



CITY COUNCIL AGENDA
CITY OF PEARLAND
SPECIAL MEETING
SATURDAY, AUGUST 6, 2016, 8:30 A.M.
COUNCIL CHAMBERS | PEARLAND CITY HALL | 3519 LIBERTY DRIVE
281.652.1600

I. Call to Order

II. Purpose of this Meeting

- 1. Presentation:** Regarding the Fiscal Year 2017 Budget and Multi-Year Financial Plan Budget Workshop #1 – Overview, Highlights, General Fund, Debt Service and Property Tax.
- 2. Discussion:** Regarding Property Tax Rate.
- 3. Presentation:** Water/Sewer Fund, Internal Service Funds, Special Revenue Funds, Multi-Year Forecast, and Capital Improvement Program.
- 4. Council Input and Discussion:** Regarding proposed Budget.

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.

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

AGENDA OF:	August 6, 2016	ITEM NO.:	New Business No. 1
DATE SUBMITTED:	August 3, 2016	DEPT. OF ORIGIN:	Finance
PREPARED BY:	Cynthia Pearson	PRESENTOR:	Cynthia Pearson
REVIEWED BY:	Jon R. Branson	REVIEW DATE:	August 3, 2016
SUBJECT: Discussion regarding the Fiscal Year 2016-17 proposed budget and multi-year financial plan			
EXHIBITS: PowerPoint Presentation			
FUNDING:	<input type="checkbox"/> Bonds To Be Sold	<input type="checkbox"/> Grant <input type="checkbox"/> Bonds- Sold	<input type="checkbox"/> Developer/Other <input type="checkbox"/> L/P – Sold
			<input type="checkbox"/> Cash Opns <input type="checkbox"/> L/P – To Be Sold
EXPENDITURE REQUIRED:	N/A	AMOUNT BUDGETED:	N/A
AMOUNT AVAILABLE:		PROJECT NO.:	
ACCOUNT NO			
ADDITIONAL APPROPRIATION REQUIRED:			
ACCOUNT NO.:			
PROJECT NO.:			
To be completed by Department:			
<input checked="" type="checkbox"/> Finance	<input checked="" type="checkbox"/> Legal	<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> 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 the City must hold a public hearing on the budget and follow truth-in-taxation requirements.

The budget process begins by reviewing the proposed annual budget for fiscal year 2016-2017 through a budget workshop, which provides staff the opportunity to present the proposed budget and respond to any questions that City Council may have.

RECOMMENDED ACTION

Staff will make a presentation regarding the FY2016-17 Budget and multi-year financial plan including the General Fund, Debt Service Fund, Water/Sewer Fund, Internal Service Funds, Special Revenue Funds, the Multi-Year Forecast, and the Capital Improvement Program. The City Council will be asked to provide questions and thoughts to finalize the budget, including appropriate property tax rates.

v * tr = r



CITY OF PEARLAND, TEXAS

FISCAL YEAR

2016 - 2017

BUDGET WORKSHOP

AUGUST 6, 2016





The Value that Pearland Brings

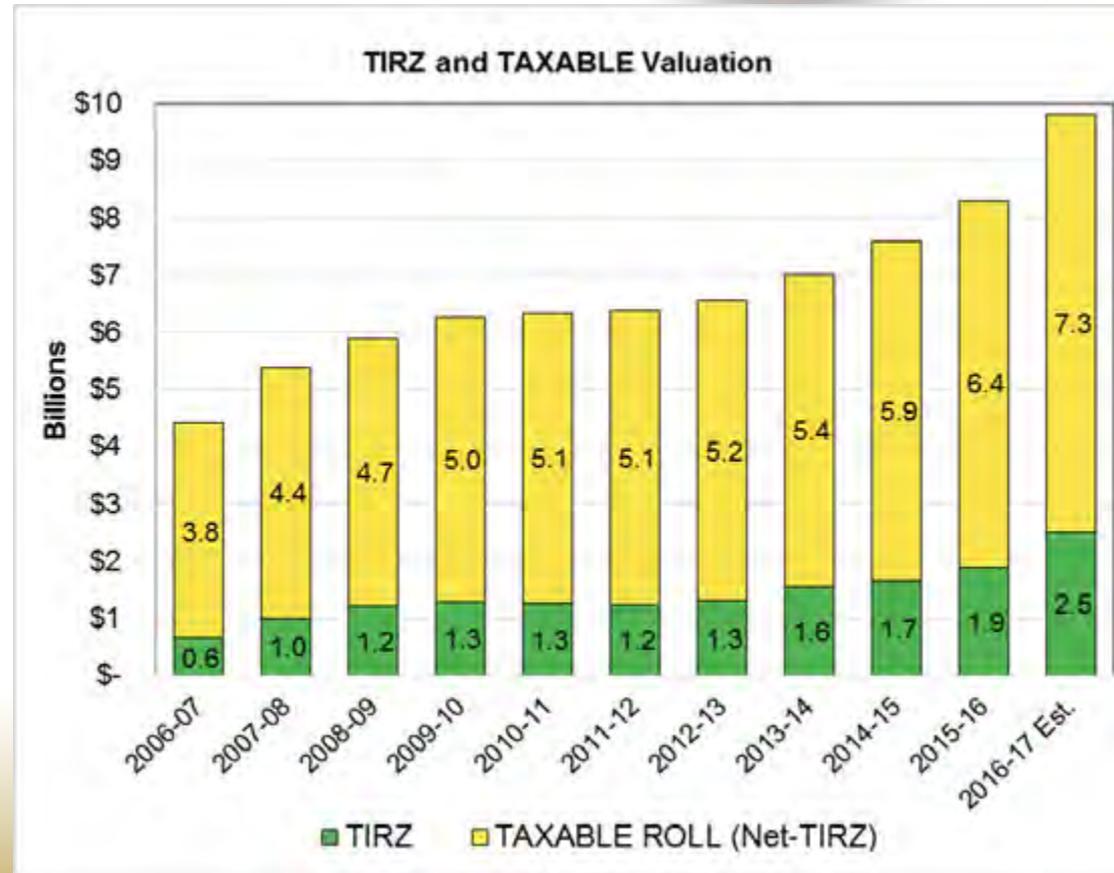
$$v * tr = r$$

The property and sales value (v) of the community multiplied by the tax rate (tr) brings financial resources (r).

Taxable Value



Revaluations in a quality community and new growth have brought the taxable roll (excluding the Shadow Creek Ranch TIRZ) to \$7.32 billion, a 13.9% jump from the prior year. There is definitely positive momentum.





Big Picture

1. Operating Deficit
2. Fund balance *just* at minimum.
3. Reduced recapitalization/maintenance on streets and sidewalks to balance
4. Significant increases from FY 2015/16 for services still being absorbed

General Fund Overview (dollars in millions)	FY 2014/15 Actual	FY 2015/16 Amended Budget	FY 2016/17	
			At Rollback Property Tax Rate	w/ Two cents Additional to O&M
Beginning Fund Balance	\$19.5	\$21.4	\$14.4	\$ 14.4
Revenue	\$65.9	\$71.3	\$72.2	\$ 74.2
Expenditures (including transfers)	\$64.0	\$78.2	\$74.9	\$ 76.7
Operating Net	\$1.9	\$(6.9)	\$(2.7)	\$(2.5)
Ending Fund Balance	\$21.4	\$14.4	\$11.7	11.9
Targeted minimum fund balance (2 months of recurring operating expenditures)		\$11.2	\$11.5	\$11.9

Totals may not add due to rounding.
 Amended FY 2015/16 Budget **through** July 2016 amendments.
 Two cents additional to O&M shown in green reflects \$2 million additional revenue from property tax and spending \$1.2 million; targeted fund balance of 16.7% estimated on new expenditure total.



Big Picture

1. Operating Deficit
2. Fund balance just at minimum.
3. Reduced recapitalization/maintenance on streets and sidewalks to balance
4. Significant increases from FY 2015/16 for services still being absorbed

Expenditures for investment and services

The proposed FY 2016/17 budget has total General Fund expenditures of \$75 million. That's a 3% decrease from the estimated current FY 2015/16 expenditures which includes the roll-overs and amendments recognized during the fiscal year. The \$75 million for FY 2016/17 is 2.1% more than the \$73.3 million in the original FY 2015/2016 adopted budget.

General Fund Expenditures (in millions)	FY 2014/15 Actual	FY 2015/16	FY 2016/17
Salaries and Wages	\$ 42.8	\$ 47.8	\$ 51.0
Materials and Supplies	1.8	2.7	2.4
Building and Grounds	1.5	3.1	2.0
Repair and Maintenance	2.4	3.2	2.8
Misc. Service	10.0	13.9	11.5
Inventory items	.3	.5	.4
Capital Outlay	3.9	4.5	3.4
Transfers out	1.3	2.6	1.4
Total	\$ 64.0	\$ 78.2	\$ 74.9

Totals may not equal due to rounding.

FY 2016/17 in purple uses base expenditures, without addition available from additional property tax rate to O&M beyond rollback rate.

The table illustrates clearly that City government is a people business, so far as the General Fund resources are committed. **A full 68% of total General Fund expenditures are dedicated to staff wages and benefits.**

Valuing our Staff



1. In this budget, we have built in 3% cost of living for all full- and part-time employees, a \$1.1 million expense (plus step increases for civil service).
2. We have initiated a City-wide classification and compensation study that will look at complete compensation definitively and independently. That report, once received, will give us a framework for current and future decisions; we have \$200,000 in this budget for phase I of implementation.





Public Safety Investments

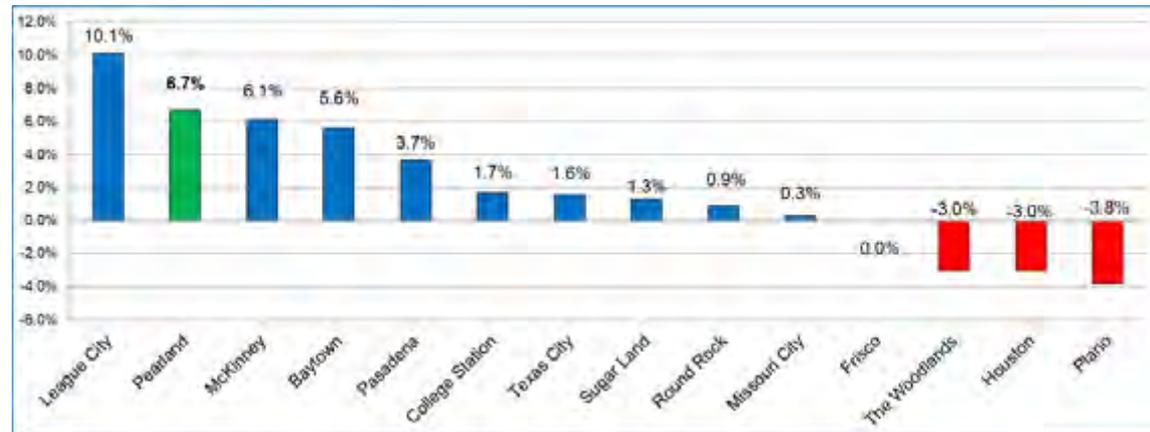
1. Expenditures for Police and Fire in FY 2016/17 represent 54% of our \$74.9 million in General Fund expenditures at \$40.3 million, about equal to the FY 2015/16 estimate. However, the \$40 million level for police and fire is \$6.5 million, 20%, more, than the FY 2014/15 actual amount.
2. In this budget, we have included funds, \$100,000, to begin implementation of the Berkshire study. There is also funding for four additional officers and additional vehicles.
3. The budget includes fleet replacements in police with 22 replacement police vehicles and three motorcycles. There is a replacement ambulance (\$160,000) and two replacement vehicles in the Fire Department.
4. The results of a Standards of Cover and Staffing Utilization Study, awarded to Citygate Associates, should be available by February of 2017 in time to prepare for the FY2018 budget, if not before.



Sales Tax



Budget is presented with a projected 4% sales tax growth for FY2016/17 in the General Fund. **Sales tax revenues are budgeted for \$20.5 million in FY 2016/17, 28% of the total revenue.** The Pearland Economic Development Corporation is budgeted for another \$10.2 million.





Property Tax Revenue

1. For future years beyond the FY 2016/17 Budget, the multi-year budget estimate with available information is that future debt service requirements can be held at \$0.4400 for at least one additional year, shown in the multi-year forecast. Those projections make estimates of future taxable value, which continue to perform strongly through calendar year 2016, but cannot be projected with certainty for out years.

