

**WORKSHOP OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS,
TO BE HELD ON MONDAY, AUGUST 12, 2013, AT 6:00 P.M., IN THE
COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND,
TEXAS.**

I. CALL TO ORDER

II. PURPOSE OF THE WORKSHOP:

- 1. COUNCIL INPUT AND DISCUSSION:** REGARDING THE EMPLOYEE DENTAL AND HEALTH PLAN UPDATE AND RECOMMENDATIONS. *Mr. Bill Eisen, City Manager.*
- 2. COUNCIL INPUT AND DISCUSSION:** REGARDING THE PROPOSED FISCAL YEAR 2013-2014 ANNUAL BUDGET AND CAPITAL IMPROVEMENT PROJECTS WORKSHOP NO. 2. *Mr. Bill Eisen, City Manager.*

III. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfin 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 THE EMPLOYEE DENTAL AND HEALTH PLAN UPDATE AND RECOMMENDATIONS.
Mr. Bill Eisen, City Manager.

Additionally, the projected fiscal year end estimate for the health reserve is \$519,981. Reserve recommendations are typically set at 25% of paid claims or \$1,071,057.

Dental utilization is approximately 102% of paid premiums and is up for renewal with Aetna. The renewal premium is \$351,064, which is about a \$45,844 increase from the previous year of which \$154,586 will be funded by employees (if elections remain the same).

Brent Weegar of IPS Advisors will make a presentation updating Council on the status of the current health plan and outline recommended changes to the plan for fiscal year 2013-14.

RECOMMENDED ACTION

Staff is recommending we budget \$5,704,933 to cover the expected health costs and to assist in increasing reserve balances at plan year end.

City of Pearland Employee Health Insurance Renewal Presentation



**Presented By:
Brent Weegar
Principal**

**Adam Hensen
Corporate Benefits Analyst**

IPS Advisors

Health Plan Renewal

■ Health Plan Experience

- The City's health plan is operating at 94.6% of the aggregate stop loss deductible.
- No claimants have hit the specific stop loss deductible of \$125,000
 - Two claimants are expected to hit the limit by year end
- Per capita claims cost for the Premium Plan continues to outpace both the KelseyCare and Basic Plans.
 - 186% higher than the KelseyCare program
 - 175% higher than the Basic plan.

■ Health Plan Cost

- The City is entering its first renewal with Cigna Healthcare
- Claims costs are projected to increase 13.2%. The increase is a function of historical claims experience, utilization and health care price inflation.
- Fixed cost including administration and stop loss costs have been negotiated down from a 14.5% increase to a 5.8% increase.
- Health care reform fees present an additional \$70k in liability on top of projected increases.

Health Plan – Renewal Financials

		Cigna	Cigna
		Current	Renewal
Administration and Stop Loss Costs	1	\$738,670	\$781,699
Health Care Reform Fees	2	n/a	\$70,119
Projected Claims Cost	3	\$4,288,393	\$4,853,115
Projected Total Plan Cost	1+2+3	\$5,027,063	\$5,704,933
\$ Change from Current		N/A	+\$677,870
% Change from Current		N/A	+13.5%
Employer Funding			
Employer Funding		\$3,957,137	\$4,227,348
\$ Change from Current		N/A	+\$270,212
% Change from Current		N/A	+6.8%
Employee Funding			
Employee Funding		\$1,069,926	\$1,477,585
\$ Change from Current		N/A	+\$407,659
% Change from Current		N/A	+38.1%

Notes on Renewal:

Assumes no changes to current \$125,000 specific stop loss deductible level
 Assumes no changes to current plan designs or employer funding strategy

Health Plan Renewal

■ Needed Premium Rate Increases

□ Kelsey Care Plan = +6.8%

■ Pearland sets its funding strategy off the Kelsey Care Plan

- 100% Subsidy for Employee Only Rate
- 70% Subsidy for Dependent Rate

□ Basic Plan = + 17.2%

■ Participants currently fund cost differential between Basic and KelseyCare plans

□ Premium Plan = +16.4%

■ Participants currently fund cost differential between Premium and KelseyCare plans

Current Plan Package

IN NETWORK BENEFITS – Member Pays	Premium	Basic	Kelsey Care
Deductible	\$1,000 Individual \$2,000 Family	\$1,000 Individual \$2,000 Family	Not Applicable
Out-of-Pocket Maximum (Includes Deductible)	\$0 Individual \$0 Family	\$3,000 Individual \$6,000 Family	\$1,000 Individual \$2,000 Family
Coinsurance	0%	20%	10%
In-Patient Hospital	Ded. then 0%	Ded. then 20%	10%
Out-Patient Hospital	Ded. Then 0%	Ded. Then 20%	10%
Wellness Visit	0%	0%	0%
Primary Care Physician	\$20 Copay	\$20 Copay	\$20 Copay
Urgent Care	\$50 Copay	\$50 Copay	\$50 Copay
Specialist Care	\$40 Copay	\$40 Copay	\$40 Copay
Emergency Room	\$100 Copay	\$100 Copay	\$100 Copay
Lab / X-ray	Ded. then 0%	Ded. then 20%	10%
Prescription Drugs (Generic/Preferred Brand/Non Preferred Brand)	\$15 / \$35 / \$50	\$15 / \$35 / \$50	\$15 / \$35 / \$50
Mail Order Drugs (Generic/Preferred Brand/Non Preferred Brand)	\$30 / \$70 / \$100	\$30 / \$70 / \$100	\$30 / \$70 / \$100
Preventive Drugs	Applicable Copay	Applicable Copay	Applicable Copay
% Current Employee Enrollment	25.0%	39.1%	35.9%

2013 – 2014 Employee Contribution Increases if Plan and Subsidy Strategy Remain Static

	Premium Plan	\$ CHANGE FROM CURRENT	Basic Plan	\$ CHANGE FROM CURRENT	Kelsey Care Plan	\$ CHANGE FROM CURRENT
Employee Only	\$150.11	\$55.76	\$99.00	\$52.01	\$0.00	\$0.00
Employee + Spouse	\$463.73	\$126.78	\$357.46	\$118.86	\$149.37	\$9.55
Employee + Child(ren)	\$378.62	\$107.29	\$286.65	\$100.54	\$108.44	\$6.93
Employee + Family	\$665.10	\$171.90	\$521.87	\$161.38	\$244.38	\$15.62
Employer Subsidy % for Employee Only	75.1%		82.0%		100%	
Employer Subsidy % for Dependents	52.5%		57.4%		70%	

Notes on Renewal :

Employers subsidy for Employee Only continues a 100% for Kelsey Care Plan
Employer subsidy for Dependents continues at 70% for Kelsey Care Plan

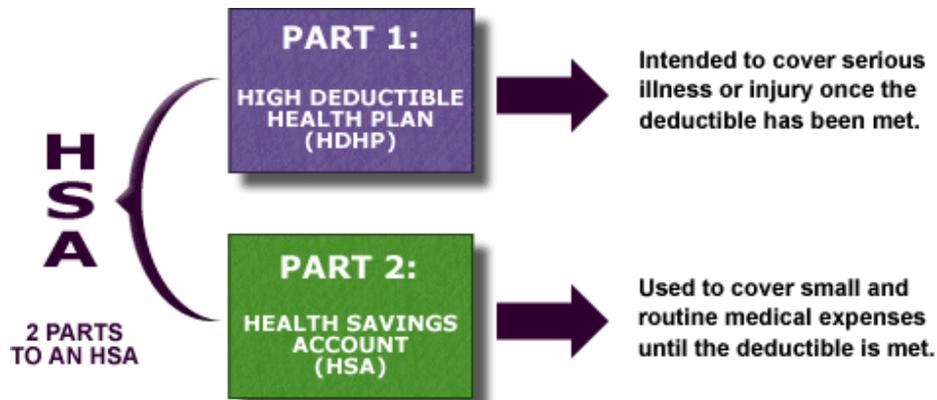
Key Health Plan Benchmarks

Description	Benchmark	Premium	Basic Plan	Kelsey Care
Average # of Plans Offered	2.3	3		
% Offering Consumer Driven Plan Option	79%	Not Offered		
Individual Deductible	\$971	\$1,000	\$1,000	\$0
Family Deductible	\$2,069	\$2,000	\$2,000	\$0
Individual Out of Pocket Maximum	\$3,281	\$0	\$3,000	\$1,000
Family Out of Pocket Maximum	\$6,792	\$0	\$6,000	\$2,000
Coinsurance %	18.5%	10.0%	20.0%	10.0%
Employee Only Subsidy Level	92%	81.8%	90%	100%
Dependent Subsidy Level	58%	57%	63%	70%

Benchmarks: Survey Data from 24 Texas Municipalities. Nine comparator City's were benchmarked along with 14 other municipalities with employee populations greater than 500.

Consumer Driven Health Plan

- Health Savings Account (HSA)
 - Tax Free Account and High Deductible Health Plan provides incentive for employees to be responsible purchasers and utilizers of health care.
 - Unlike traditional PPO Plans, the HDHP forces all plan expenses (except for preventive care) to be applied to deductible before insurance will pay.
 - Employer and Employees are able to utilize expected cost savings from the HDHP plan design to contribute to an HSA tax free up to IRS Limitations (\$3,250 Individual and \$6,450 Family)
 - Employees may utilize the tax free account to fund qualified medical expenses and may roll unused balances over to the next year tax free.
 - The HSA account is designed to assist employees in saving for future retiree healthcare expenditures



Proposed Plan Package A

No Changes

New Option

No Changes

IN NETWORK BENEFITS – Member Pays	Basic	HSA Plan	Kelsey Care
HSA Account Contribution	n/a	\$1,000 Individual / \$2,000 Family	n/a
Deductible	\$1,000 Individual / \$2,000 Family	\$2,500 Individual / \$5,000 Family	Not Applicable
Out-of-Pocket Maximum	\$3,000 Individual / \$6,000 Family	\$4,000 Individual / \$8,000 Family	\$1,000 Individual / \$2,000 Family
Coinsurance	20%	20%	10%
In-Patient Hospital	Ded. then 20%	Ded. then 20%	10%
Out-Patient Hospital	Ded. Then 20%	Ded. then 20%	10%
Wellness Visit	0%	0%	0%
Primary Care Physician	\$20 Copay	Ded. then 20%	\$20 Copay
Urgent Care	\$50 Copay	Ded. then 20%	\$50 Copay
Specialist Care	\$40 Copay	Ded. then 20%	\$40 Copay
Emergency Room	\$100 Copay	Ded. then 20%	\$100 Copay
Lab / X-ray	Ded. then 20%	Ded. then 20%	10%
Prescription Drugs (Generic/Preferred Brand/Non Preferred Brand)	\$15 / \$35 / \$50	Ded. then \$15 / \$35 / \$50	\$15 / \$35 / \$50
Mail Order Drugs (Generic/Preferred Brand/Non Preferred Brand)	\$30 / \$70 / \$100	Ded. then \$30 / \$70 / \$100	\$30 / \$70 / \$100
Preventive Drugs	Applicable Copay	0%	Applicable Copay

