bay is 100% complete
- Sheetrock is about 100% complete.
- Insulation is approximately 100% complete.
- Tile has been installed in the restrooms.

Fire Station #6-Lakes of Savannah (cont.)

- All doors have been hung and hardware installed.
- Appliances are scheduled for delivery by December 30, 2011.
- Landscaping should begin first week of January.
- County Road 58 expansion project is continuing.

Planned activities for the period ending January 31, 2012:

- Attend monthly progress meeting
- Continue coordination with architect, developer and contractor to select materials, and equipment for the facility.
- Continue to monitor construction and compliance to city specifications and inspections.

Project Schedule:

- **The project completion date of December 7, 2011 was not reached. Presently, the work should be complete near the end of January, 2012.**

Orange Street Improvements

Design Engineer: GC Engineering

Contractor: Texas Sterling Construction Co.

CM: HDR/ Claunch & Miller

Contract Amount: **\$4,515,742.00**

Change Orders to Date: **\$29,305.000**

Adjusted Contract Total: **\$4,545,047.00**

% of Increase: **0.6**

Billed to Date: **\$ 3,118,859.77**

% Billed: **69**

Contract Duration: **387 Days**

Contract Days Used: **318**

% of Contract Days: **89**

Contract Days Extension: 37

Additional Rain Days:

Progress this period:

- Attended bi-weekly progress/update meeting.
- **The signal at Mykawa and Orange began operation on December 6, 2011**
- Phonoscope moved the lines that were in conflict at the BNSF railroad tracks.
- The property owner that was opposed to the construction of the swale ditch that was to be located on the private side of the fencing, but within the easement has agreed to be responsible for the drainage of the property and the city will not construct the planned ditch. The property will drain to the existing drainage and should not cause drainage issues on any of the surrounding properties.
- Texas Sterling has proposed to recover the schedule by combining phases because the project is approximately three weeks behind.
- Texas Sterling Construction shut down operations between December 22, 2011 and January 3, 2012. This will further impact the schedule.

Orange Street Improvements (cont.)

Planned activities for the period ending January 31, 2012:

- Continue to monitor the sidewalks on the north side of Orange between San Antonio and Mykawa to see if they return to the planned elevation.
- Continue to monitor the combined phase work to mitigate any impact it has on residents and businesses.
- Continue to monitor the schedule and line item overruns.

Project Schedule:

- Construction to begin in January 2011.
- Project completion February 7, 2012.

Town Ditch Phase III

Design Engineer: Jacobs Engineering Group, Inc.

Contractor: Crossroads Industries, Inc.

CM: HDR/ Claunch & Miller

Contract Amount: **\$3,082,902.00**

Change Orders to Date: **\$0**

Adjusted Contract Total: **\$3,082,902.00**

% of Increase: **0**

Billed to Date: **\$ 2,789,149.40**

% Billed: **90.47**

Contract Duration: **180 Days**

Contract Days Used: **258**

% of Contract Days: **140**

Additional Rain Days: **77**

Progress this period:

- **Partial retainage was released to the contractor. The remaining retainage will be disbursed after vegetative growth has been established.**

Planned activities for the period ending January 31, 2012:

Project Schedule:

- The project is essentially complete with the exception of vegetation growth.

McHard Road 16" Water Line and Roadway PER

Progress this period:

- No progress this period.

Planned activities for the period ending January 31, 2012:

- Receive and review the design proposal

Project Schedule:

- Submit design contract for Council approval in January