2. A City taxable value of \$187,000 in tax year 2015, payable in 2016 is a fair average. **If the overall City tax rate goes down by 2.4 cents (still giving two more cents to operations), and the value of that same house goes up 10%, to \$205,700, the City tax bill goes up \$40 from that two cent rate difference, \$1,327 to \$1,367.**

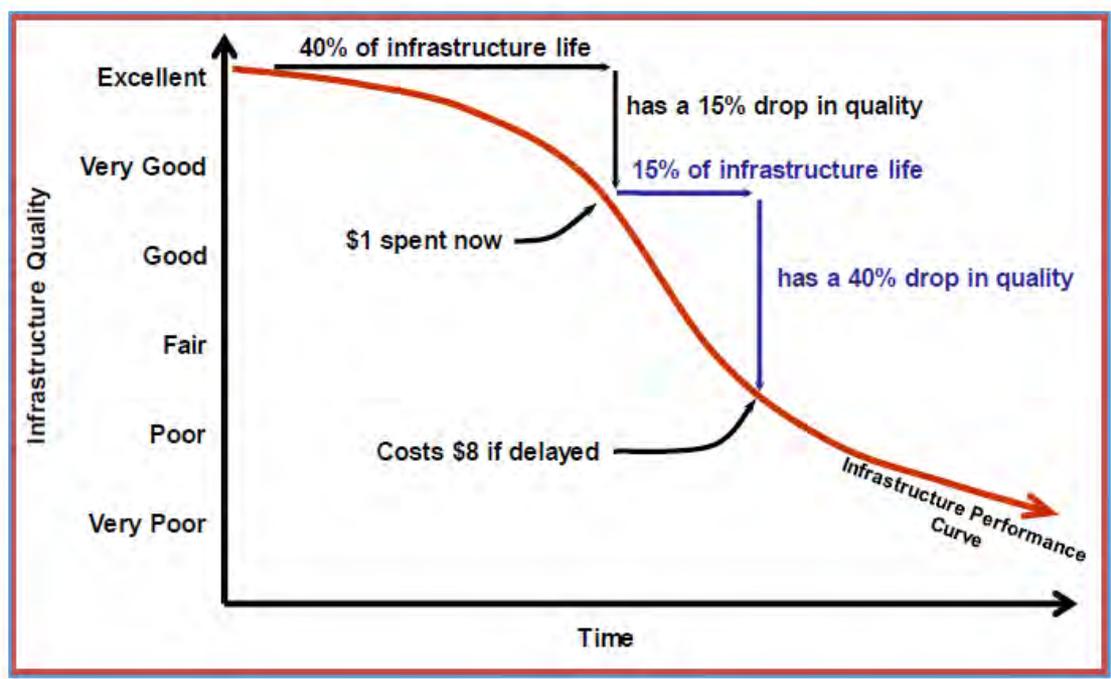
General Fund and Debt Service property Tax Rates	FY 2015/16 Actual Rates	FY 2016/17*			
		Effective Tax Rate	Rollback Rate (8% revenue cap)	Reduce Total Rate 2 cents and Improve O&M rate with two cents	Keep Total Rate Constant
O&M	0.2225	0.2048	0.2212	0.2412	0.2655
Debt service	0.4828	0.4440	0.4400	0.4400	0.4400
Total	0.7053	0.6448	0.6612	0.6812	0.7053
G.F. Property Tax Revenue + TIRZ Administrative Fee (in millions)	\$13.8 + \$9.2 = \$23.1	\$14.6 + \$9.7 = \$24.3	\$15.7 + 10.0 = \$25.7	\$17.2 + \$10.5 = \$27.8	\$19.0 + \$11.1 = \$30.1

*For FY 2016/17, the rollback rate in purple is used in the recommended budget revenue. The additional revenue by reducing the current total City property tax levy by two cents, yet still add two cents to operations and maintenance is shown in green.
 FY 2016/17 rates are estimates and rely upon best information before getting final numbers from County Assessor offices in August.

Capital improvements and Infrastructure Asset Recapitalization



1. Our Capital Improvements Plan has \$545 million of projects within the next Five-Years. The vast majority, \$311 million, is for needed water and wastewater improvements. Those needs are repaid by users of the systems
2. As has been written in some national publications, now is a great time to be completing infrastructure work from a financing perspective. Pearland is doing that.
3. For the remaining \$234 million, \$169 million is for new street widening or extensions across Pearland.
4. To balance the FY 2016/17 budget, the amount for paving rehabilitation stands at \$515,000, below prior years and far below the targeted recapitalization range targeted. The FY 2016/17 paving program as cited in the March 2016 Five-Year Pavement Rehabilitation Plan includes two subdivisions as well as a few additional streets. We want to be in the \$3 million/year range for recapitalization on streets and sidewalks.





Overview and Highlights



Mayor and City Council Members



Tom Reid
Mayor



Tony Carbone
Position One



Derrick Reed
Position Two



Gary Moore
Position Three
Mayor Pro Tem



Keith Ordeneaux
Position Four



Greg Hill
Position Five



Trent Perez
Position Six

City Managers



Jon Branson
Deputy City Manager

City Secretary
Human Resources
Convention & Visitors' Bureau
Finance
Parks & Recreation
Communications
Municipal Court



Clay Pearson
City Manager

Deputy City Manager
Assistant City Manager
Police
Fire
Information Technology
Development Services



Trent Epperson
Assistant City Manager

Capital Projects
Public Works

Strategic Priorities



What is a Budget?

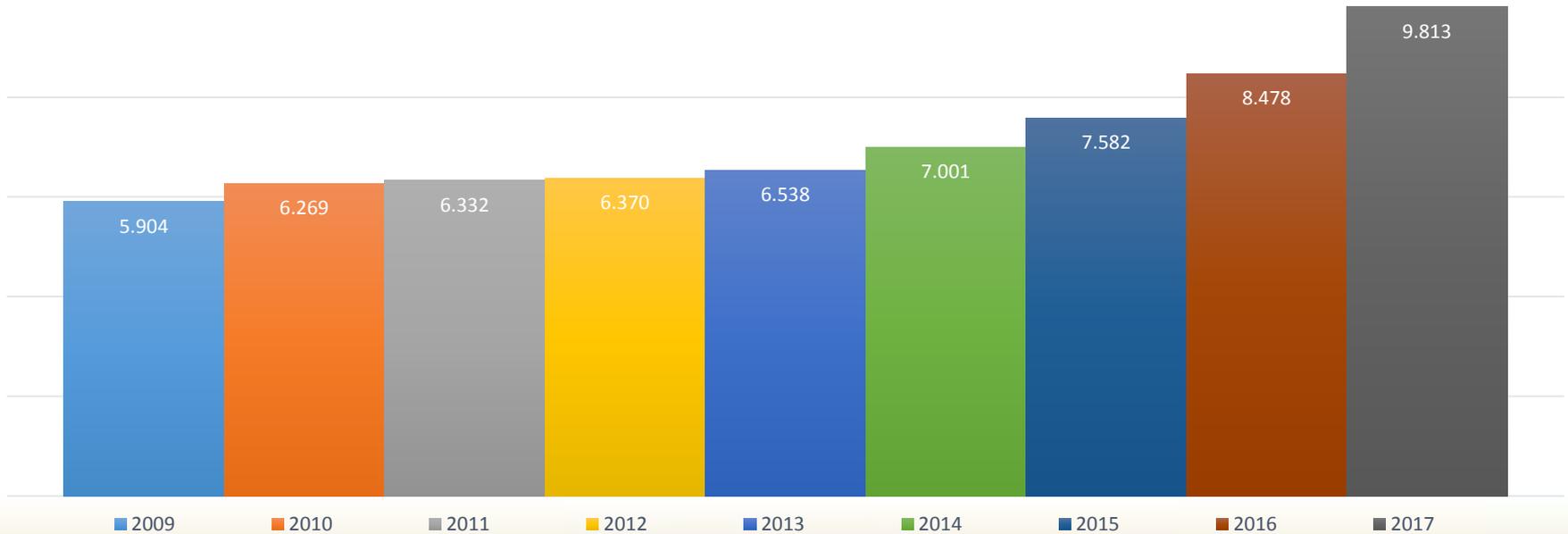


- Policy Document
- Financial Plan
- Operations Guide
- Communications Device



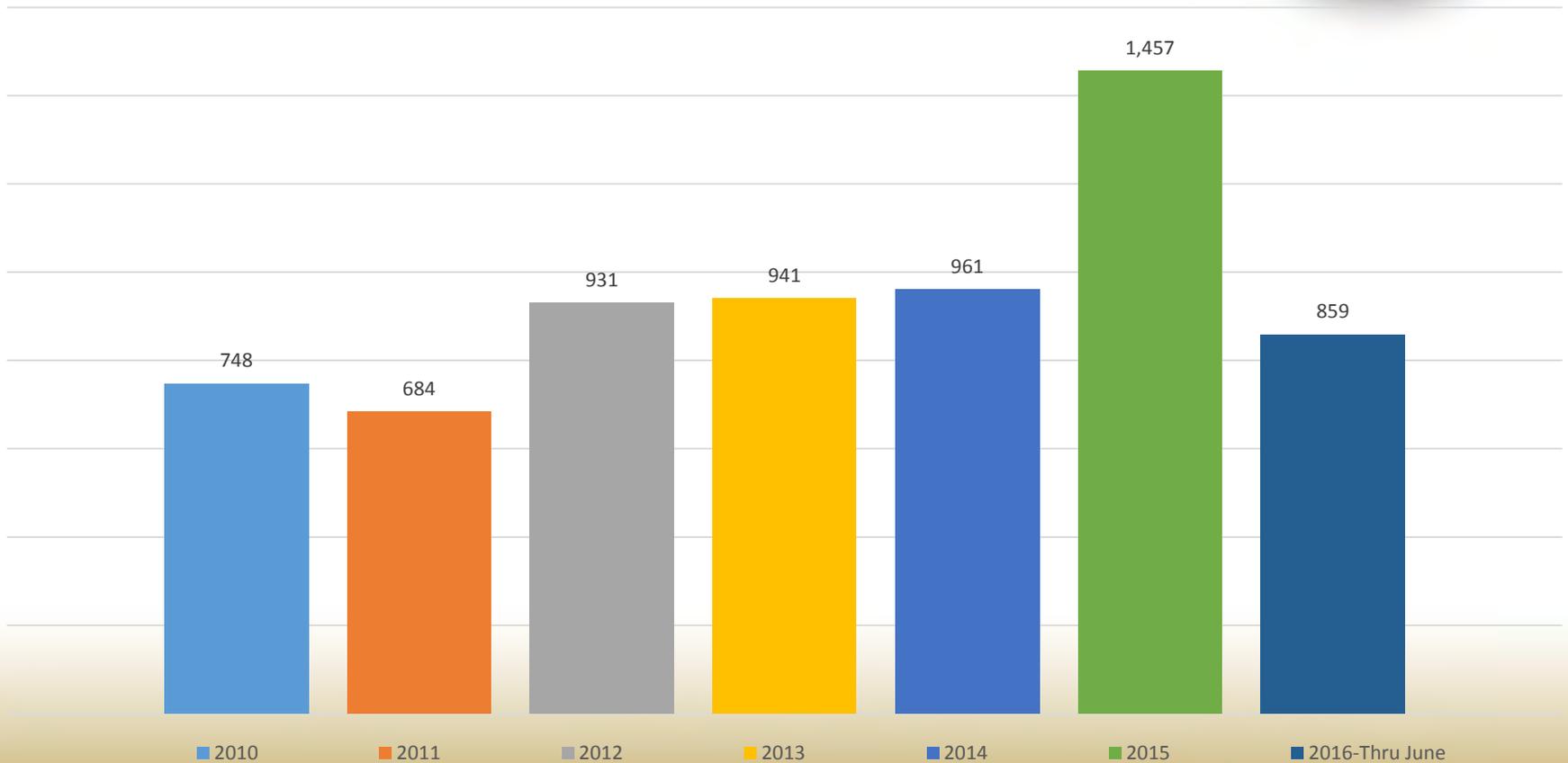
Taxable Value

FY 2016/17 proposed budget based on preliminary valuation numbers as received from appraisal districts



In billions of dollars. Including TIRZ #2

New Single Family Housing Permits



Funding Highlights



Engaged Community

Super Bowl Events in Pearland – Hotel/Motel Occupancy Tax -Convention & Visitors’ Bureau and the Parks Donation Fund	\$ 174,000
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Safe Community

Fire Department Emergency Management Coordinator with Vehicle	\$ 117,534
Fire Station Alerting System	\$ 144,980
Police Department – 4 Patrol Officers with 2 vehicles	\$ 349,820
Patrol and CID Fleet Expansion – 8 Vehicles	\$ 409,564
Water/Sewer - Backflow Preventer Compliance Program	\$ 142,553

Healthy Economy

Corridor Enhancements – PEDC	\$5,789,000
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Funding Highlights



Sustainable Infrastructure

Water Reclamation Facility (WRF) Building Repairs	\$ 100,000
Water & Wastewater Ground Maintenance	\$ 226,740

Fiscally Responsible

Risk Manager	\$ 106,948
Cost of Living - 3% Total	\$ 1,129,798
General Fund	\$ 951,563
Water/Sewer	\$ 151,282
Other Funds	\$ 26,953



Highlights - Staffing

New Positions - FY 2017

<u>Fund/Department</u>	<u>Position</u>	<u>Net FTE Change</u>
General Fund		
Human Resources	Risk Manager	0.5
Community Development	PT to FT Office Assistant	
Community Development	PT Inspector to FT Inspector	0.5
Fire	Emergency Management Coordinator (9 Months)	1
Police	4 Police Officers and 2 Vehicles (6 months)	4
Information Systems	Sr. Office Assistant - FT	1
Engineering	Asst. City Engineer (6 mos - Trade FT Office Asst. for Engineer)	0
Engineering	Addressing Coordinator (6 months)	1
Finance	Staff Accountant	1
Parks and Recreation	Increase PT Therapeutic Rec Specialist to FT	0.5
	Total General Fund	10.0