Proposed Plan Package A

Employee Contributions

	Basic Plan	\$ CHANGE FROM CURRENT	HSA Plan	\$ CHANGE FROM RENEWAL BASIC PLAN	\$ CHANGE FROM CURRENT BASIC PLAN	Kelsey Care Plan	\$ CHANGE FROM CURRENT
Employee Only	\$94.94	\$47.95	\$16.44	(\$78.50)	(\$30.56)	\$0.00	\$0.00
Employee + Spouse	\$342.81	\$104.20	\$177.80	(\$165.01)	(\$60.80)	\$143.24	\$3.42
Employee + Child(ren)	\$274.90	\$88.79	\$133.59	(\$141.31)	(\$52.52)	\$104.00	\$2.49
Employee + Family	\$500.47	\$139.99	\$280.44	(\$220.03)	(\$80.04)	\$234.36	\$5.60
Employee Subsidy % for Employee Only	82.0%		96.3%			100%	
Employee Subsidy % for Dependents	57.4%		67.4%			70%	

Notes on Package A :

Contributions shown are monthly
 Employers subsidy for Employee Only continues a 100% for Kelsey Care Plan
 Employer subsidy for Dependents continues at 70% for Kelsey Care Plan
 Employer would fund \$1,000 per Individual and \$2,000 per Family into HSA Accounts

Health Plan Option A - Financials

		Cigna	Cigna	Cigna
		Current	Renewal	Option A
Administration and Stop Loss Costs	1	\$738,670	\$781,699	\$781,699
Health Care Reform Fees	2	n/a	\$70,119	\$70,119
Projected Claims Cost	3	\$4,288,393	\$4,853,115	\$4,284,229
Projected HSA Account Contributions	3	n/a	n/a	\$126,000
Projected Total Plan Cost	1+2+3 +4	\$5,027,063	\$5,704,933	\$5,262,047
\$ Change from Current		N/A	+\$677,870	+\$234,984
% Change from Current		N/A	+13.5%	+4.7%
Employer Funding				
Employer Funding		\$3,957,137	\$4,227,348	\$4,180,027
\$ Change from Current		N/A	+\$270,212	+\$222,890
% Change from Current		N/A	+6.8%	+5.6%
Employee Funding				
Employee Funding		\$1,069,926	\$1,477,585	\$1,082,020
\$ Change from Current		N/A	+\$407,659	+12,094
% Change from Current		N/A	+38.1%	+1.1%

Notes on Renewal:

Assumes no changes to current \$125,000 specific stop loss deductible level
Assumes no changes to current plan designs

Notes on Option A:

Assumes no changes to current \$125,000 specific stop loss deductible level
Employers subsidy for Employee Only continues a 100% for Kelsey Care Plan
Employer subsidy for Dependents continues at 70% for Kelsey Care Plan
Employer funds \$1,000 per Individual and \$2,000 per Family into HSA Accounts

Proposed Plan Package B

See Changes

See Changes

New Option

No Changes

IN NETWORK BENEFITS – Member Pays	Premium Plan	Basic	HSA Plan	Kelsey Care
HSA Account Contribution	n/a	n/a	\$1,000 Individual / \$2,000 Family	n/a
Deductible	\$1,000 Individual / \$2,000 Family	\$2,000 Individual / \$4,000 Family	\$2,500 Individual / \$5,000 Family	Not Applicable
Out-of-Pocket Maximum	\$2,000 Individual / \$4,000 Family	\$4,000 Individual / \$8,000 Family	\$4,000 Individual / \$8,000 Family	\$1,000 Individual / \$2,000 Family
Coinsurance	10%	20%	20%	10%
In-Patient Hospital	Ded. then 10%	Ded. then 20%	Ded. then 20%	10%
Out-Patient Hospital	Ded. Then 10%	Ded. Then 20%	Ded. then 20%	10%
Wellness Visit	0%	0%	0%	0%
Primary Care Physician	\$20 Copay	\$20 Copay	Ded. then 20%	\$20 Copay
Urgent Care	\$50 Copay	\$50 Copay	Ded. then 20%	\$50 Copay
Specialist Care	\$40 Copay	\$40 Copay	Ded. then 20%	\$40 Copay
Emergency Room	\$100 Copay	\$100 Copay	Ded. then 20%	\$100 Copay
Lab / X-ray	Ded. then 0%	Ded. then 0%	Ded. then 20%	10%
Prescription Drugs (Gen./ Pref. Brand/Non-Pre.)	\$15 / \$35 / \$50	\$15 / \$35 / \$50	Ded. then \$15 / \$35 / \$50	\$15 / \$35 / \$50
Prescription Drugs (Gen./ Pref. Brand/Non-Pre.)	\$30 / \$70 / \$100	\$30 / \$70 / \$100	Ded. then \$30 / \$70 / \$100	\$30 / \$70 / \$100
Preventive Drugs	Applicable Copay	Applicable Copay	0%	Applicable Copay ¹²

Proposed Plan Package B

Employee Contributions

	Premium Plan	\$ CHANGE FROM CURRENT	Basic Plan	\$ CHANGE FROM CURRENT	HSA Plan	\$ CHANGE FROM RENEWAL BASIC PLAN	Kelsey Care Plan	\$ CHANGE FROM CURRENT
Employee Only	\$132.05	\$37.70	\$76.97	\$29.97	\$0.00	(\$76.97)	\$0.00	\$0.00
Employee + Spouse	\$425.80	\$88.66	\$311.15	\$72.55	\$147.07	(\$164.08)	\$149.37	\$9.55
Employee + Child(ren)	\$346.12	\$74.79	\$246.99	\$60.88	\$106.77	(\$140.22)	\$108.44	\$6.93
Employee + Family	\$614.49	\$121.28	\$460.11	\$99.63	\$240.62	(\$219.49)	\$244.38	\$15.62
Employer Subsidy % for Employee	77.4%		85.4%		100.0%		100%	
Employer Subsidy % for Dependents	54.2%		59.8%		70.3%		70%	

Notes on Package B :

Contributions shown are monthly

Employers subsidy for Employee Only continues a 100% for Kelsey Care Plan

Employer subsidy for Dependents continues at 70% for Kelsey Care Plan

Employer would fund \$1,000 per Individual and \$2,000 per Family into HSA Accounts

Health Plan Option A & B - Financials

		Cigna	Cigna	Cigna	Cigna
		Current	Renewal	Option A	Option B
Administration and Stop Loss Costs	1	\$738,670	\$781,699	\$781,699	\$781,699
Health Care Reform Fees	2	n/a	\$70,119	\$70,119	\$70,119
Projected Claims Cost	3	\$4,288,393	\$4,853,115	\$4,284,229	\$4,665,537
Projected HSA Account Contributions	3	n/a	n/a	\$126,000	\$51,000
Projected Total Plan Cost	1+2+3 +4	\$5,027,063	\$5,704,933	\$5,262,047	\$5,568,355
\$ Change from Current		N/A	+\$677,870	+\$234,984	+\$541,292
% Change from Current		N/A	+13.5%	+4.7%	+10.7%
Employer Funding					
Employer Funding		\$3,957,137	\$4,227,348	\$4,180,027	\$4,277,522
\$ Change from Current		N/A	+\$270,212	+\$222,890	+\$320,385
% Change from Current		N/A	+6.8%	+5.6%	+8.1%
Employee Funding					
Employee Funding		\$1,069,926	\$1,477,585	\$1,082,020	\$1,290,833
\$ Change from Current		N/A	+\$407,659	+12,094	\$220,907
% Change from Current		N/A	+38.1%	+1.1%	+20.7%

Notes on Renewal:

Assumes no changes to current \$125,000 specific stop loss deductible level
Assumes no changes to current plan designs

Notes on Option A and B

Assumes no changes to current \$125,000 specific stop loss deductible level
Employers subsidy for Employee Only continues a 100% for Kelsey Care Plan
Employer subsidy for Dependents continues at 70% for Kelsey Care Plan
Employer funds \$1,000 per Individual and \$2,000 per Family into HSA Accounts

Dental - Current Plan Package

BENEFITS	Dental HMO	Dental PPO
Deductible	\$0 Individual \$0 Family	\$50 Individual \$150Family
Type 1 – Preventive Services Oral Examinations X-Rays Cleanings	\$5 Copay / 100%	No Deductible / 100%
Type 2 – Basic Services Fillings Extractions Root Canal	\$5 Copay / 100%	Deductible / 80%
Type 3 – Major Services Crowns Bridge Work Partial or Complete Dentures	Ded. Then 0%	Deductible / 50%
Type 4 – Orthodontia Child Only	\$2,400 Copay	50%
Dental Annual Maximum	None	\$1,500
Orthodontia Lifetime Maximum	None	\$1,500
Network	Aetna DHMO	Aetna DPPO

Dental Renewal Financials

		Cigna	Cigna
		Current	Renewal
Total Premium Cost		\$305,220	\$351,064
\$ Change from Current		N/A	+\$45,844
% Change from Current		N/A	+15.0%
<hr/>			
Employer Funding		\$170,830	\$196,478
\$ Change from Current		N/A	+\$25,648
% Change from Current		N/A	+15.0%
<hr/>			
Employee Funding		\$134,390	\$154,586
\$ Change from Current		N/A	+\$20,196
% Change from Current		N/A	+15.0%

Notes on Renewal:

Current Loss Ratio (claims ÷ premium) of Dental Plan is 102.6%
 Initial renewal from Aetna was at +22%
 Assumes no changes to current plan designs
 Assumes Pearland Continues to Fund 100% for Employee
 Assumes Pearland continues to fund 0% for dependents

Dental Plan

Employee Contributions

	Dental Plan	\$ CHANGE FROM CURRENT
Employee Only	\$0.00	\$0.00
Employee + Spouse	\$23.71	\$3.10
Employee + Child(ren)	\$37.22	\$4.86
Employee + Family	\$59.67	\$7.79
Employer Subsidy % for Employee	100.0%	
Employer Subsidy % for Dependents	0%	

Notes: Contributions are shown are monthly
 Employers subsidy for Employee Only continues a 100%
 Employer subsidy for Dependents continues at 0%

Compass Professional Health Services



- Service available to employees enrolled on HSA Plan
- Paid for by the City to help employees navigate the health care marketplace and make informed health care decisions
- Assist employees when deciding where to receive care and to identify cost effective and high quality providers of health services
- Cost for Compass is \$5 per employee per month for those enrolled in the Health Savings Account Plan.