Highlights - Staffing

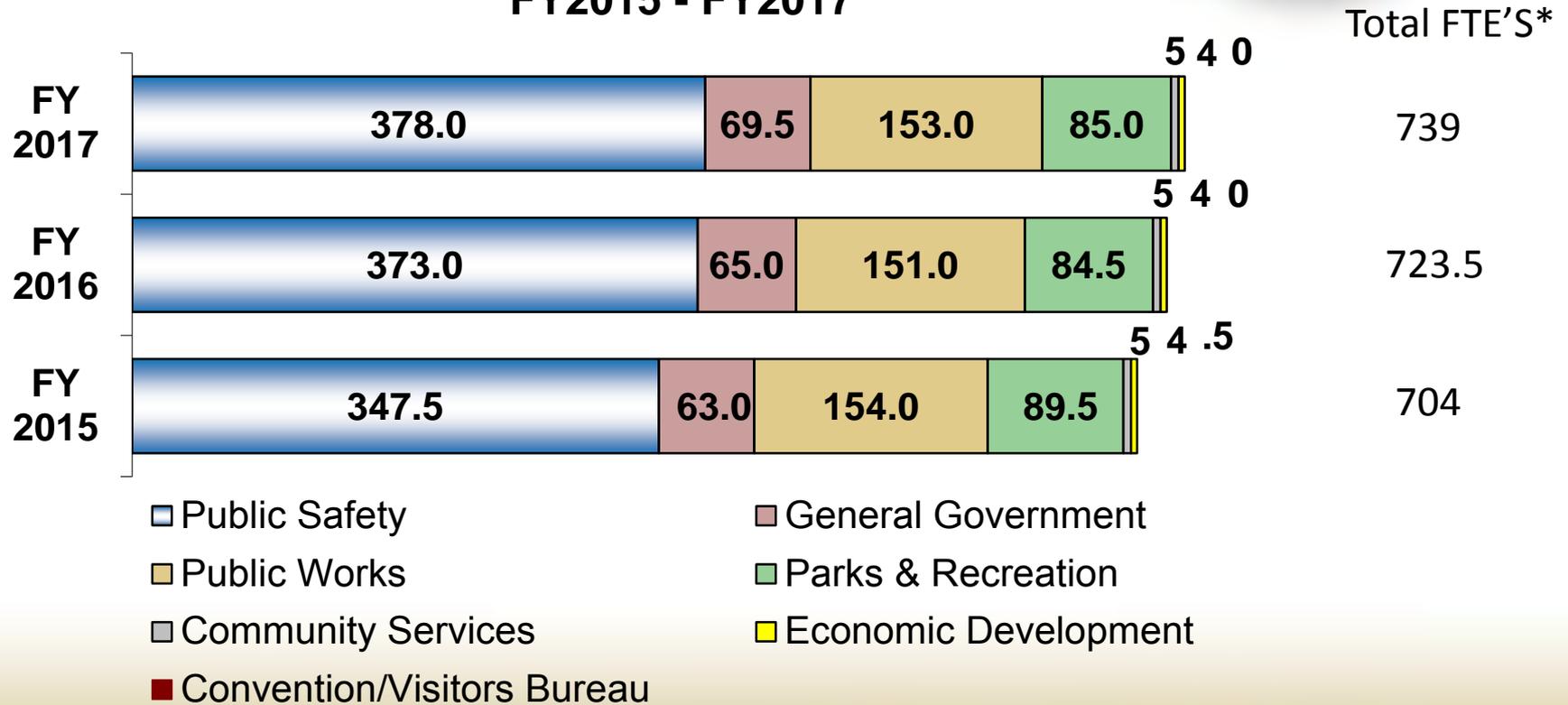
New Positions - FY 2017

<u>Fund/Department</u>	<u>Position</u>	<u>Net FTE Change</u>
Enterprise Fund		
Utility Customer Service	Customer Service Reps - 1 FT and 2 PT to 2 FT	2
Public Works	Backflow Compliance Program Manager	1
Total Enterprise Fund		3.0
Internal Service Fund - Property/Liability Insurance		
Human Resources	Risk Manager	0.5
Total		13.5

Highlights - Staffing



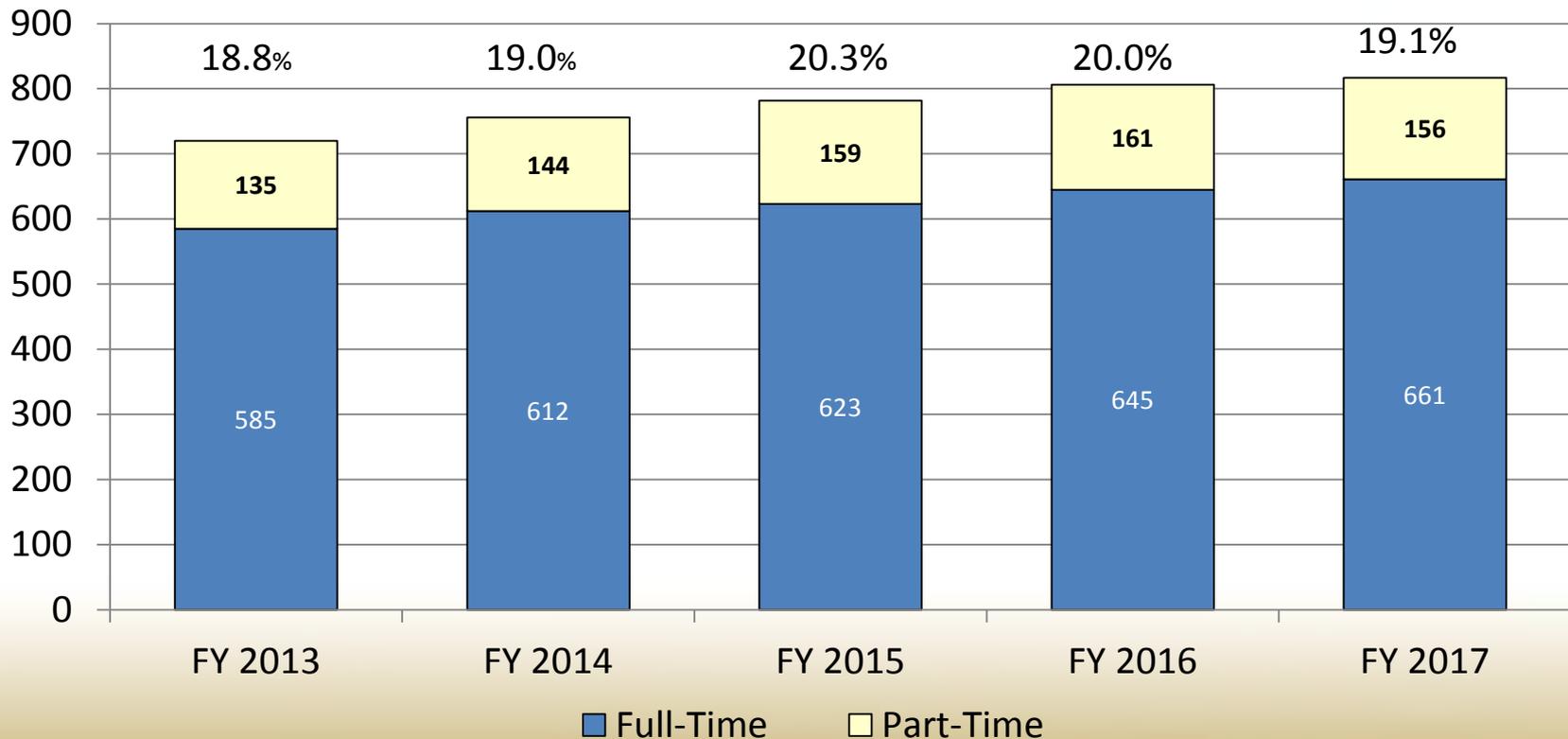
**City of Pearland
Employees (FTE'S) by Service Area*
FY2015 - FY2017**