2013 - 2014 Recommendations

- Health Plan
 - Plan package A is recommended for the 2013-2014 plan year.
 - It is recommended to continue employer premium funding levels for employee only coverage at 100% for the Kelsey Care Plan.
 - It is recommended to continue employer premium funding levels for dependent coverage at 70% for the Kelsey Care Plan.
 - Implementation of Compass Professional Health Services is recommended at \$5 per employee per month for Health Savings Account Participants.
- Dental Plan
 - Renewal with Aetna is recommended for the 2013 – 2014 plan year.
 - No changes are recommended to the current plans or subsidy strategy.
 - Pearland currently funds 100% of the employee only costs and 0% of dependent cost.
- Wellness Program
 - It is recommended to continue biometric screening incentive program.
 - A \$25 monthly premium differential applies to employees who choose not to participate.
 - Cigna will be providing a \$25,000 wellness allowance for use in the 2013-2014 plan year.

Workshop Item No. 2

2. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE PROPOSED FISCAL YEAR 2013-2014 ANNUAL BUDGET AND CAPITAL IMPROVEMENT PROJECTS WORKSHOP NO. 2. *Mr. Bill Eisen, City Manager.*

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

AGENDA OF:	August 12, 2013	ITEM NO.:	Workshop Item No. 2
DATE SUBMITTED:	Aug 2, 2013	DEPT. OF ORIGIN:	Finance
PREPARED BY:	Claire Bogard	PRESENTOR:	Bill Eisen
REVIEWED BY:	Bill Eisen	REVIEW DATE:	8/6/13
SUBJECT: Fiscal Year 2014 Budget Workshop #2			
EXHIBITS: PowerPoint Presentation - CIP			
FUNDING:			
<input type="checkbox"/> Grant <input type="checkbox"/> Developer/Other <input type="checkbox"/> Cash <input type="checkbox"/> Bonds To Be Sold <input type="checkbox"/> Bonds- Sold <input type="checkbox"/> L/P – Sold <input type="checkbox"/> L/P – To Be Sold			
EXPENDITURE REQUIRED: N/A		AMOUNT BUDGETED: N/A	
AMOUNT AVAILABLE: N/A		PROJECT NO.:	
ACCOUNT NO.: N/A			
ADDITIONAL APPROPRIATION REQUIRED:			
ACCOUNT NO.:			
PROJECT NO.:			
To be completed by Department:			
X	Finance	Legal	Ordinance Resolution

EXECUTIVE SUMMARY

BACKGROUND

Pursuant to State law and according to City Charter, the City must adopt a budget by the last regularly scheduled Council meeting in September, prior to the beginning of the fiscal year. The budget must contain a complete financial statement of the City and City must hold a public hearing on the budget and follow truth-in-taxation requirements. The budget process began the last week of July, with the filing and submission of the budget. Council had its first workshop on Monday, August 5th.

The workshop tonight will cover the 2014-2018 Five-Year Capital Improvement Program, of which year one is incorporated into the City's Fiscal Year 2014 Budget as well as any additional information requested from the August 5th workshop.

SCHEDULE

Budget workshops are scheduled for each Monday in August as necessary. The first public hearing on the budget and tax rate is tentatively planned for Tuesday, September 3rd and the second public hearing on September 9, 2013. First reading of the ordinances (budget and tax rate) are scheduled for September 16 with second and final reading on September 23, 2013.

POLICY/GOAL CONSIDERATION

Pursuant to State Statute and City Charter, the budget was filed with the City Secretary and submitted to City Council 60 to 90 days prior to the beginning of the fiscal year. The budget provides a complete financial plan for the program of services to be provided in the upcoming fiscal year – 2014.

The proposed budget is a public record and will be placed on the City's web-site, a copy provided to each library, and will be available for viewing in the City's Secretary's office as well.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

The budget serves as the financial plan (revenues and expenditures) and provides for the annual program of services for the City in fiscal year 2014. As currently proposed, the budget maintains the current tax rate of \$0.7051 per \$100 valuation and maintains the current water/sewer rates and rate structure. Solid Waste (garbage/recycling) rates will increase based on the Houston MSA CPI effective October 1, 2013 pursuant to the City's contract with our provider.

O&M IMPACT INFORMATION

See proposed budget.

RECOMMENDED ACTION

Review and discuss the proposed budget for Fiscal Year 2013-2014 and 5-Year Capital Improvement Program.



City of Pearland

Fiscal Year

2014 – 2018

Proposed Budget and
Five Year CIP

August 12, 2013

Capital Projects



FY 2014 Capital Projects

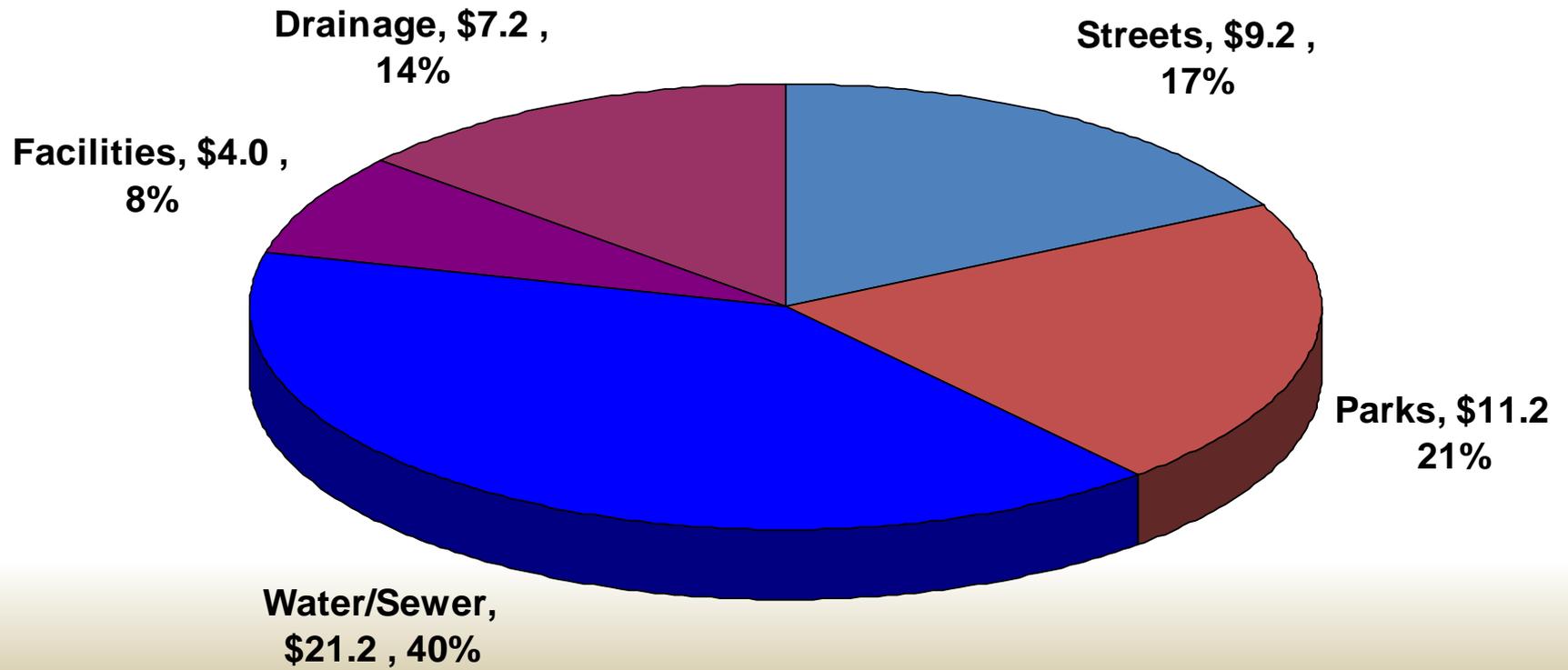
Five Year Capital Improvement Program

FY 2014 - Page 201

Five-Year Program 2014-2018 - Five Year CIP Tab

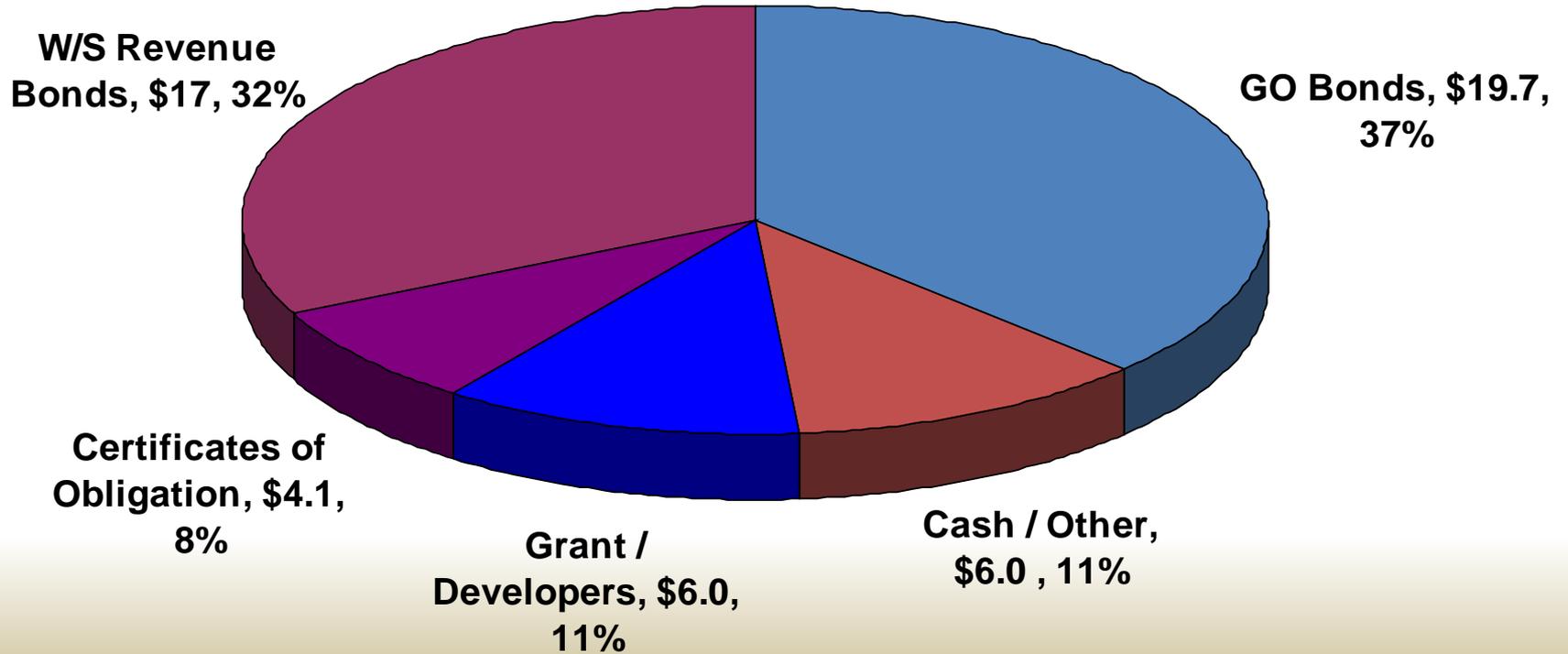
Fiscal Year 2014 CIP

\$52,849,883 - Uses



Fiscal Year 2014 CIP

\$52,849,883 - Sources



2014 Drainage CIP Uses & Sources



Lower Kirby UC Regional Detention	\$ 2,800,000
Cullen / FM 518 Regional Detention	\$ 3,708,000
Old Townsite Drainage (Land/Design)	\$ 559,000
McHard Road 2 nd Outfall (Design)	\$ 75,000
Piper Drainage & Sidewalks (Design)	\$ 114,588
Total	\$ 7,256,588
Future GO Bonds	\$ 4,305,588
Other Funding Sources (Cash/Developer)	\$ 2,951,000

2014 Parks CIP Uses & Sources



Max Rd. Sports Complex Phase I	\$ 2,626,320
SCR Park Phase I	\$ 6,067,600
Centennial Park Phase II	\$ 1,373,658
Shadow Creek Ranch Trail (Design)	\$ 194,970
Green Tee Terrace Trail (Design)	\$ 435,937
JHEC Nature Trails (Formerly Nature Center Phase II)	\$ 475,000
Total	\$11,173,485
Certificates of Obligation	\$ 125,981
Future GO Bonds	\$ 10,067,578
Other Funding Sources (\$505k – TIP) (\$475k – CIAP)	\$ 979,926

2014 Facilities CIP Uses & Sources



Fire/EMS Station #3	\$ 2,822,423
Fire Station #2 (Land/Design)	\$ 473,460
City Hall Complex Renovations (Design)	\$ 372,952
Hillhouse Road Annex Ph. II (Design)	\$ 300,000
TOTAL	\$ 3,968,835
Certificates of Obligation	\$ 3,968,835

2014 Streets CIP Uses & Sources



Max Road	\$ 954,189
Fite Road	\$ 367,565
McHard Rd. Extension (PER/Design)	\$ 2,650,075
Bailey Rd. – Veterans to FM1128 (Design)	\$ 420,000
Kirby Drive Expansion	\$ 1,235,000
Hughes Ranch Road (Land)	\$ 1,065,000
Regency Park Subdivision Paving (Design)	\$ 245,161

2014 Streets CIP Uses & Sources



CR59 Expansion	\$ 2,004,612
Annual Traffic Signal Intersection Improvements	\$ 292,500
TOTAL	<hr/> \$ 9,234,102

General Revenue-Cash	\$ 65,316
Future GO Bonds	\$ 5,335,139
Other Funding Sources (\$3.2 million – TIP) (\$227k – CDBG)	\$ 3,833,647

2014 Water CIP Uses & Sources



McHard Road 16" Waterline	\$ 7,429,997
SH35 Waterline	\$ 1,820,942
Fellows Loop (Design)	\$ 68,600
Old City Hall GST (Decommissioning)	\$ 125,000
TOTAL	\$ 9,444,539
W/S Revenue Bonds	\$ 8,383,997
Other Funding Sources (Fund balance)	\$ 1,060,542

2014 Wastewater CIP Uses & Sources



Far NW WWTP Expansion	\$ 9,400,000
Longwood Service Area Ph. II	\$ 644,190
Mykawa/Scott SCADA Lift Station (PER/Design)	\$ 358,205
West Oaks Lift Station Retirement	\$ 143,350
Oak Brook Estates Lift Station	\$ 256,190
Pearland Heights Lift Station	\$ 255,024
McHard Rd. Trunk Sewer (Design)	\$ 451,490

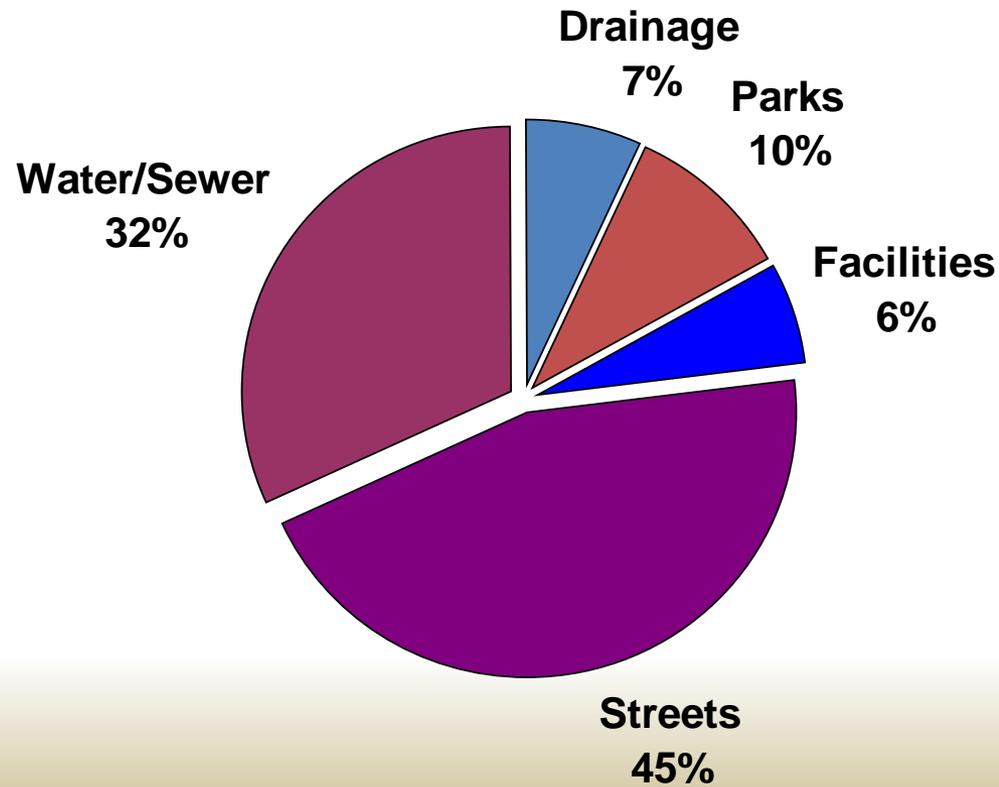
2014 Wastewater CIP Uses & Sources



Orange/Mykawa LS Retirement (PER/Land/Design)	\$ 119,945
Riverstone Ranch Oversizing – Ph I	\$ 81,990
Southdown (North Central) WWTP Rehabilitation (Design)	\$ 61,950
TOTAL	\$11,772,334
W/S Revenue Bonds	\$ 8,714,704
Other Funding Sources	\$ 3,057,630