Highlights - Staffing



**Number of Individual Employees
FY 2013 - FY 2017
Part-Time as % of Total**

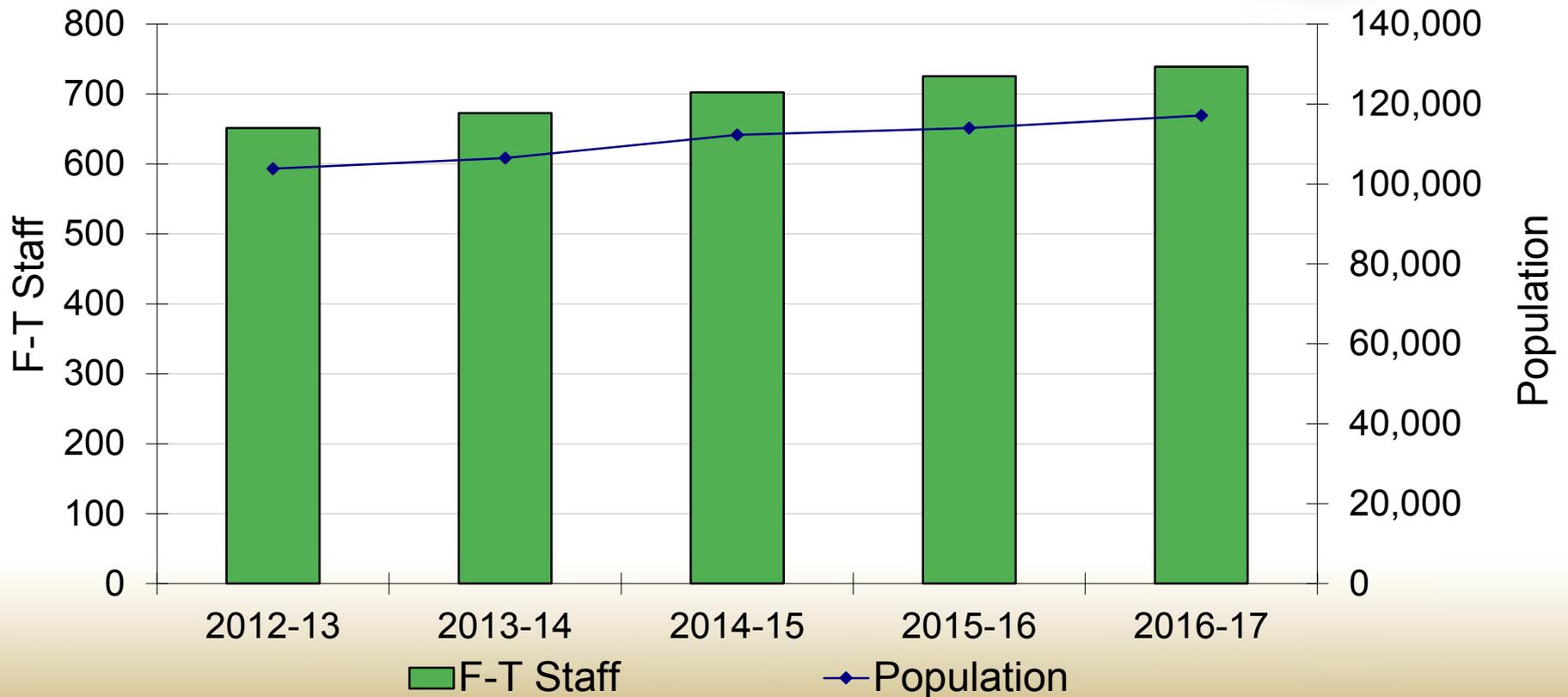


Seasonal employees not included

Highlights - Staffing



City of Pearland
Full-Time Staff to Population
FY 2013- FY 2017





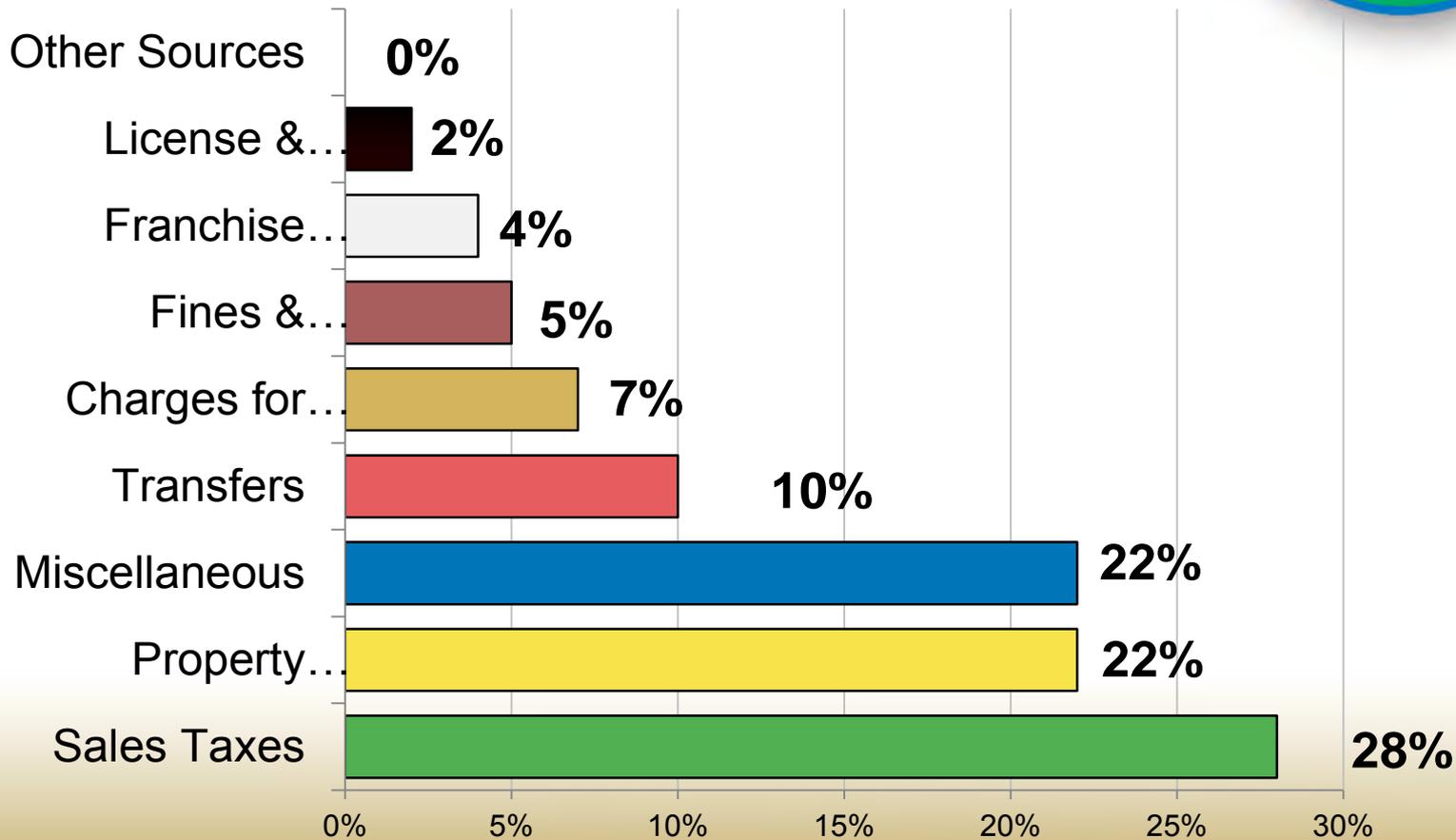
General Fund



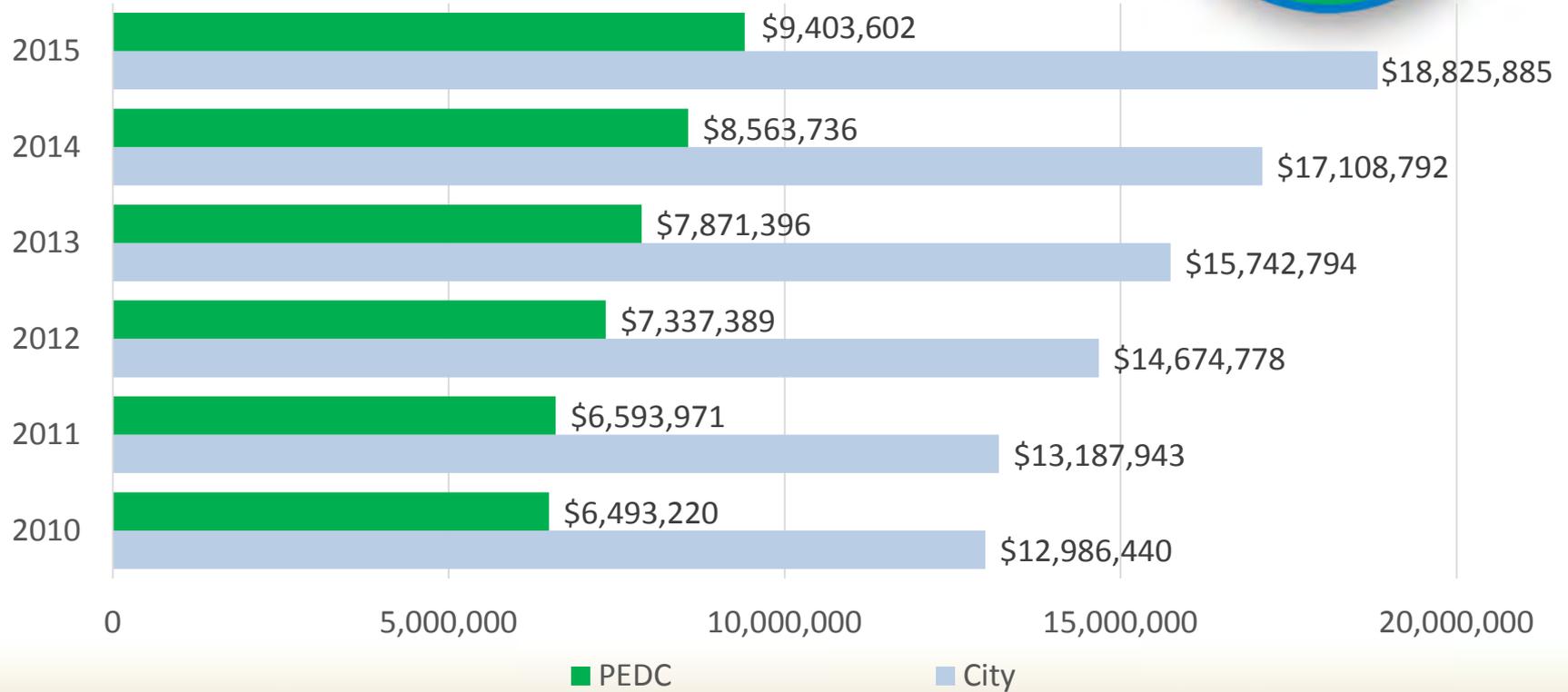
General Fund FY 2017



TOTAL REVENUES - \$72.2 M



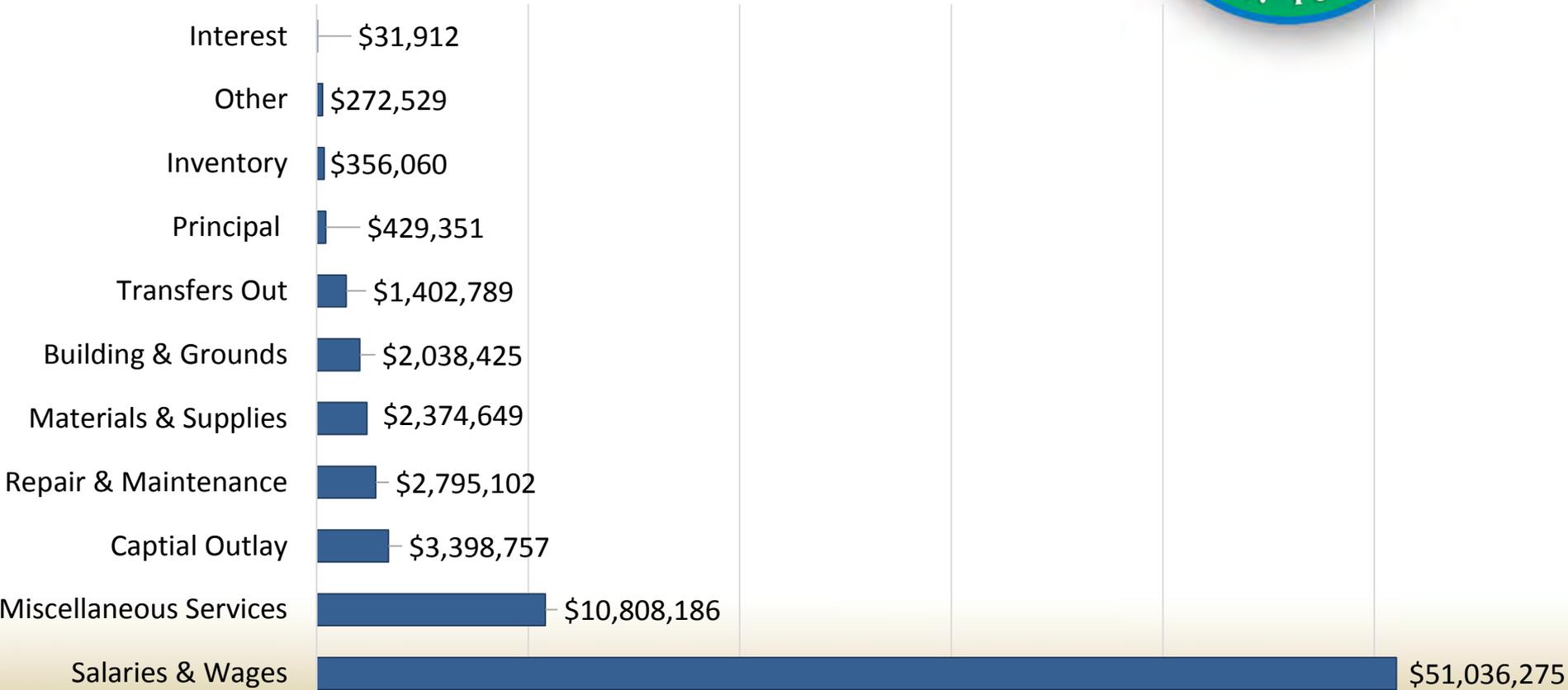
Sales Tax Revenue



1 cent City and ½ cent PEDC. In millions



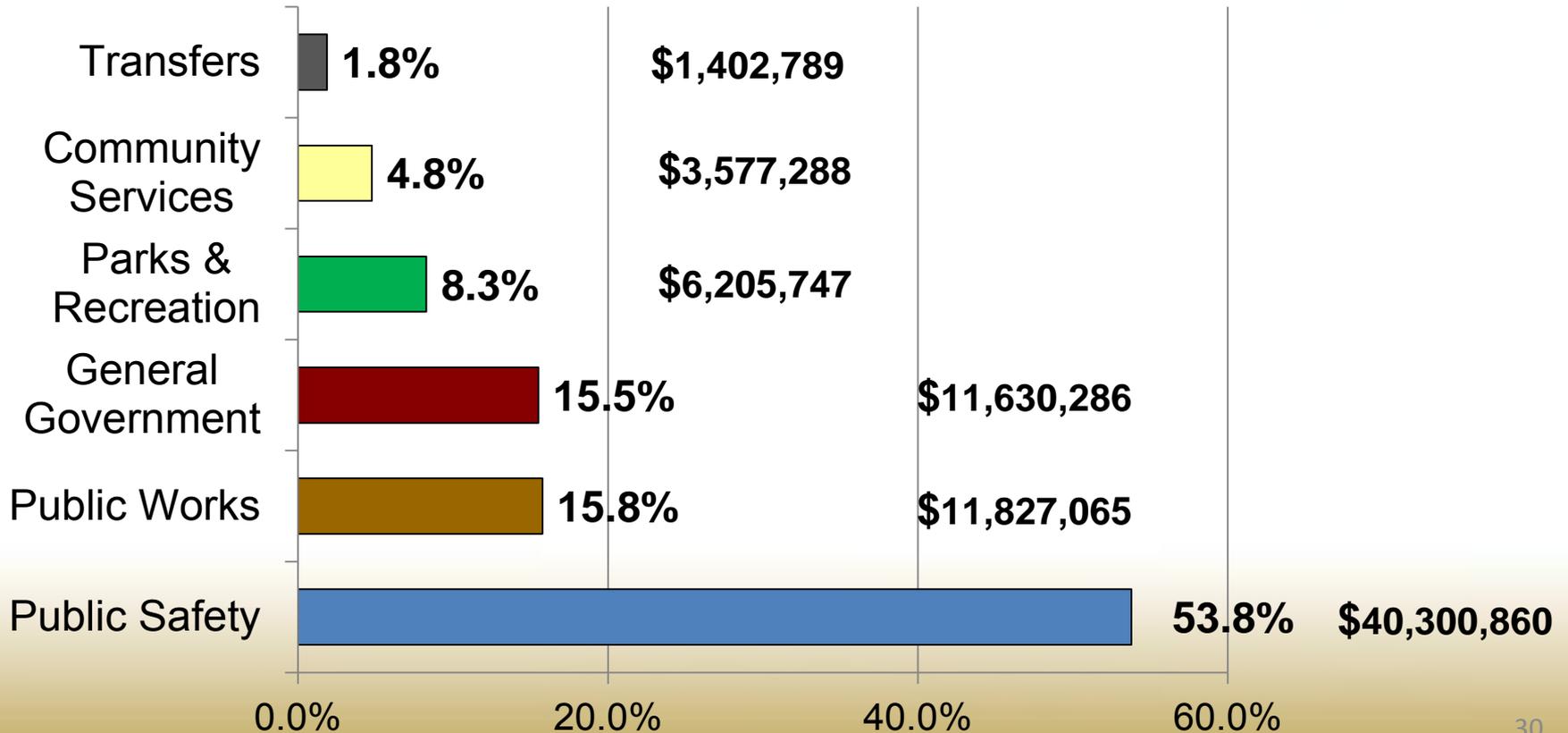
Expenditure by Category





General Fund FY 2017

General Fund Expenditures
by Function/Department
Total \$74.9 million





General Fund – Public Safety

PUBLIC SAFETY

Police Department -

Operating Budget \$24,601,993

Funded Supplemental Requests: \$ 859,384

- Staffing Utilization Study Phase I Implementation \$ 100,000
- 4 Police Officers, 2 vehicles \$ 349,820
- Patrol Fleet Expansion, 6 Vehicles \$ 338,430
- Criminal Investigation Division (CID) Fleet Expansion, 2 Vehicles \$ 71,134

Funded in Base: \$ 1,030,476

- Step Increases for Years of Service \$110,000
- 21 Replacement Vehicles \$ 773,382
- 3 Replacement Motorcycles \$ 93,224
- 1 Replacement Animal Services Vehicle \$ 53,870

Total Proposed Budget \$26,491,853



General Fund – Public Safety

PUBLIC SAFETY

Fire Department -	
Operating Budget	\$13,003,685
<u>Funded Supplemental Requests:</u>	\$ 279,614
• Emergency Management Coordinator (9 months) with Vehicle	\$ 117,534
• Fire Station Alerting System	\$ 144,980
• I-Pads for Ambulances and Chief Officers	\$ 17,100
<u>Funded in Base:</u>	\$ 525,708
• Replacement Ambulance	\$ 160,000
• 1 Replacement Vehicle – Fire Marshal	\$ 27,280
• Fire Stations 2 & 3 Materials and Supplies	\$ 338,428
 Total Proposed Budget	 \$13,809,007

General Fund – Public Works



ENGINEERING/CAPITAL PROJECTS

Operating Budget		\$ 2,189,124
<u>Funded Supplemental Requests:</u>		\$ 95,093
<ul style="list-style-type: none"> • Assistant City Engineer (6 months) - Trading FT Office Assistant for Engineer • Traffic Engineering Consultant - Additional Hours • Addressing Coordinator (6 months) • Document Scanning 	\$ 2,143 30,000 41,350 21,600	
<u>Funded in Base:</u>		\$ 29,000
<ul style="list-style-type: none"> • 1 Vehicle Replacement 	\$ 29,000	
Total Proposed Budget		\$ 2,313,217

General Fund – Public Works



PUBLIC WORKS

Operating Budget

\$ 11,140,311

Funded Supplemental Requests:

\$ 656,754

- Roof Management Plan \$ 70,492
- Overhead Door Maintenance Contract 38,110
- Automatic Gate Maintenance Contract 18,460
- Building Automation System Service Agreement 13,800
- Safety Training and Equipment 3,000
- Facility Pressure Washing - Sidewalks & Windows 68,450
- Public Safety Building Sally Port Floor - Replacement 21,236
- Grounds Maintenance for Bridges and Bridge Decks 38,800
- Forklift (M104) - Replacement 50,000
- Pavement Markings and Striping 110,000
- Additional Landscape Sites 29,173
- Dump Truck (TH111) - Replacement 98,050
- Custodial Services - New Carpet/Floor Cleaning Equip. 13,800
- Flaggers in Work Zone Training 8,514
- Asphalt Distributor Trailer (M136) - Replacement 74,869

Funded in Base:

\$ 30,000

- 1 Vehicle Replacement \$ 30,000

Total Proposed Budget

\$ 11,827,065

General Fund – Community Services



COMMUNITY SERVICES

Communications

Operating Budget		\$	473,936
<u>Funded Supplemental Requests:</u>		\$	35,000
• Bi-Annual Citizen Survey	\$	18,000	
• Intranet Redesign (Pearnert)		17,000	
 Total Proposed Budget		\$	508,936

Municipal Courts

Operating Budget		\$	779,309
 Total Proposed Budget		\$	779,309

TOTAL COMMUNITY SERVICES PROPOSED BUDGET **\$ 1,288,245**

General Fund – Community Services



COMMUNITY DEVELOPMENT

Operating Budget		\$ 2,181,660
<u>Funded Supplemental Requests:</u>		\$ 107,383
• Annexation - Property Surveys and Analysis	\$ 40,000	
• PT to FT Office Assistant	28,691	
• PT Inspector to FT Inspector	38,692	
 Total Proposed Budget		 \$ 2,289,043

General Fund – Parks & Recreation



PARKS & RECREATION

Operating Budget	\$ 5,483,066
<u>Funded Supplemental Requests:</u>	\$ 10,788
• Convert Part-time Therapeutic Recreation Specialist to Full-time	\$ 10,788
<u>Funded in Base:</u>	\$ 711,893
• Lease for Cardio & Strength Equipment	\$103,000
• Maintenance for New/Updated Parks: Hickory Slough, Centennial, Shadow Creek Ranch	\$709,811
• Transfer Recycling Center Operations to KPB	(\$100,918)
Total Proposed Budget	\$ 6,205,747
Special Revenues – Parks Donation Fund	
• Expand Winterfest from One-Day to Two-Days During Superbowl Week – Offset with \$20,000 Anticipated Revenue*	\$ 30,000

**Shuttles to/from Pearland hotels and NRG, a super concert event, and other services will be provided by the Convention & Visitors' Bureau during Superbowl week – funded at \$144,000.*



Total General Fund FY 2017

SUMMARY

	FY 2016 Amended	FY 2017 Proposed	% Change
Revenues	\$71,273,286	\$72,220,820	1.3%
Expenditures	78,219,844	74,944,035	-4.2%
Revenues - Expenditures	(6,946,558)	(2,723,215)	-10.6%
Beginning Balance	21,354,237	14,407,679	
Ending Balance	14,407,679	11,684,464	
Policy - 2 months Recurring Oper.	11,199,984	11,512,936	
Amount Over Policy	3,207,695	171,528	



Debt Service Fund





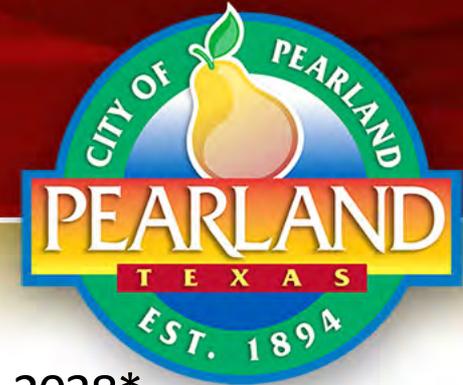
Debt Service Fund

	Projected FY 2015/16	Proposed FY 2016/17
Revenues		
Property Tax	\$31,045,687	\$31,649,112
Miscellaneous	\$1,220,866	\$888,736
Transfers In	\$797,199	\$553,766
Bond Proceeds	\$29,325,323	\$0
Total	\$62,389,075	\$33,091,614
Expenditures		
MUD Rebates	\$5,497,146	\$6,687,537
Debt Service	\$54,585,454	\$26,008,322
Short Term Notes	\$929,640	\$1,911,500
Total	\$61,012,240	\$34,607,359
Revenues Over (Under) Expenditures	\$1,376,835	(\$1,515,745)
Fund Balance - Beginning	\$5,033,616	\$6,410,451
Fund Balance - Ending	\$6,410,451	\$4,894,706
Reserve - 10%	\$3,085,662	\$3,460,736
Over Policy	\$3,324,788	\$1,433,970

Debt Service Fund



Estimated Debt Outstanding at 9/30/2017 (principal only)	\$299,525,000
Net Debt per Capita	\$2,788
Net Debt to Assessed Value	3.1%



Debt Service Fund

Current Debt Service Requirements to Maturity 2038*

Principal	\$312,935,000
Interest	\$113,227,139
Total	\$426,162,139

Total FY 2016/17 Requirements

Principal	\$13,410,000
Interest	\$12,577,322
Total	\$25,987,322

Principal outstanding as of 9/30/17 \$299,525,000

*excludes new debt to be issued

Debt Service Fund



Debt Service Tax Rate Projection Without Proposed May 2019 Bond Election

FY 2015/16	0.4828
<i>FY 2016/17</i>	<i>0.4400</i>
FY 2017/18	0.4400
FY 2018/19	0.4525
FY 2019/20	0.4525

Debt Service Tax Rate Projection With Proposed May 2019 Bond Election

FY 2015/16	0.4828
<i>FY 2016/17</i>	<i>0.4400</i>
FY 2017/18	0.4400
FY 2018/19	0.4550
FY 2019/20	0.4650



Property Tax





Property Tax Rate and Allocation

	Previous 2015	Current 2016	Proposed 2017	\$ Change	% Change
O&M	0.2221	0.2225	0.2212	-0.0013	-0.6%
Debt	0.4900	0.4828	0.4400	-0.0428	-8.9%
Total	0.7121	0.7053	0.6612	-0.0441	-6.3%
DS %	68.8%	68.5%	66.5%		
O&M %	31.2%	31.5%	33.5%		
Estimated Effective Tax Rate			0.6448		
Estimated Rollback Rate			0.6612		

Awaiting certified roll from Chief Appraiser that establishes the Effective Tax Rate and Rollback Rate



Residential Tax Bill Comparison

Based on Average Residential Value

Based on \$187,000 average residential home value (2015 estimate) and accounting for \$5,000 homestead exemption. Assumes tax rate at rollback rate for FY2016/17

FY 2016 BILL	VALUE CHANGE	2017 Value	FY 2017 BILL	DOLLAR CHANGE '16 to '17	PERCENT CHANGE
0.7053			0.6612		
\$1,289	0.0%	\$ 187,000	\$1,203	(\$86)	-6.7%
\$1,289	2.0%	\$ 190,740	\$1,228	(\$61)	-4.7%
\$1,289	4.0%	\$ 194,480	\$1,253	(\$36)	-2.8%
\$1,289	6.0%	\$ 198,220	\$1,278	(\$12)	-0.9%
\$1,289	8.0%	\$ 201,960	\$1,302	\$13	1.0%
\$1,289	10.0%	\$ 205,700	\$1,327	\$38	2.9%



Residential Tax Bill Comparison

Based on Average Residential Value

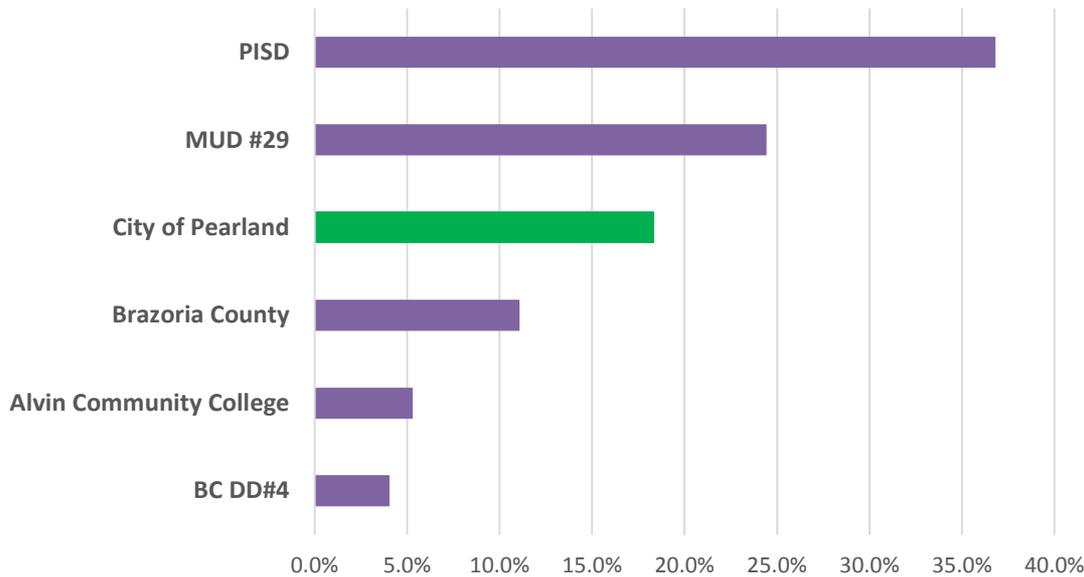
Based on \$187,000 average residential home value (2015 estimate) and accounting for \$5,000 homestead exemption. Assumes tax rate above rollback rate for FY2016/17

FY 2016 BILL	VALUE CHANGE	2017 Value	FY 2017 BILL	DOLLAR CHANGE '16 to '17	PERCENT CHANGE
0.7053			0.6812		
\$1,289	0.0%	\$ 187,000	\$1,240	(\$49)	-3.8%
\$1,289	2.0%	\$ 190,740	\$1,265	(\$24)	-1.9%
\$1,289	4.0%	\$ 194,480	\$1,291	\$2	0.1%
\$1,289	6.0%	\$ 198,220	\$1,316	\$27	2.1%
\$1,289	8.0%	\$ 201,960	\$1,342	\$52	4.1%
\$1,289	10.0%	\$ 205,700	\$1,367	\$78	6.0%

Average Residential 2016 Total Property Tax Bill Breakout



Percent of Total Tax Bill



Entity	Amount
BC DD#4	\$291
Alvin Community College	\$381
Brazoria County	\$797
City of Pearland	\$1,319
MUD #29	\$1,758
PISD	\$2,647
Total Tax Bill	\$7,193



Where Does Your City Property Tax Dollar Go?

For Every Property Tax Dollar:

Debt Service, 66 cents

General Gov't, 6 cents

Parks & Recreation, 3 cents
Community Services, 2 cents
Public Works, 5 cents



Public Safety, 18 cents

Top Ten Property Taxpayers



- Weatherford US LP
- Pearland Town Center LP
- HCA Healthcare Corp
- Centerpoint Energy Inc
- Amreit SPF Shadow Creek LP
- Mar Shadow Creek LP
- Pearland Multi Family Dist
- Shadow Creek Apartments LLC
- 12400 Shadow Creek Parkway LLC
- Shadow Kirby Ltd Partnership



Tax Rate Above Roll Back Rate



Tax Rate – Going over the Roll Back Rate



The Debt Service rate is estimated to decrease by \$0.0428 from the current debt rate due to the refinancing of existing debt and the increase in the tax base.

With the debt rate decreasing more than 4 cents it will allow the City to increase its O&M rate 2 cents above the rollback rate and still propose a total tax rate below the current tax rate.

This 2 cent increase in the O&M rate above the rollback rate would provide additional revenue to the General Fund of \$2.0 million for operations and funding of items such as fleet replacement, additional ROW maintenance, maintenance of streets & sidewalks, a Planner, and an increase in fund balance.