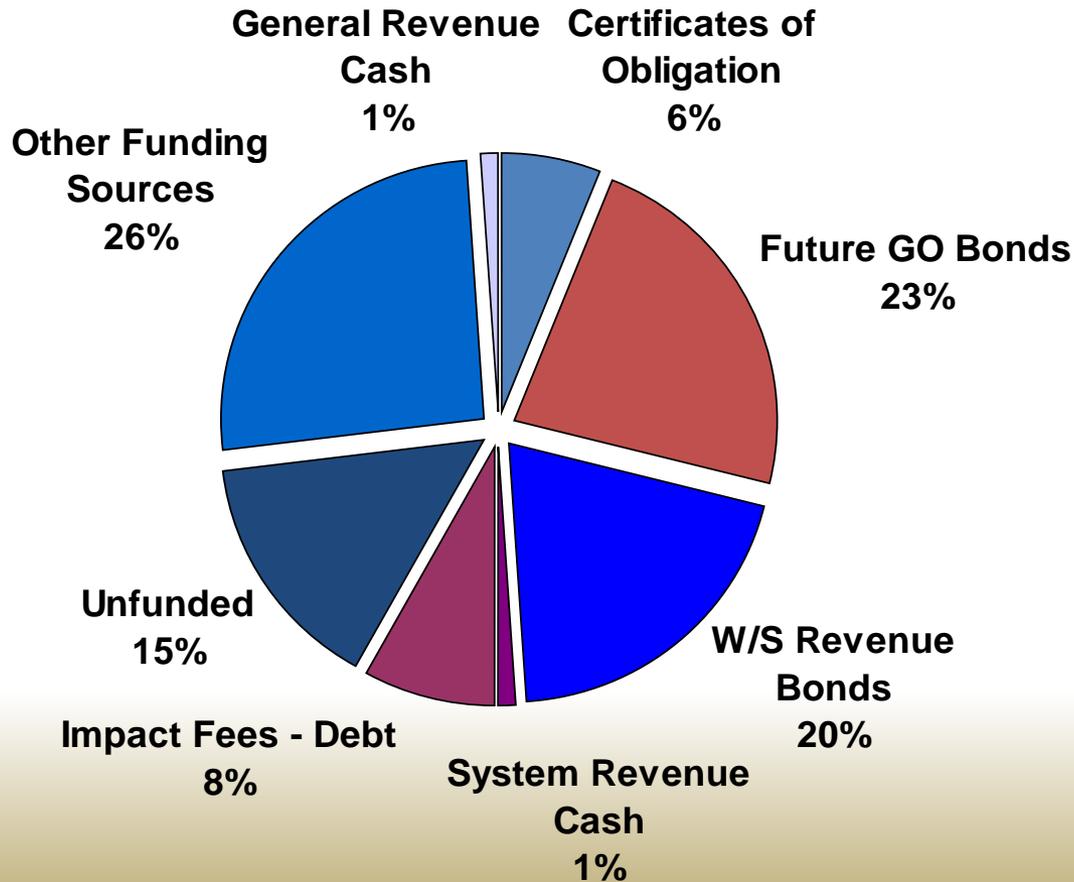
Five Year CIP- 2014-2018

\$354,288,911 - Uses



Five Year CIP- 2014-2018

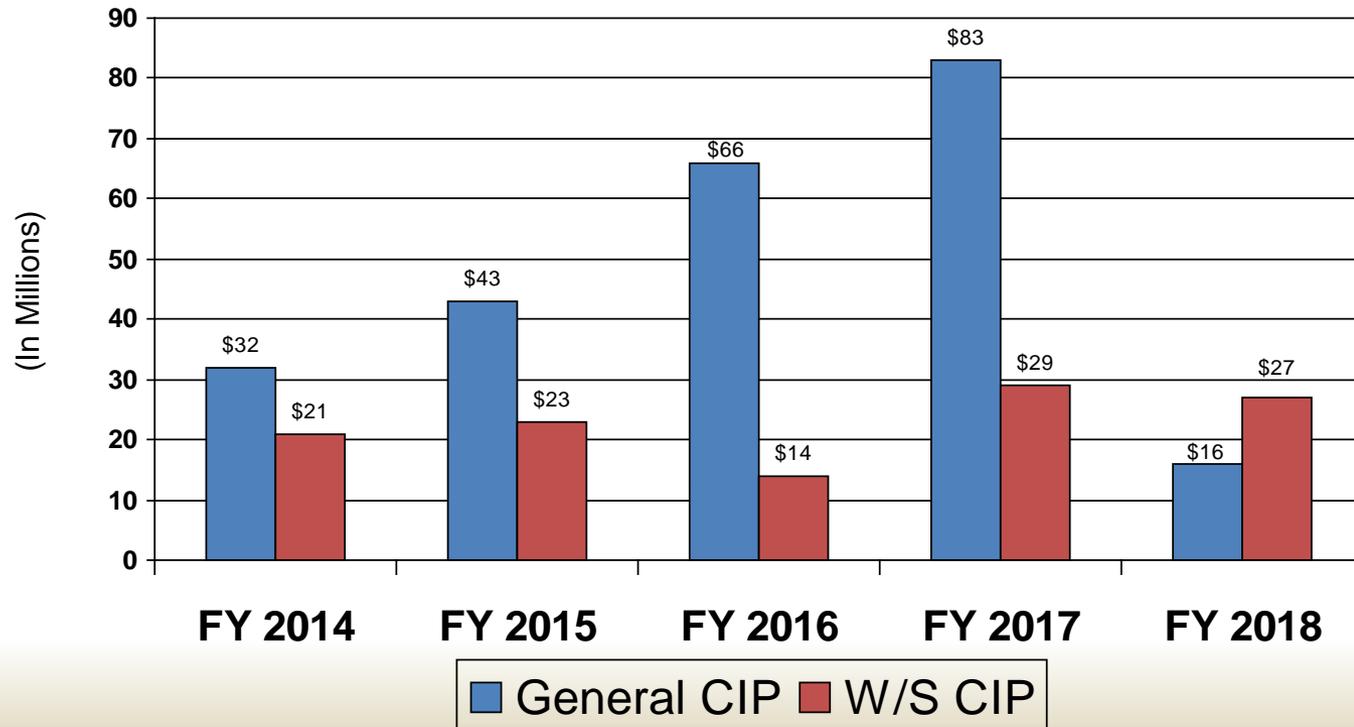
\$ 354,288,911 - Sources



2014-2018 CIP



\$354M Total



Five-Year CIP Summary

2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
Drainage	7,256,588	7,303,524	3,006,340	5,428,536	0	22,994,988
Parks	11,173,485	2,551,068	8,502,900	4,992,361	9,178,500	36,398,314
Facilities	3,968,835	13,071,092	3,317,783	0	312,500	20,670,210
Streets	9,234,102	20,533,408	51,161,641	72,214,560	6,977,853	160,121,564
Water	9,444,539	2,365,760	8,900,826	3,497,791	7,458,225	31,667,141
Sewer	11,772,334	20,457,373	4,920,439	26,089,298	19,197,250	82,436,694
Total	52,849,883	66,282,225	79,809,929	112,222,546	43,124,328	354,288,911

Drainage CIP Uses 2014 – 2018 Uses



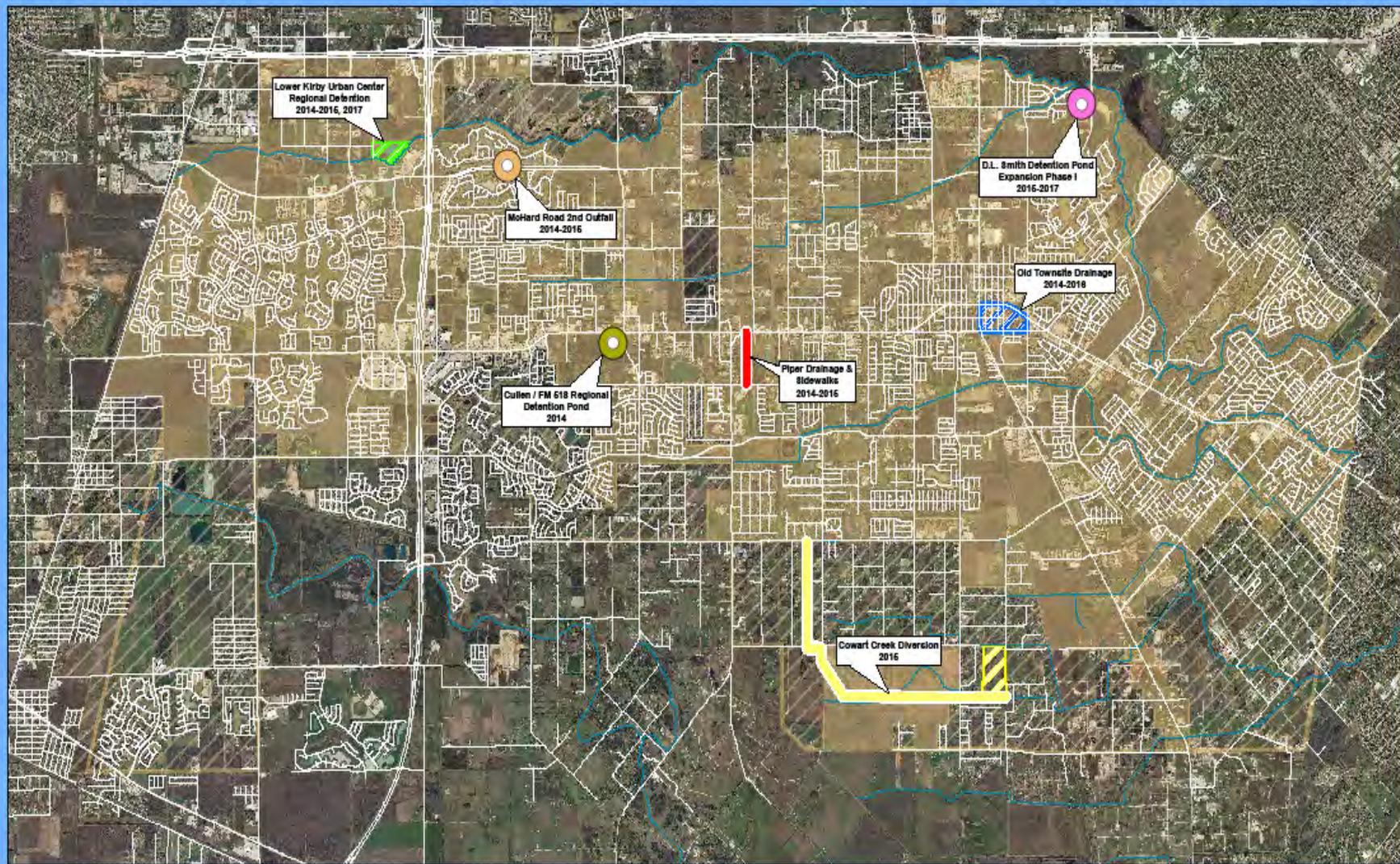
Use	2014	2015	2016	2017	2018	Total
Cowart Creek		1,600,000				1,600,000
Lower Kirby UC Reg. Detention	2,800,000	1,767,000		2,528,000		7,095,000
Cullen/FM 518 Reg. Detention	3,708,000					3,708,000
OTS Drainage	559,000	1,929,200	826,800			3,315,000
McHard Rd. 2 nd Outfall	75,000	409,000				484,000
Piper Drainage & Sidewalks	114,588	475,400				589,988

Drainage CIP Uses 2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
D.L. Smith Detention Exp.		122,924	2,179,540	2,900,536		5,203,000
PER for Future Bond Ref.*		1,000,000				1,000,000
Total	7,256,588	7,303,524	3,006,340	5,428,536	0	22,994,988

*Preliminary Engineering Report (PER)



CITY OF PEARLAND

2014 - 2018 CIP Drainage

 Old Townsite Drainage

 Lower Kirby Urban Center Regional Detention

 Cowart Creek Diversion

 Cowart Creek Diversion

 Piper Drainage & Sidewalks

 D.L. Smith Detention Pond Expansion Phase I

 Cullen/FM 518 Regional Detention Pond

 MoHard Road 2nd Outfall

1:63,360 or 1 in = 1 miles



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MAP PREPARED: JUL 2013
CITY OF PEARLAND GIS DEPARTMENT

Parks CIP Uses

2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
Max Road Sports Complex PH I	2,626,320					2,626,320
Shadow Creek Ranch Pk. PH I	6,067,600					6,067,600
Centennial Park PH II	1,373,658	542,342				1,916,000
Shadow Creek Ranch Trail (TIP)	194,970	115,733	1,624,755			1,935,458
Green Tee Terrace Trail (TIP)	435,937	105,183	3,632,816			4,173,936
JHEC Nature Trails	475,000	950,000				1,425,000
Independence Park PH I		179,810	1,906,803	1,231,387		3,318,000

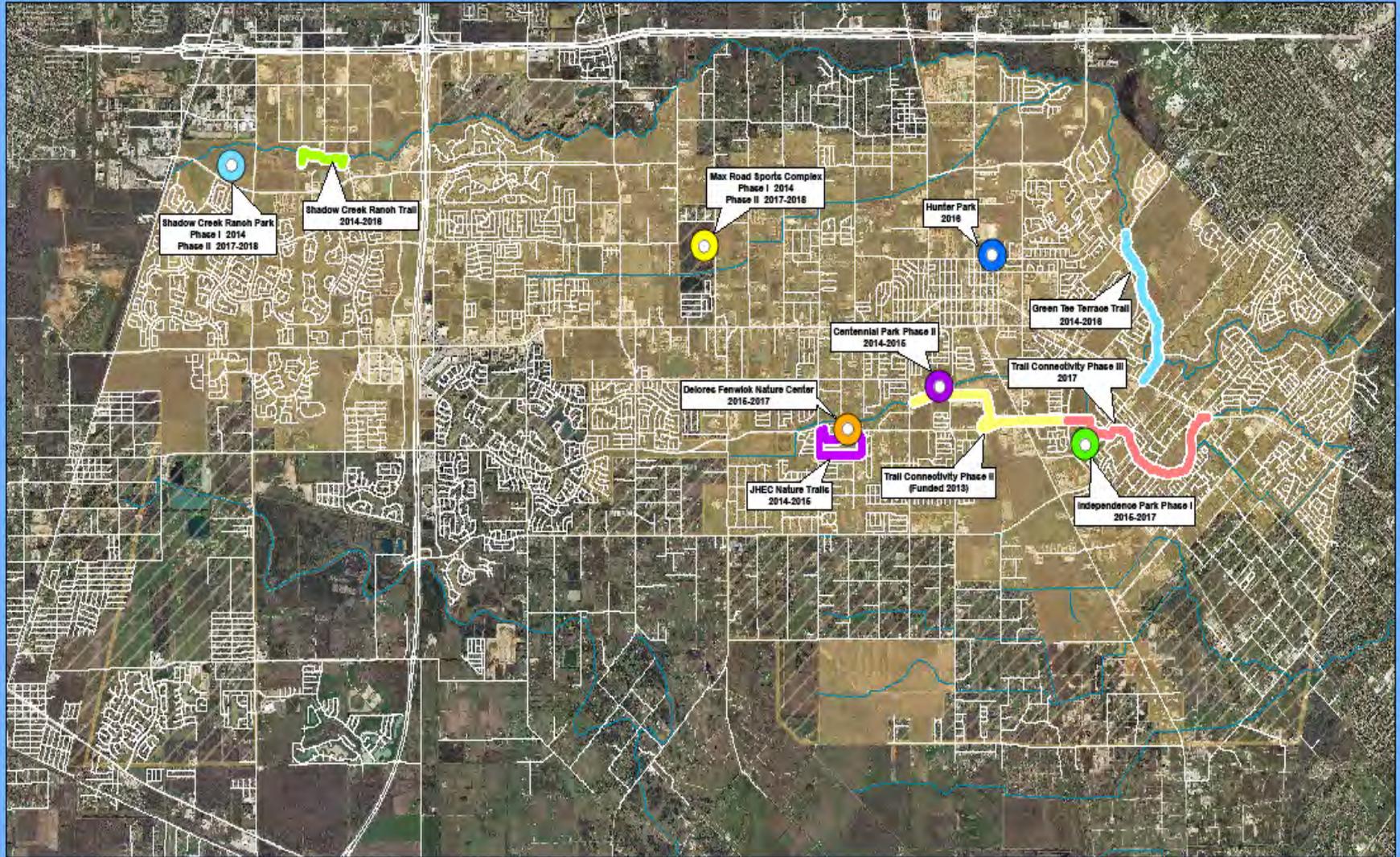
Parks CIP Uses

2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
Nature Center PH I		158,000	736,026	1,471,974		2,366,000
PER*		500,000				500,000
Trail Connectivity				725,000		725,000
Hunter Park			602,500			602,500
Max Road Sports Complex PH II ^(u)				486,000	2,914,500	3,400,500
Shadow Creek Ranch Pk. PH II ^(u)				1,078,000	6,264,000	7,342,000
Total	11,173,485	2,551,068	8,502,900	4,992,361	9,178,500	36,398,314

*Preliminary Engineering Report (PER) ^(u) Unfunded



CITY OF PEARLAND

2014 - 2018 CIP Parks

- Green Tee Terrace Trail
- JHEC Nature Trails
- Shadow Creek Ranch Trail
- Trail Connectivity Phase II
- Trail Connectivity Phase III

- Centennial Park Phase II
- DeLoree Fenwick Nature Center Phase I

- Hunter Park
- Independence Park Phase I

- Max Road Sports Complex Phase I & II
- Shadow Creek Ranch Park Phase I & II

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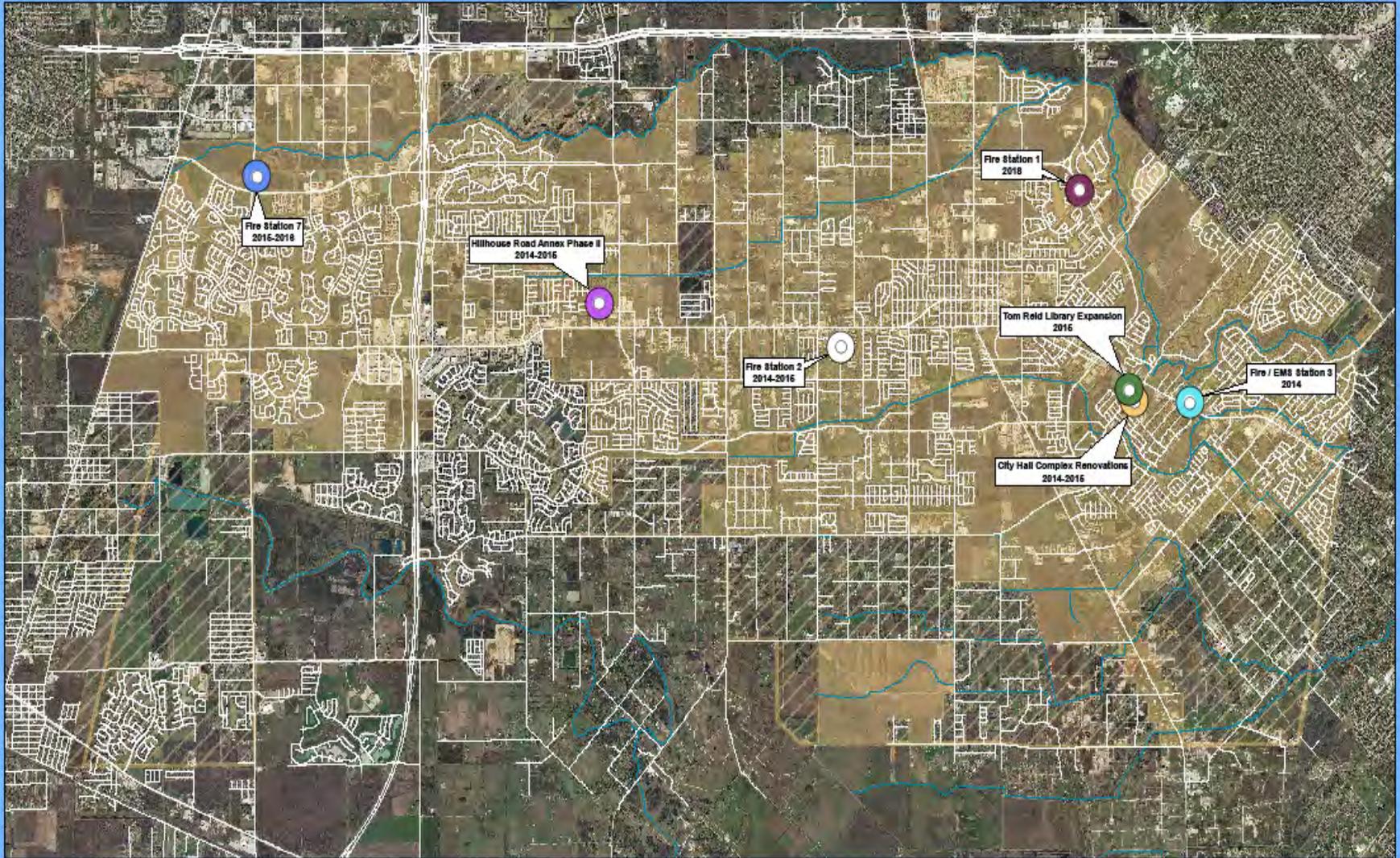
MAP PREPARED: JUL 2013
CITY OF PEARLAND GIS DEPARTMENT

Facilities CIP Uses 2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
Fire Station #3	2,822,423					2,822,423
Fire Station #2	473,460	3,317,783				3,791,243
CH Complex Renovations	372,952	2,316,449				2,689,401
Fire Station #7		473,460	3,317,783			3,791,243
Tom Reid Library		3,663,400				3,663,400
Hillhouse Ph II	300,000	3,300,000				3,600,000
Fire Station #1*					312,500	312,500
Total	3,968,835	13,071,092	3,317,783	0	312,500	20,670,210

*Extends beyond 2018



CITY OF PEARLAND

2014 - 2018 CIP Facilities

-  City Hall Complex Renovations
-  Fire Station 2
-  Fire Station 7
-  Tom Reid Library Expansion
-  Fire Station 1
-  Fire / EMS Station 3
-  Hillhouse Road Annex Phase II

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MAP PREPARED: JUL 2013
CITY OF PEARLAND GIS DEPARTMENT

Streets CIP Uses 2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
Max Road (TIP)	954,189	4,248,428				5,202,617
Fite Road (TIP)	367,565	3,332,631				3,700,196
Smith Ranch Rd. Expansion (TIP)		328,668	916,803	82,167	3,656,852	4,984,490
McHard Rd. Extension (TIP)	2,650,075	3,855,000		34,650,000		41,155,075
Bailey Rd-Veterans to FM 1128 (TIP)	420,000		27,244,345			27,664,345
Kirby Drive Expansion	1,235,000	1,022,545				2,257,545
Hughes Ranch Rd. (u-2017)	1,065,000		4,172,600	16,690,400		21,928,000
Regency Pk. Sub. Paving	245,161	2,766,600				3,011,761
CR 59 Expansion	2,004,612					2,004,612

Streets CIP Uses

2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
Sidewalk Installation ^(u)		302,718	230,098	397,297	294,501	1,224,614
Annual Traffic Signal Inter. Improvements	292,500		292,500		292,500	877,500
Mykawa Rd. Widening ^(u-2017)		2,707,318	10,262,032	9,255,650		22,225,000
Old Alvin Rd. Widening		1,094,500	4,600,000	1,532,500		7,227,000
Old Alvin Rd. Rehab. ^(u)		175,000	1,458,750			1,633,750
Old Town Area Sidewalks		200,000	200,000	100,000		500,000
PER*		500,000				500,000
Longwood Street Reconstruction ^(u)			991,404	6,017,544		7,008,948

*Preliminary Engineering Report (PER)