Tax Rate – Going over the Roll Back Rate

	Previous 2015	Current 2016	Estimated FY 2017 Rollback Rate	2 Cent O&M Rate Above Rollback Rate	\$ Change	% Change
O&M	0.2221	0.2225	0.2212	0.2412	0.0187	8.4%
Debt	0.4900	0.4828	0.4400	0.4400	-0.0428	-8.9%
Total	0.7121	0.7053	0.6612	0.6812	-0.0241	-3.4%
DS %	68.8%	68.5%	66.5%	64.6%		
O&M %	31.2%	31.5%	33.5%	35.4%		
Estimated Effective Tax Rate			0.6448			
Estimated Rollback Rate			0.6612			



Enterprise Fund



WATER & SEWER FUND FY 2017 - Assumptions



Revenues total \$46.5 Million

- ✓ Water/Sewer revenues total \$41.94 million, 90.2% of total revenues
- ✓ Includes a 20.5% revenue increase (not same as % for the various rates), which generates \$6,965,907 in needed additional revenues

Revenue increase expected based on last year's forecast of 10.0%

Rate increase placed on the Base & Volume components

WATER & SEWER FUND FY 2017 - Assumptions

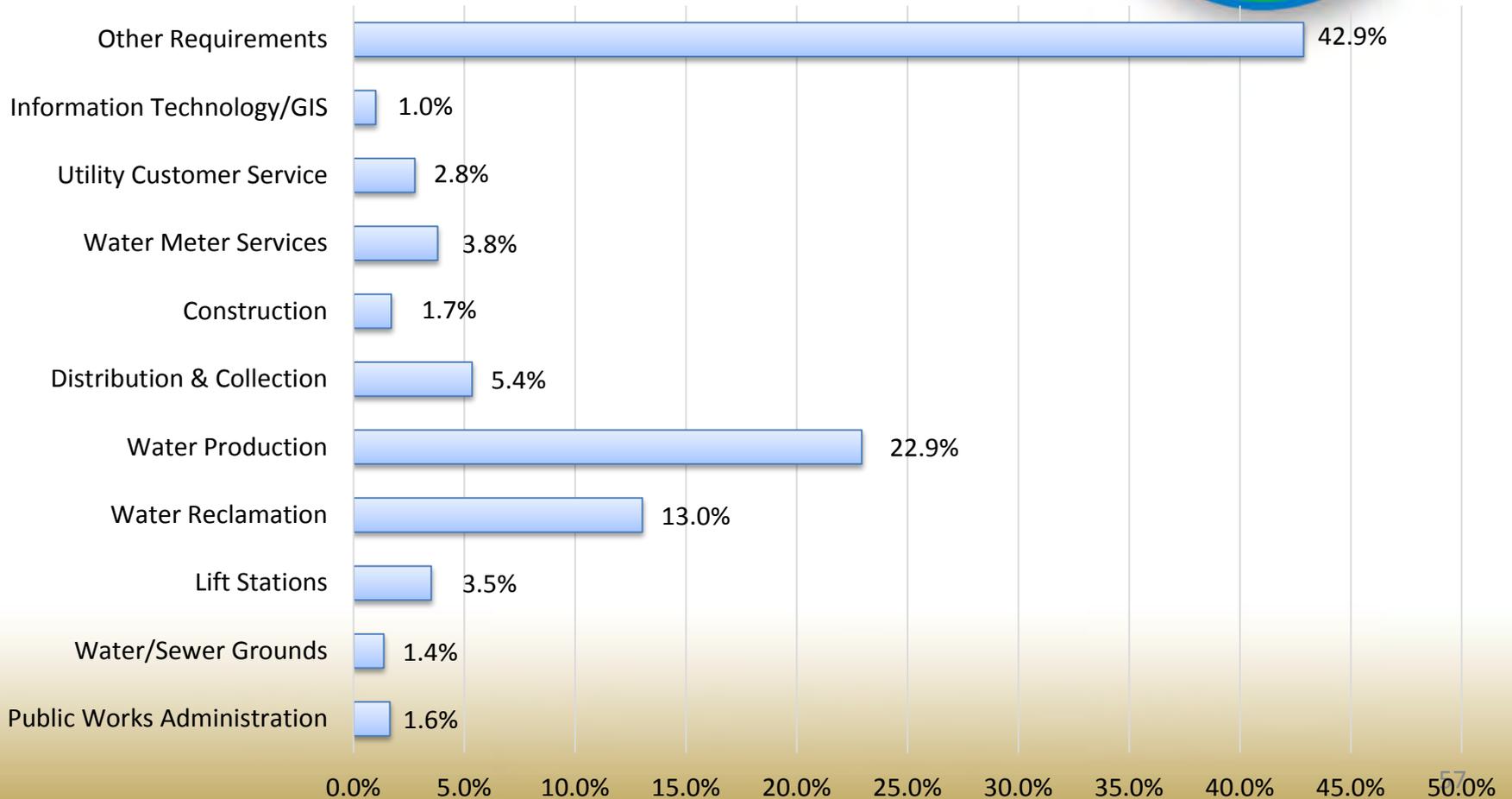


Expenses total \$46.34 Million

✓ Cost of Living – 3%		\$151,282
✓ Supplemental Requests		\$963,447
Recurring	\$354,310	
Non- Recurring	\$570,691	
✓ Annual Debt Service *		\$15,638,601
✓ Purchase of Surface Water		\$ 6,544,214

* Includes Capital Lease Payments

WATER & SEWER FUND EXPENSES FY 2017



Water & Sewer Fund Expenses by Category



WATER & SEWER FUND

Proposed – FY 2017



Revenues	\$ 46,518,467
Expenses	\$ 46,338,011
Revenues Over Expenses	\$ 180,456
Cash Equivalents – Beginning	\$ 14,256,654
Reserve for Debt Service	\$ 2,688,411
Cash Equivalents – Ending	\$ 11,748,699
Bond Coverage (1.4x)	1.56
Cash Reserve Ratio (25%)	25%

WATER & SEWER FUND

Department Overview



Utility Customer Service

Operating Budget		\$ 1,202,809
Funded Supplemental Requests:		\$ 80,562
• New customer service representative & upgrade 2 PT customer service representatives to 2 FT	\$ 80,562	
Total Proposed Budget		\$ 1,283,371

Information Technology

Operating Budget		\$ 466,890
Total Proposed Budget		\$ 466,890

Other Requirements

Operating Budget		\$ 19,867,217
Total Proposed Budget		\$ 19,867,217

WATER & SEWER FUND

Department Overview



PUBLIC WORKS

Operating Budget		\$ 23,008,715
Funded Supplemental Requests:		\$ 882,885
• Backflow Preventer Compliance Program	\$ 142,553	
• Kubota Excavator (M137 & M138) - Replacement	108,422	
• Chemical Vacuum Feed System for Liberty & Magnolia Water Facilities	60,000	
• Variable Frequency Drives for Return Activated Sludge Pumps at Barry Rose WRF	35,000	
• Ultraviolet Disinfection System Replacement at JHEC WRF	70,000	
• Well Point Equipment Trailer	68,080	
• Water Reclamation Facility Building Repair	100,000	
• Level Indicator for Bleach and Bi-Sulfite Tanks at Longwood WRF	20,000	
• Contracted Ground Maintenance for Water/Sewer Facilities	226,740	
• Ditch Witch Watervalve & Hydrant Program Machine - Replacement	43,590	
• Sewer Line Camera - Replacement	8,500	
Funded in Base:		\$ 828,933
• 7 Vehicle Replacements	\$ 205,000	
• Interior Tank Lining	405,000	
• Water Meters	218,933	
Total Proposed Budget		\$ 24,720,533

WATER & SEWER FUND

CIP – FY 2017



TOTALS	\$	65,673,030
Debt Issuance	\$	64,873,030
Pay-as-you-Go	\$	800,000

WATER & SEWER FUND

Debt Service Requirements



Current Debt Service Requirements to Maturity 2045*
at 9/30/2016

Principal	\$ 183,345,000
Interest	\$ 57,961,445
Total	\$ 241,306,445

Total FY 2017 Requirements

Principal	\$ 10,045,000
Interest	\$ 5,469,189
Sub-Total	\$ 15,514,189

Principal Outstanding as of 9/30/2017 \$ 173.3 million

*excludes new debt to be issued



Water-Sewer

- Forecast
- Rate Model
- Rates & Fees





Water-Sewer Forecast

	Projected 2015-16	Proposed 2016-17	Forecasted	
			2017-18	2018-19
Revenues	39,023,800	46,518,467	57,126,339	60,120,421
Expenditures	40,391,951	46,338,011	53,480,251	57,141,550
Revenues Over(Under) Expenditures	(1,368,151)	180,456	3,646,088	2,978,871
Beginning Cash Equivalents	15,624,805	14,256,654	14,437,110	18,088,247
Reserve for Debt Service	2,623,222	2,688,411	4,471,490	6,494,432
Ending Cash Equivalents	<u>11,633,432</u>	<u>11,748,699</u>	<u>13,611,708</u>	<u>14,572,686</u>
Bond Coverage - 1.4	1.50	1.56	2.22	1.72
Cash Reserve Ratio - 25%	29%	25%	25%	26%
Number of Connections	35,204	35,897	36,604	37,324
% Revenue Increase Needed	16.0%	20.5%	20.4%	3.3%
Revenue Bonds to be Issued		64,873,000	29,382,000	104,277,000



Rate Model

- Awarded February 8, 2016
- Presentation August 29, 2016 to look at long term capital and operating needs and revenue requirements with different rate structure options
 - Baseline – increase to the base and volumetric current rate structure
 - Scenario 1 – revised cost allocation to fixed charge and transition to fixed charge scaled up by meter size
 - Scenario 2 (water only) – Scenario 1 with tiered commercial and irrigation volumetric rates

WATER & SEWER FUND

Historical Revenue Increase



Revenue Increase





Water-Sewer Revenue Increase

Water	<u>Current</u>	<u>Proposed</u>	
Base	13.78	15.36	\$1.58 increase
Volume			
2,001-6,000	3.48	3.88	
6,001-15,000	4.35	4.85	Non-Res.
15,001-25,000	5.22	5.82	Irrigation
25,001- +	6.96	7.76	
Sewer			
Base	17.44	22.76	\$5.32 increase
Volume	3.97	5.18	



Water-Sewer Revenue Increase

Residential Impact Comparisons - Monthly

	Current	Proposed	Increase
2,000 Gallons	31.22	38.12	6.90
6,000 Gallons (6 cap)	61.02	74.36	13.34
8,000 Gallons (6 cap)	69.72	84.06	14.34
10,000 Gallons (6 cap)	78.42	93.76	15.34
10,000 Gallons (8 cap)	86.36	104.12	17.76
15,000 Gallons (8 cap)	108.11	128.37	20.26
15,000 Gallons (12 cap)	123.99	149.09	25.10
25,000 Gallons (12 cap)	176.19	207.29	31.10

Cap refers to sewer cap for a residential homeowner (winter quarter average).



Water-Sewer Revenue Increase

Commercial Impact Comparisons - Monthly

	Gallons	Current	Proposed	Change
Sample Comm.	17,500	\$ 160.18	\$ 192.19	\$ 32.01
Sample Comm.	41,700	\$ 361.52	\$ 434.91	\$ 73.39
Sample Comm.	104,200	\$ 881.52	\$ 1061.79	\$ 180.27
Sprinkler	29,400	\$ 156.81	\$ 173.43	\$ 16.62