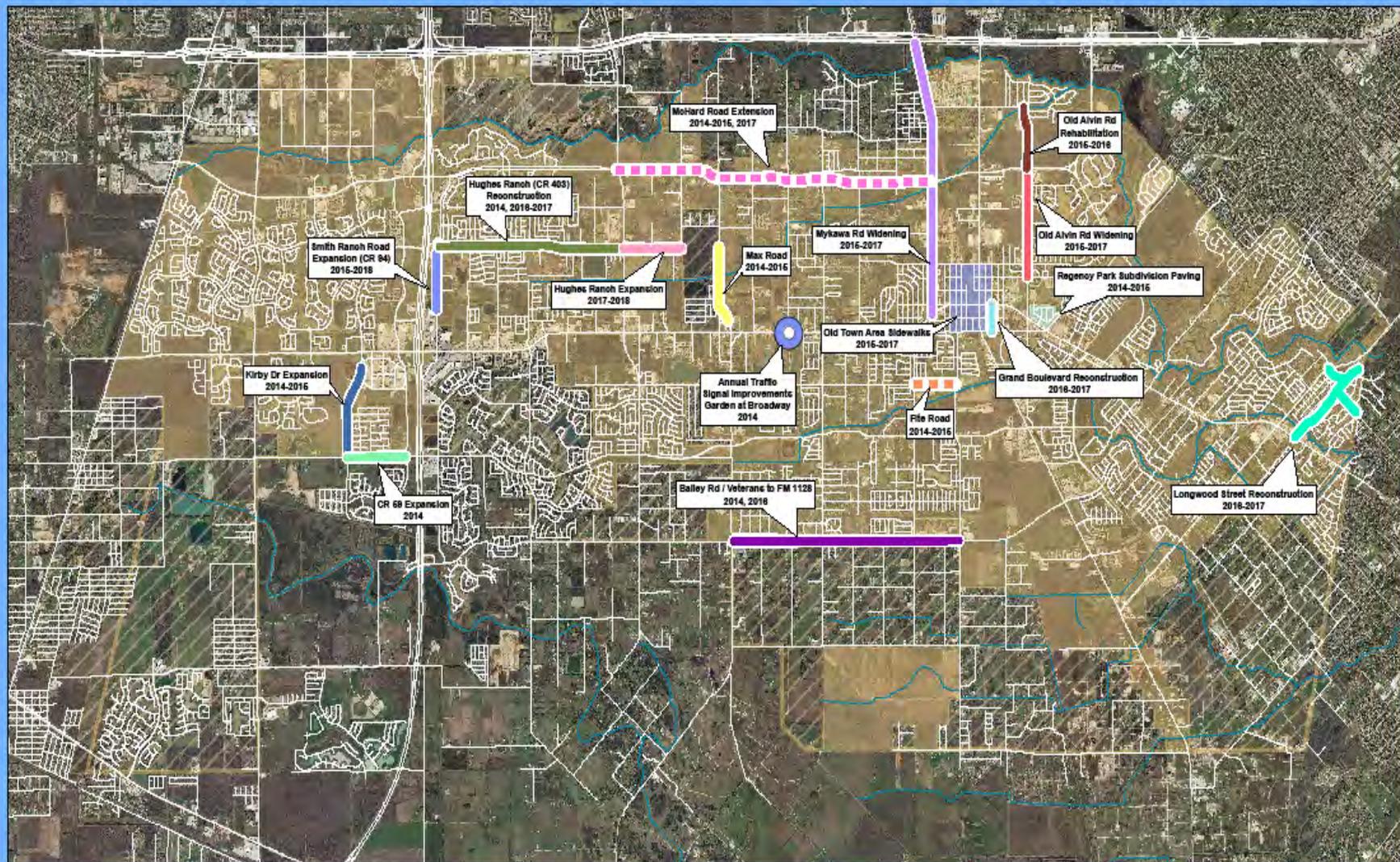
^(u) Unfunded

Streets CIP Uses 2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
Grand Blvd. Reconstruction ^(u)			793,109	2,741,502		3,534,611
Hughes Ranch Rd. Expansion ^(u)				747,500	2,734,000	3,481,500
Total	9,234,102	20,533,408	51,161,641	72,214,560	6,977,853	160,121,564

^(u) Unfunded



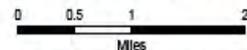
CITY OF PEARLAND

2014 - 2018 CIP Streets

- | | | | |
|--------------------------------|----------------------------------|-------------------------------|---------------------------------|
| Bailey Road Improvement | Hughes Ranch Road Reconstruction | Mykawa Road Widening | Mohard Road Extension |
| CR 59 Expansion | Kirby Drive Expansion | Old Alvin Road Rehabilitation | File Road Extension |
| Grand Boulevard Reconstruction | Longwood Street Reconstruction | Old Alvin Road Widening | Old Town Area Sidewalks |
| Hughes Ranch Road Expansion | Max Road Widening | Smith Ranch Road Expansion | Regency Park Subdivision Paving |

Annual Traffic Signal
2014 - Garden at Broadway
2016 - To Be Determined
Sidewalk Installation 2015-2018
(eight locations city wide)

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MAP PREPARED: JUL 2013
CITY OF PEARLAND GIS DEPARTMENT

Water CIP Uses

2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
GEC*		50,000	50,000	50,000	50,000	200,000
McHard Waterline	7,429,997					7,429,997
SH35 Waterline	1,820,942					1,820,942
Fellows Loop	68,600	527,444				596,044
Old City Hall GST**	125,000					125,000
Surface Water Plant***				2,500,000	5,002,700	7,502,700
FM 1128 16" Waterline		210,384	1,092,000			1,302,384
CR 100 Waterline		463,450	2,371,210			2,834,660
Harkey Rd WL		468,296	2,070,704			2,539,000
Veterans Dr. WL		509,296	2,070,704			2,580,000

*General Engineering Consultant (GEC) **Ground Storage Tank (GST) ***Extends beyond 2018

Water CIP Uses

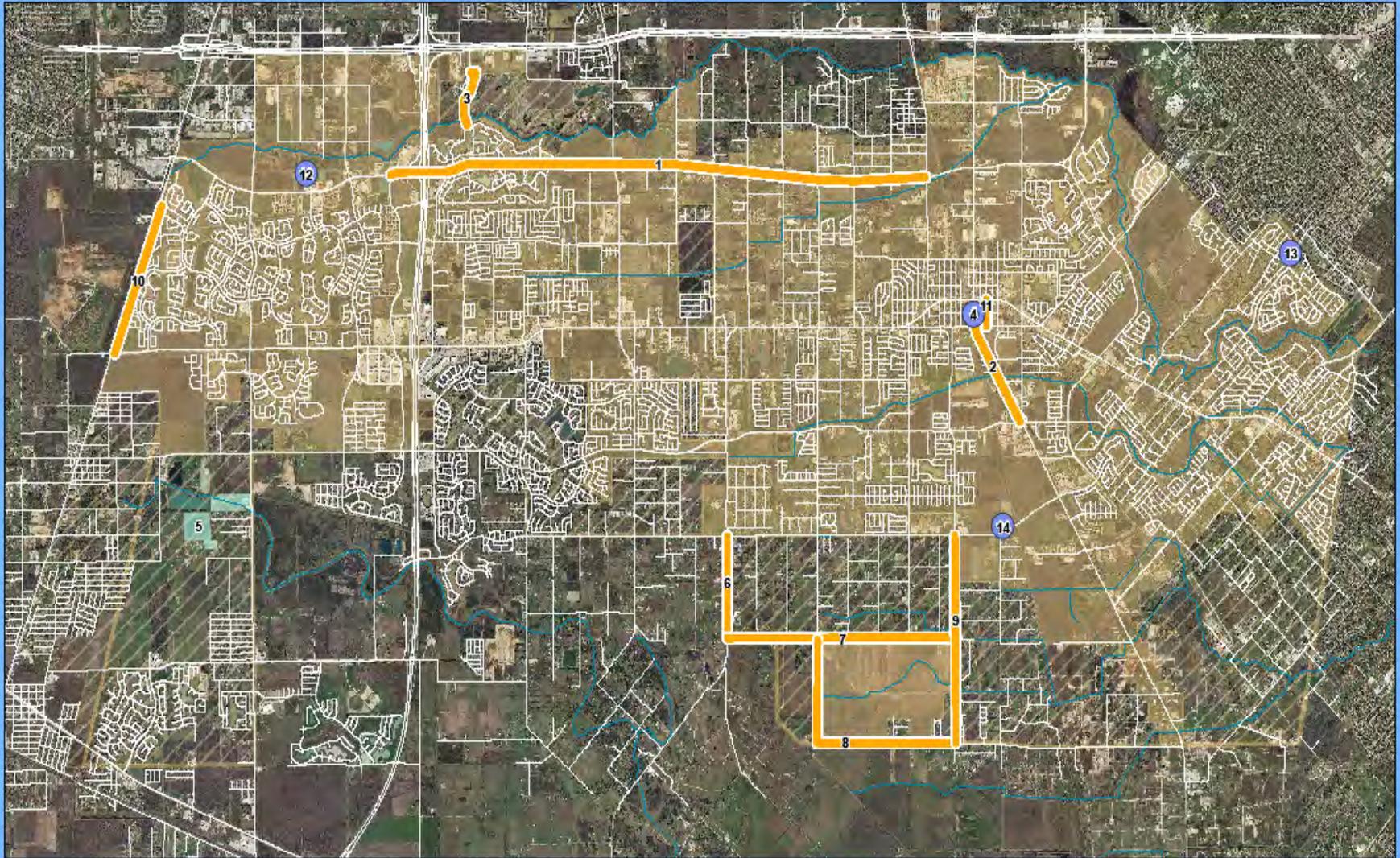
2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
FM 521 WL		136,890	1,232,010			1,368,900
Grand Blvd. WL			14,198	133,683		147,881
Far NW GST Expansion**				305,050	2,171,900	2,476,950
Green Tee Rehab				509,058		509,058
SE Water Plant***					233,625	233,625
Total	9,444,539	2,365,760	8,900,826	3,497,791	7,458,225	31,667,141

**Ground Storage Tank (GST)

***Extends beyond 2018

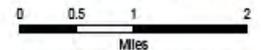


CITY OF PEARLAND

2014 - 2018 CIP Water

1	McHard Road 16" Waterline.....	2014	8	Harkey Rd Waterline from CR 100 to CR 128 and CR 128 from Harkey to Veterans.....	2015-2016
2	SH 35 Waterline from FM 518 to Magnolia.....	2014	9	Veterans Dr Bailey Rd to CR 128 16" Waterline.....	2015-2016
3	Fellows Loop.....	2014-2015	10	FM 521 Waterline.....	2015-2016
4	Old City Hall Ground Storage Tank.....	2014	11	Grand Boulevard Waterline – Old Townsite Quadrant.....	2016-2017
5	Surface Water Plant.....	2017-2018	12	Far Northwest Ground Storage Tank Expansion.....	2017-2018
6	FM 1128 16" Waterline.....	2015-2016	13	Green Tee Rehabilitation.....	2017
7	CR 100 Waterline.....	2015-2015	14	Southeast Water Plant Improvements.....	2018