Water-Sewer Rate Comparison Local Cities



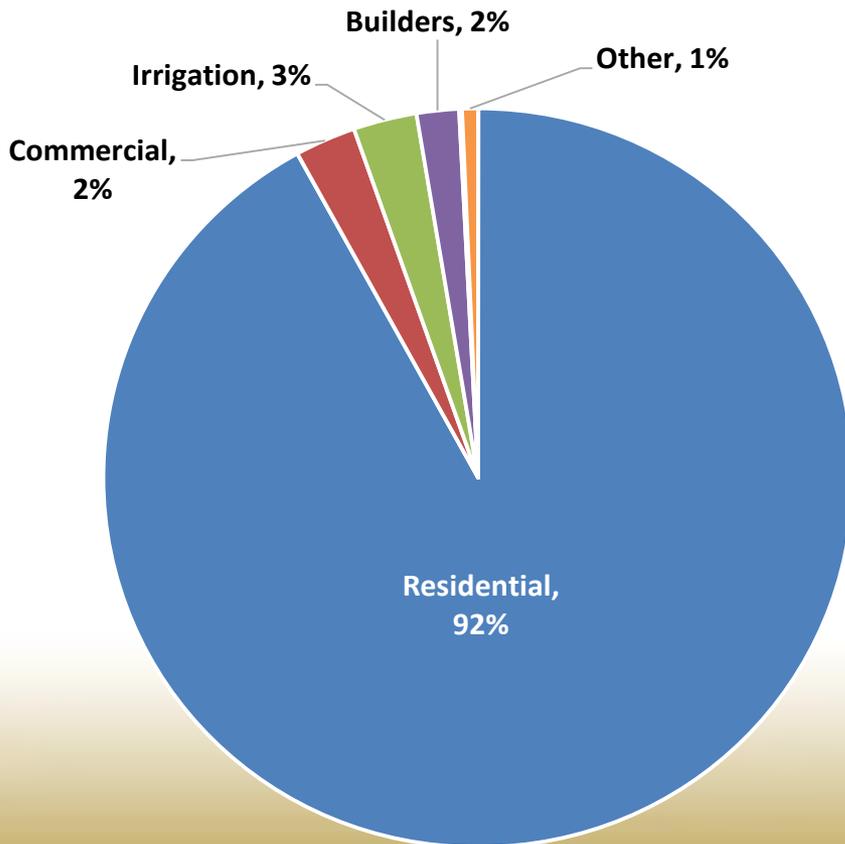
Residential – 6,000 gallons Water/Sewer



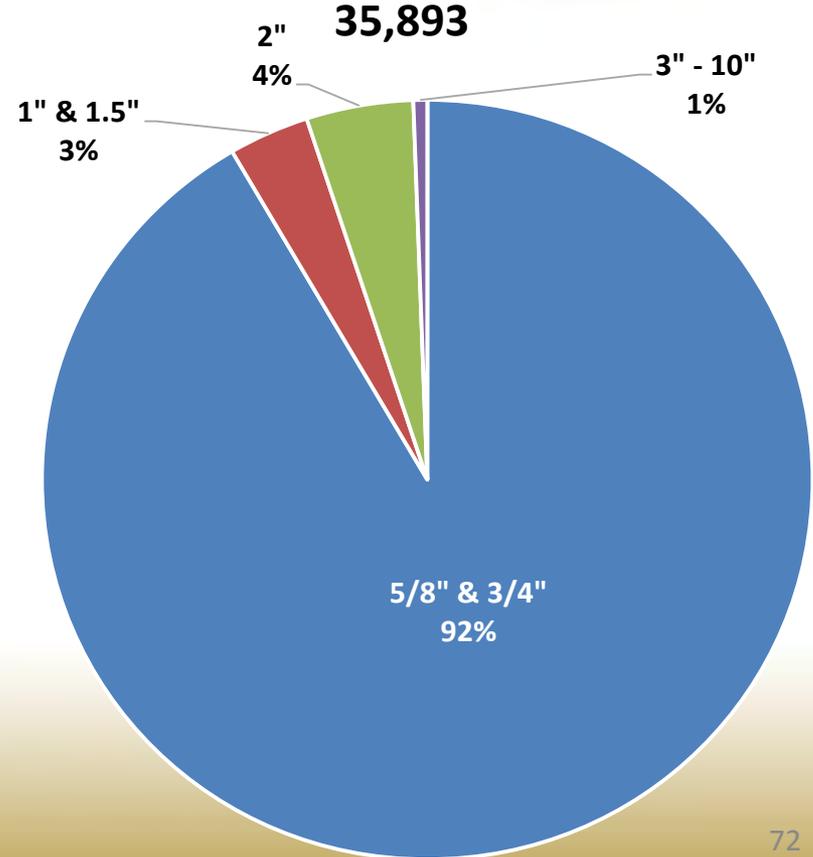


Water-Sewer Customer Profile

Customer Accounts – 35,893



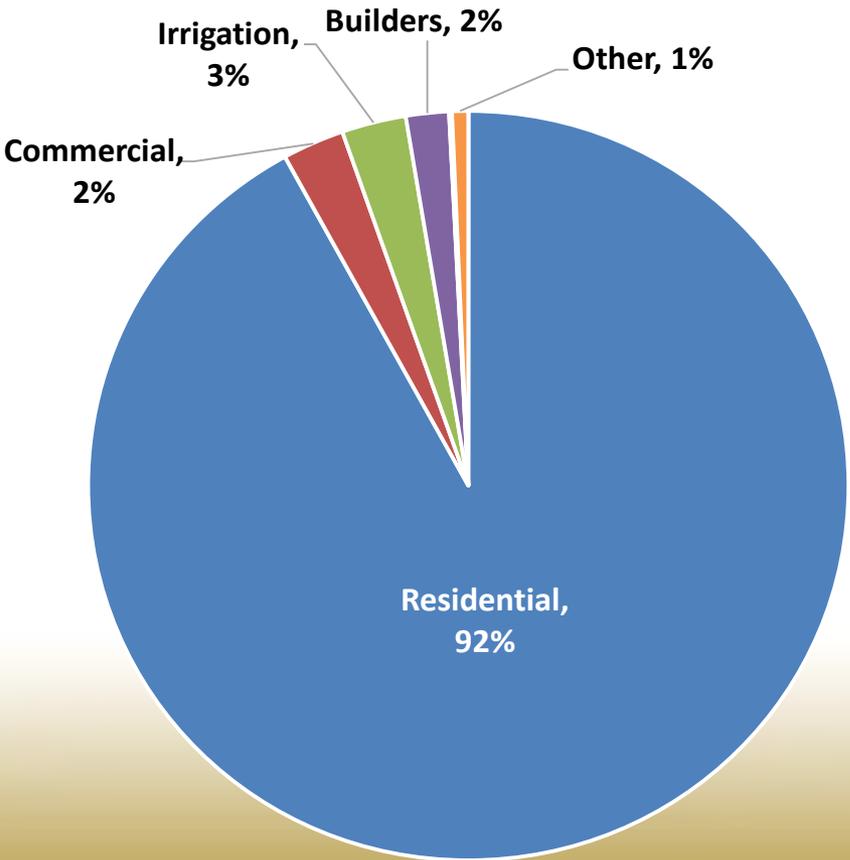
Customer Accounts by Meter Size – 35,893



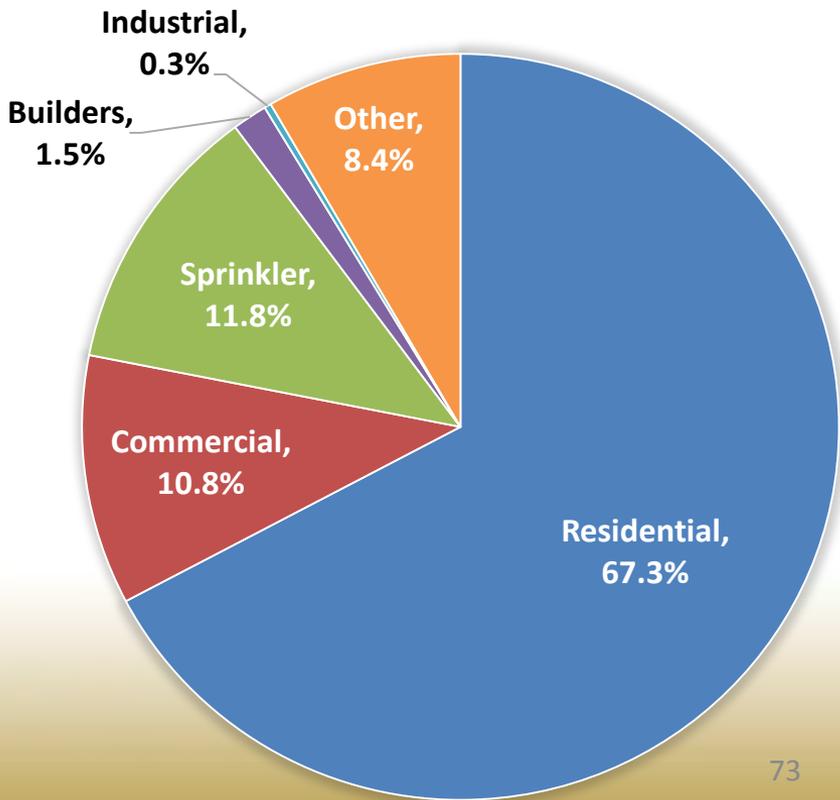


Water-Sewer Customer Profile

Customer Accounts – 35,893



**CONSUMPTION OCT 2015 - JUN 2016
2.7 BILLION GALLONS BILLED**



Water-Sewer Revenues

Base vs. Volume



Revenues	Current Rates	Proposed Rates
Water		
Base	6,867,200	7,592,676
Volume	11,632,800	12,835,009
	<hr/>	<hr/>
	18,500,000	20,427,685
Sewer		
Base	7,541,895	11,115,202
Volume	8,058,105	10,401,079
	<hr/>	<hr/>
	15,600,000	21,516,281
% of Revenues		
Base	42%	45%
Volume	58%	55%



Internal Service Funds





Property/Liability Insurance Fund

PROPOSED BUDGET & FUND BALANCE

	FY 2017 Proposed Beginning Balance	FY 2017 Proposed Revenues	FY 2017 Proposed Expenditures	FY 2017 Proposed Ending Balance
TOTAL	\$181,008	\$1,470,812	\$1,370,267	\$409,965

Property Insurance accounts for premiums on property and general liability insurance including windstorm. Rate increases on property insurance, auto liability, auto damage and law enforcement liability. New facilities to be added in FY 2016-17 include the Orange Street Service Center Field Operations Support building and the upgrades to City Hall and Annex. Contributions from other funds based on insurance and values.



Medical Self Insurance Fund

PROPOSED BUDGET & FUND BALANCE

	FY 2017 Proposed Beginning Balance	FY 2017 Proposed Revenues	FY 2017 Proposed Expenditures	FY 2017 Proposed Ending Balance
TOTAL	\$2,058,949	\$7,461,188	\$7,505,354	\$2,014,783

Medical Self-Insurance includes claims (\$6.4 million) and administration fees totaling \$970,000. Individual Stop Loss of \$125K; Aggregate Stop Loss of \$6.83 million. Ending balance exceeds the target fund balance of \$1,874,000 by \$140,783.



Other Funds





Other Funds by Strategic Priority

SAFE COMMUNITY

PROPOSED BUDGET & FUND BALANCES

Fund	2017 Proposed Beginning Balance	2017 Proposed Revenues	2017 Proposed Expenditures	2017 Proposed Ending Balance
COURT BUILDING SECURITY FUND	16,203	53,050	62,031	7,222
CITYWIDE DONATION FUND	34,046	21,900	-	55,946
COURT TECHNOLOGY FUND	15,975	60,010	73,579	2,406
POLICE SEIZURE FUND	204,495	250	35,100	169,645
FEDERAL POLICE FUND	6,767	65	-	6,832
COURT JUVENILE MANAGEMENT FUND	10,293	85,100	63,301	32,092



Other Funds by Strategic Priority

SUSTAINABLE INFRASTRUCTURE

PROPOSED BUDGET & FUND BALANCES

Fund	2017 Proposed Beginning Balance	2017 Proposed Revenues	2017 Proposed Expenditures	2017 Proposed Ending Balance
SOLID WASTE FUND	(833)	7,150,864	7,145,789	4,242
SIDEWALK FUND	17,509	5,000	-	22,509
TRAFFIC IMPROVEMENT FUND	527,829	2,500	-	530,329
UofH CAPITAL RENEWAL FUND	302,171	-	302,171	-



Other Funds by Strategic Priority

PARKS, RECREATION & EVENTS

PROPOSED BUDGET & FUND BALANCES

Fund	2017 Proposed Beginning Balance	2017 Proposed Revenues	2017 Proposed Expenditures	2017 Proposed Ending Balance
HOTEL/MOTEL OCCUP. TAX FUND (CVB)	4,235,503	1,551,500	1,114,780	4,672,223
PARK DONATIONS FUND	93,240	121,100	157,500	56,840
PARK DEVELOPMENT FUND	1,092,136	53,000	418,250	726,886
TREE TRUST FUND	6,751	10	6,000	761



Other Funds by Strategic Priority

ENGAGED COMMUNITY

PROPOSED BUDGET & FUND BALANCES

Fund	2017 Proposed Beginning Balance	2017 Proposed Revenues	2017 Proposed Expenditures	2017 Proposed Ending Balance
MUNICIPAL CHANNEL (PEG) FUND	852,580	307,800	502,675	657,705

GRANT FUNDS

PROPOSED BUDGET & FUND BALANCES

Fund	2017 Proposed Beginning Balance	2017 Proposed Revenues	2017 Proposed Expenditures	2017 Proposed Ending Balance
GRANT FUND	10,063	196,955	197,926	9,092
CDBG	-	325,431	326,431	(1,000)

Pearland Economic Development Corporation



PROPOSED BUDGET & FUND BALANCE

	FY 2017 Proposed Beginning Balance	FY 2017 Proposed Revenues	FY 2017 Proposed Expenditures	FY 2017 Proposed Ending Balance
TOTAL	\$18,565,440	\$10,832,926	\$15,903,568	\$13,494,798

The budget includes \$1.4 million for bond payments and continues the implementation of the Pearland 20/20 Strategic Plan as follows:

- Business Incentives \$1.3 million
- 288 Corridor Enhancements \$5.5 million
- State Highway 35 Redevelopment Strategy \$2.0 million
- Lower Kirby Enhancements \$1.8 million



Multi-Year Forecast

General Fund Multi-Year Forecast Assumptions



Revenues

Property Tax revenue based on property valuation forecast

4% increase in Sales Tax

3% annual growth on most other revenues

Expenditures

3% cost of living for FY 2016/17

O&M for CIP projects included



General Fund Multi-Year Forecast

	Projected	Proposed	Projected	
	2015-16	2016-17	2017-18	2018-19
Revenues	\$71,273,286	\$72,220,820	\$75,987,650	\$79,773,518
Operating Expenditures	\$75,665,076	\$73,541,246	\$74,767,626	\$76,769,181
Transfers Out	\$2,554,768	\$1,402,789	\$1,430,845	\$1,459,462
Total Expenditures	\$78,219,844	\$74,944,035	\$76,198,470	\$78,228,642
Revenues Over (Under) Expenditures	(\$6,946,558)	(\$2,723,215)	(\$210,820)	\$1,544,876
Beginning Fund Balance	\$21,354,237	\$14,407,679	\$11,684,464	\$11,473,644
Ending Fund Balance	\$14,407,679	\$11,684,464	\$11,473,644	\$13,018,520
Fund Balance Policy	\$11,199,984	\$11,512,936	\$11,429,771	\$11,771,391
Funds Over Policy	\$3,207,695	\$171,528	\$43,873	\$1,247,129



Multi-Year Forecast – Tax Rate

	Actual	Proposed	Projected	
	2015-16	2016-17	2017-18	2018-19
General Fund	0.2225	0.2212	0.2312	0.2382
Debt Service	0.4828	0.4400	0.4400	0.4525
Total	0.7053	0.6612	0.6712	0.6907

Assumes FY 2016-17 at Rollback Rate



Calendar

August 6th

Budget Discussion #1

August 15th

Budget Discussion #2; Record vote to propose tax rate & schedule Public Hearings; Finance notifies Chief Appraiser with proposed tax rate and dates of Public Hearings and Chief Appraiser advertises the notice. If proposed tax rate is above Rollback rate, City must post notice (provided by Chief Appraiser) on the City's website until tax rate is adopted

August 22nd

Budget Discussion #3

August 29th

Budget Discussion #4; 1st Public Hearing on tax rate; Public Hearing on Budget

September 6th

Budget Discussion #5; 2nd Public Hearing on tax rate

September 12th

1st reading of Ordinance to adopt tax rate; 1st reading of Ordinance to adopt budget and pay plans; 1st reading to adopt fee changes