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MAP PREPARED: JUL 2013
CITY OF PEARLAND GIS DEPARTMENT

Wastewater CIP Uses 2014 – 2018 Uses



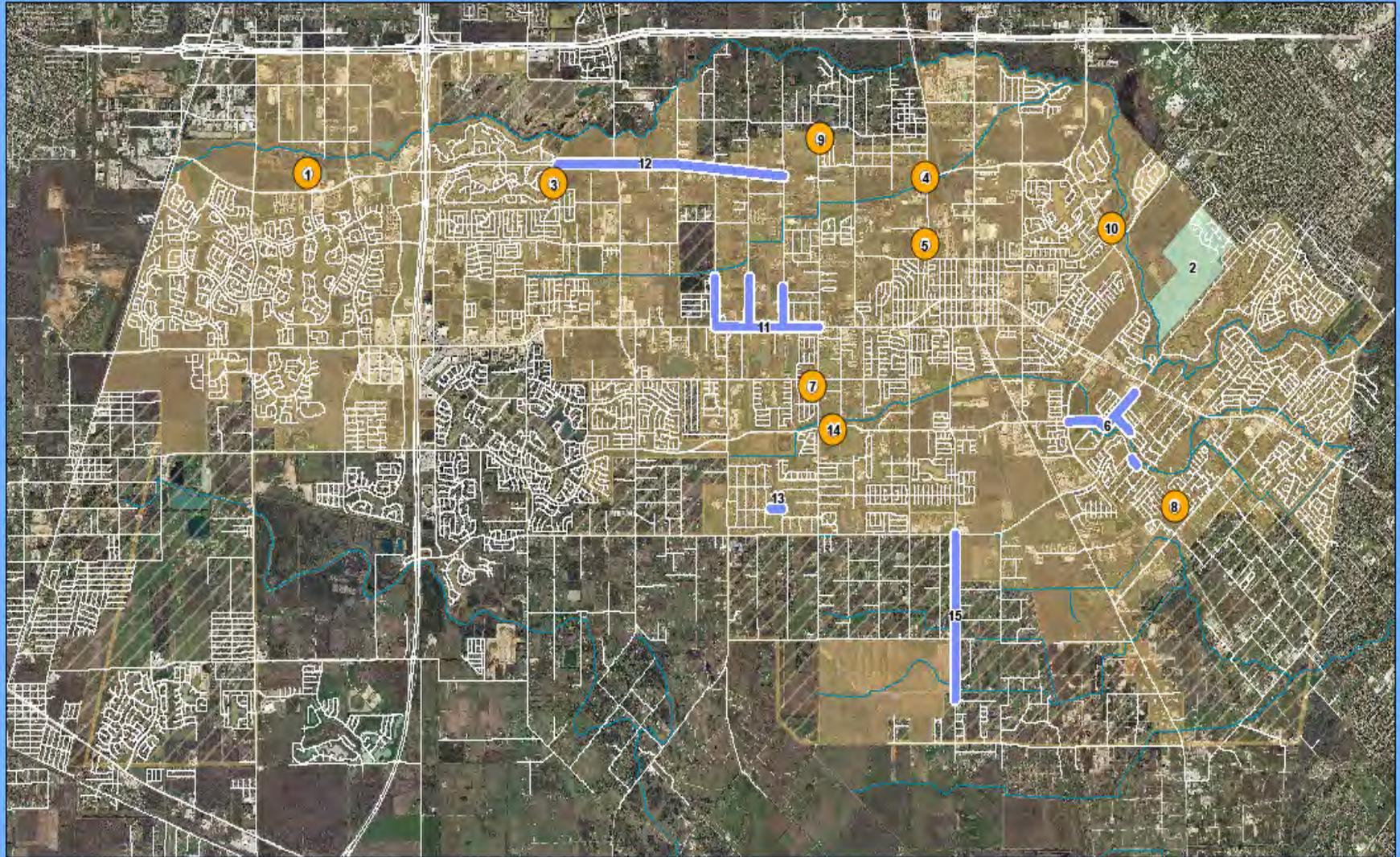
Use	2014	2015	2016	2017	2018	Total
Far NW WWTP Expansion	9,400,000	15,785,000				25,185,000
Riverstone Ranch Oversizing	81,990	128,167	129,452			339,609
Southdown WWTP Rehab.	61,950	540,545				602,495
Mykawa/Scott SCADA LS	358,205	2,719,878				3,078,083
Orange/Mykawa LS Retirement	119,945	481,238				601,183
Longwood Service Area PH II	644,190					644,190
West Oaks LS Ret.	143,350					143,350

Wastewater CIP Uses 2014 – 2018 Uses



Use	2014	2015	2016	2017	2018	Total
Oak Brook Estates LS	256,190					256,190
Pearland Heights LS	255,024					255,024
Barry Rose WWTP Expansion		350,000	1,000,000	12,816,650		14,166,650
Roy/Max/Garden Basin Sewage System		318,100	2,212,537			2,530,637
McHard Trunk Sewer	451,490			4,048,370		4,499,860
West Lea Force Main		134,445				134,445
JHEC WWTP Exp.**			400,000	2,200,000	19,197,250	21,797,250
Veterans Dr. LS			1,178,450	7,024,278		8,202,728
Total	11,772,334	20,457,373	4,920,439	26,089,298	19,197,250	82,436,694

**Extends beyond 2018



CITY OF PEARLAND

2014 - 2018 CIP Wastewater

1 Far NW WWTP Expansion.....	2014-2015	9 Pearland Heights Lift Station.....	2014
2 Riverstone Ranch Overstizing.....	2014-2016	10 Barry Rose WWTP Expansion.....	2015-2017
3 Southdown WWTP Rehabilitation (WWM Project 31A).....	2014-2015	11 Roy/Max/Garden Rds Basin Sewage System (WWM Project 12).....	2015-2016
4 Mykawa/Scott SCADA Lift Station (WWM Project 5).....	2014-2015	12 McHard Road Trunk Sewer.....	2014, 2017
5 Orange Mykawa Lift Station Retirement (WWM Project 33).....	2014-2015	13 West Lea Force Main (WWM Project 8).....	2015
6 Longwood Service Area Phase II.....	2014	14 JHEC WWTP Expansion (WWM Project 29A).....	2016-2018
7 West Oaks Lift Station Retirement (WWM Project 17).....	2014	15 Veterans Dr Lift Station Service Area (WWM Project 11).....	2016-2017
8 Oak Brook Estates Lift Station (WWM Project 21).....	2014		

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MAP PREPARED: JUL 2013
CITY OF PEARLAND GIS DEPARTMENT

Five Year CIP Summary 2014 – 2018 Sources



Use	2014	2015	2016	2017	2018	Total
General Rev - Cash	65,316	270,000	492,500	625,000	292,500	1,745,316
CO's	4,094,816	12,601,876	5,126,596		312,500	22,135,788
GO's	17,591,471	17,391,153	28,649,890	18,267,295	731,372	82,631,181
Revenue Bonds	14,889,980	15,456,762	5,817,127	20,526,439	14,485,925	71,176,233
W&S - Cash		2,034,446	1,166,005	711,583	283,625	4,195,659
Impact Fees – Debt	2,208,721	2,275,560	4,493,583	6,812,859	10,384,575	26,175,298
Unfunded*		477,718	3,487,559	36,903,926	12,207,001	53,076,204
Other	11,882,745	14,868,970	30,058,428	31,916,259	4,426,830	93,153,232
Total	50,733,049	65,376,485	79,291,688	115,763,361	43,124,328	354,288,911

*Begins basis for next bond referendum

General Fund O & M for CIP 2015 – 2018



Project	2015	2016	2017	2018
Cowart Creek Diversion	8,913	8,913	8,913	8,913
Lower Kirby UC Detention	35,000	35,000	35,000	35,000
Max Rd. Sports Complex PH I	222,954	228,394	229,876	231,403
Shadow Creek Ranch Pk PH I	571,512	524,616	540,659	551,838
Centennial Park PH II	91,200	124,464	126,105	127,721
Shadow Creek Ranch Trail			270	360
JHEC Nature Trails		270	360	360
Delores Fenwick Nature Center				139,061
Trail Connectivity	109,602	115,996	119,033	122,326
Tom Reid Library Expansion		36,703	73,407	73,407
Fire Station #3	75,610	75,610	75,610	75,610

General Fund O & M for CIP 2015 – 2018



Project	2015	2016	2017	2018
Hillhouse Rd. Annex PH II		45,413	45,413	45,413
Fire Station #2	347,153	856,318	880,165	904,728
Fire Station #7		356,800	880,165	904,728
Max Road	6,892	14,284	14,284	14,284
Fite Road	1,782	5,845	5,845	5,845
Smith Ranch Rd. Expansion		7,034	14,067	14,067
McHard Rd. Extension				8,105
Bailey Road			4,900	9,801
Kirby Drive Extension		580	1,159	1,159
Hughes Ranch Road	9,777	9,777	11,922	11,922
Mykawa Road Widening			20,660	41,319

General Fund O & M for CIP 2015 – 2018



Project	2015	2016	2017	2018
Old Alvin Road Widening			1,046	4,183
Old Alvin Road Rehab.			383	510
Grand Boulevard Reconstruct.			111	221
Total	1,480,395	2,446,017	3,089,353	3,332,284

Water & Sewer O & M for CIP 2015 – 2018



Project	2015	2016	2017	2018
McHard Road 16" Waterline	(750,000)	(750,000)	(750,000)	(750,000)
Green Tee Rehabilitation			(102,000)	(102,000)
Riverstone Ranch Oversizing			(13,370)	(17,826)
Mykawa/Scott SCADA LS	(2,228)	(8,913)	(8,913)	(8,913)
West Oaks LS Retirement	(8,913)	(8,913)	(8,913)	(8,913)
Orange/Mykawa LS Retirement	(4,457)	(8,913)	(8,913)	(8,913)
Oak Brook Estates LS	(8,913)	(8,913)	(8,913)	(8,913)
Pearland Heights LS	(8,913)	(8,913)	(8,913)	(8,913)
Roy/Max/Garden Basin Sewage			(11,884)	(17,826)
Veterans Drive LS Service Area			(8,913)	(17,826)
Total	(783,424)	(794,565)	(930,732)	(950,043)



Questions?

Fiscal Year
2013-2014
Proposed Budget
Five Year CIP
August 12, 2013