September 19th

2nd and final reading of Ordinance to adopt tax rate; 2nd and final reading of Ordinance to adopt FY 2016/17 budget and pay plans; 2nd and final reading to adopt fee changes; Resolution to adopt Five-Year CIP

v * tr = r



CITY OF PEARLAND

Five Year CIP

Fiscal Year 2017 – 2021

August 6, 2016

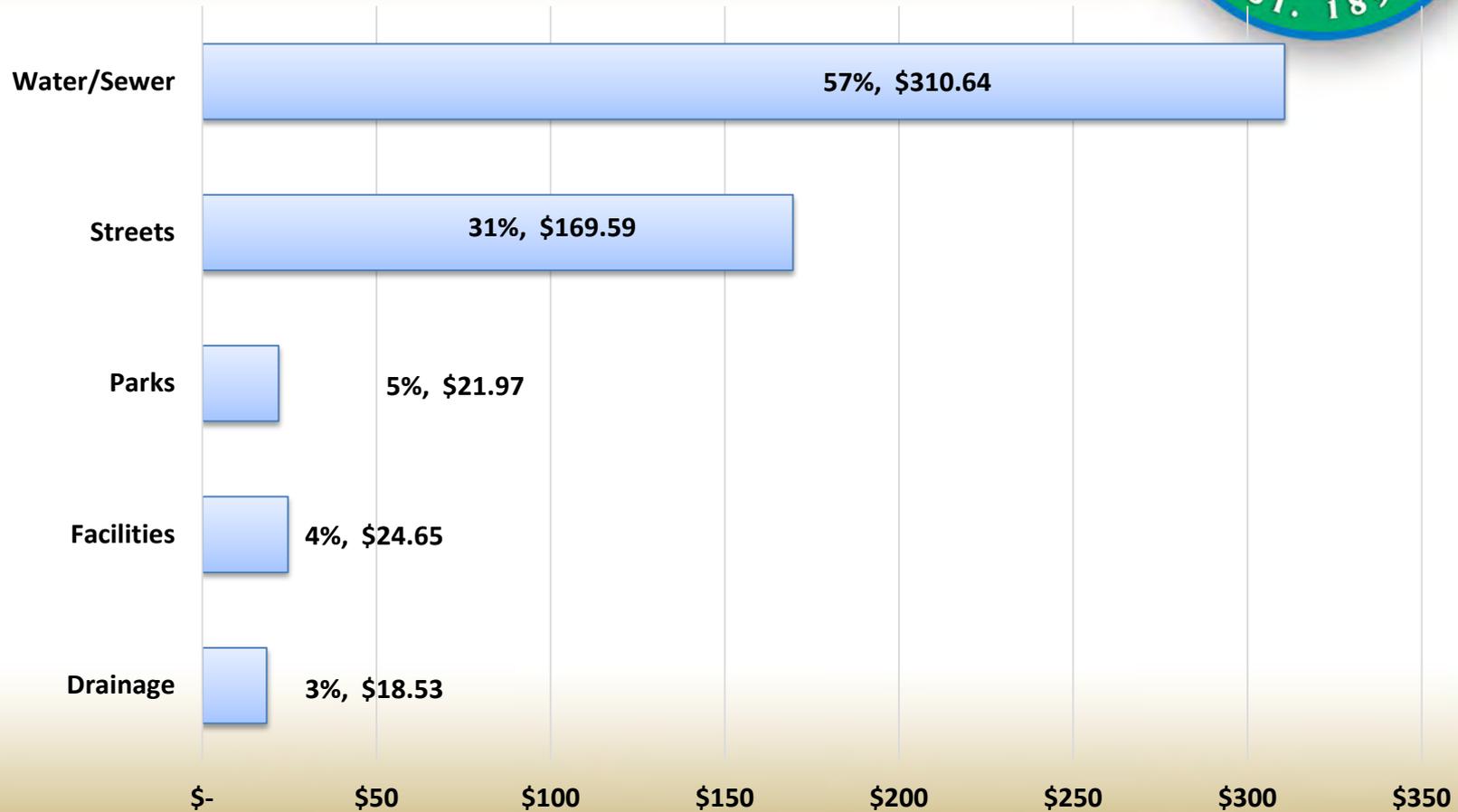




What is a Capital Improvement?

- Major, non-routine expenditure for new construction
- Improvements to existing buildings, facilities, and infrastructure
- \$100,000 +
- Long-life expectancy
- Results in the creation of an asset or extends the life of an existing asset
- Includes costs for design, legal fees, land, construction, etc.
- Does not include the purchase of a piece of equipment such as a fire truck.

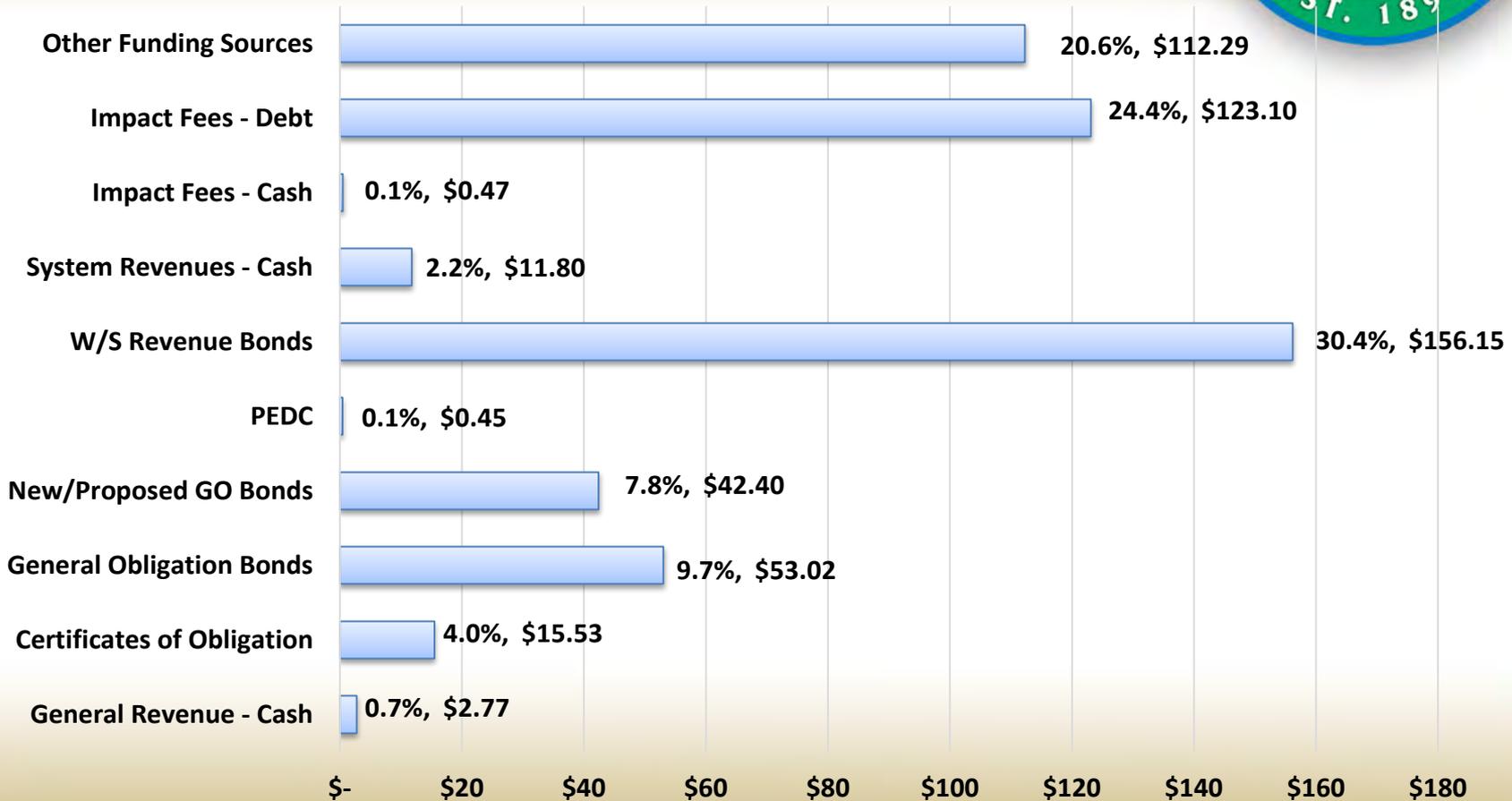
2017 – 2021 Five Year CIP \$545,372,147 – Total Uses



In millions

2016 – 2020 Five Year CIP

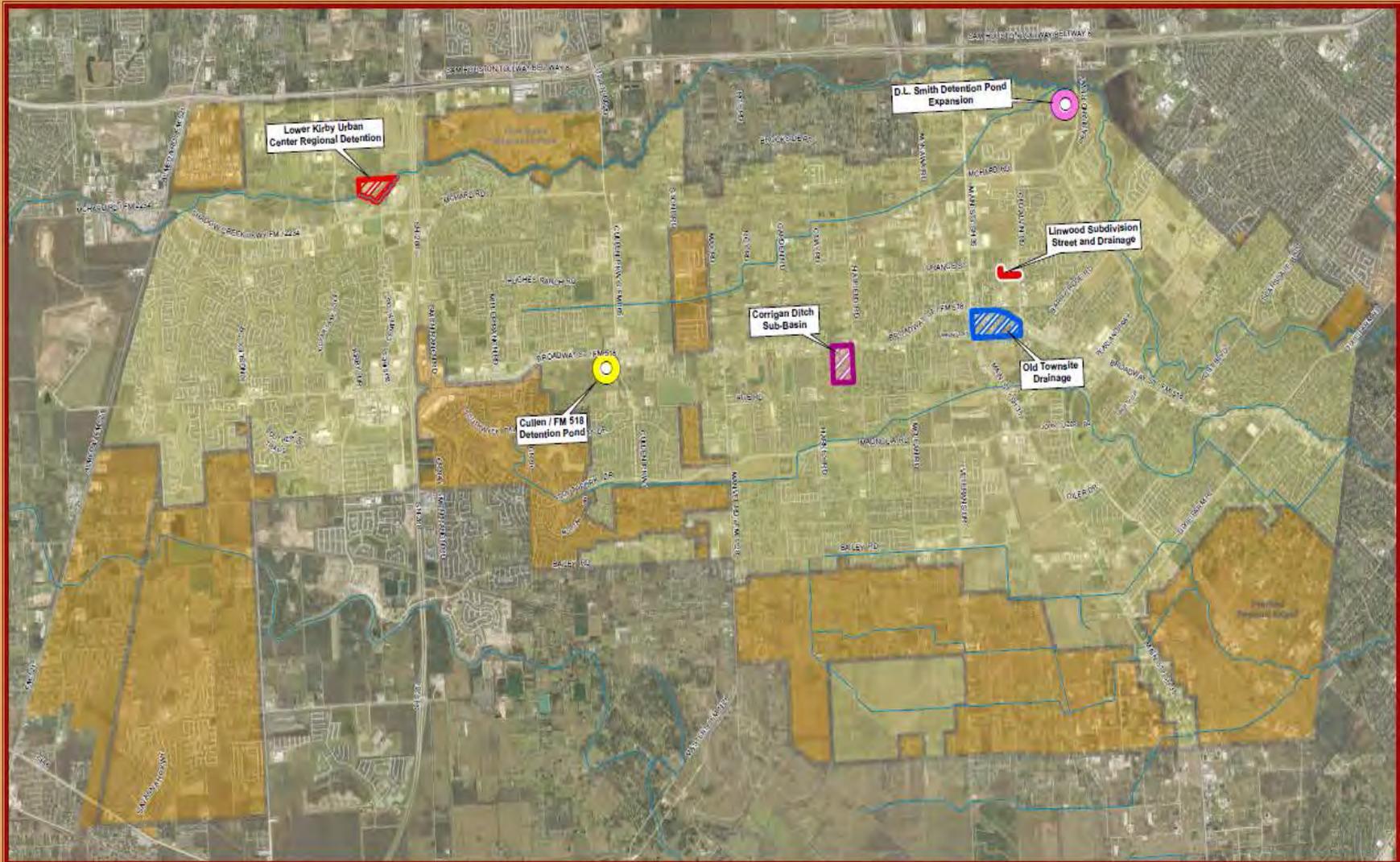
\$545,372,147 – Total Sources





Five Year CIP Uses Summary

USE	2017	2018	2019	2020	2021	TOTAL
DRAINAGE	8,215,638	3,806,166	6,508,536	-	-	18,530,340
PARKS	4,366,557	3,753,886	3,146,000	2,662,000	10,718,183	24,646,626
FACILITIES	5,901,170	1,593,350	6,995,000	682,338	6,795,492	21,967,350
STREETS	28,358,947	26,602,118	30,092,550	52,856,991	31,674,734	169,585,340
WATER	21,067,530	9,412,525	90,746,000	11,714,500	55,720,200	188,660,755
WASTEWATER	59,096,120	28,123,800	17,125,372	9,722,545	7,913,900	121,981,737
TOTAL	127,005,962	73,291,845	154,613,458	77,638,374	112,822,508	545,372,147

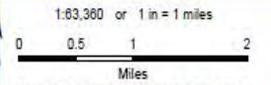


CITY OF PEARLAND
2017 - 2021
Capital Improvement Projects
Drainage

-  Cullen/FM 518 Detention Pond
-  D.L. Smith Detention Pond Expansion Phase I
-  Linwood Street and Drainage
-  Corrigan Ditch Sub-Basin
-  Lower Kirby Urban Center Regional Detention
-  Old Townsite Drainage

-  City Limits
-  ETJ

Projects Not Shown
**Master Drainage Plan*
** PER for Future Bond Referendum*



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MAP PREPARED: JULY 2016
 CITY OF PEARLAND-GIS DEPARTMENT



Drainage CIP - Uses

Project Name	2017	2018	2019	2020	2021	TOTAL
Cullen/FM 518 Detention Pond ⁽¹⁾	-	940,500	3,608,000	-	-	4,548,500
Southeast Quadrant of Old Townsite Drainage ⁽³⁾	3,795,406	-	-	-	-	3,795,406
Linwood Subdivision Street and Drainage (Old Alvin Street to Orange Street) ⁽⁴⁾	1,150,000	-	-	-	-	1,150,000
Corrigan Ditch Sub-Basin of Mary's Creek Drainage Improvements ⁽⁴⁾	2,770,232	-	-	-	-	2,770,232
PER for Future Bond Referendum	500,000	-	-	-	-	500,000
D.L. Smith Detention Pond Expansion Phase I	-	2,865,666	2,900,536	-	-	5,766,202
TOTAL	8,215,638	3,806,166	6,508,536	-	-	18,530,340

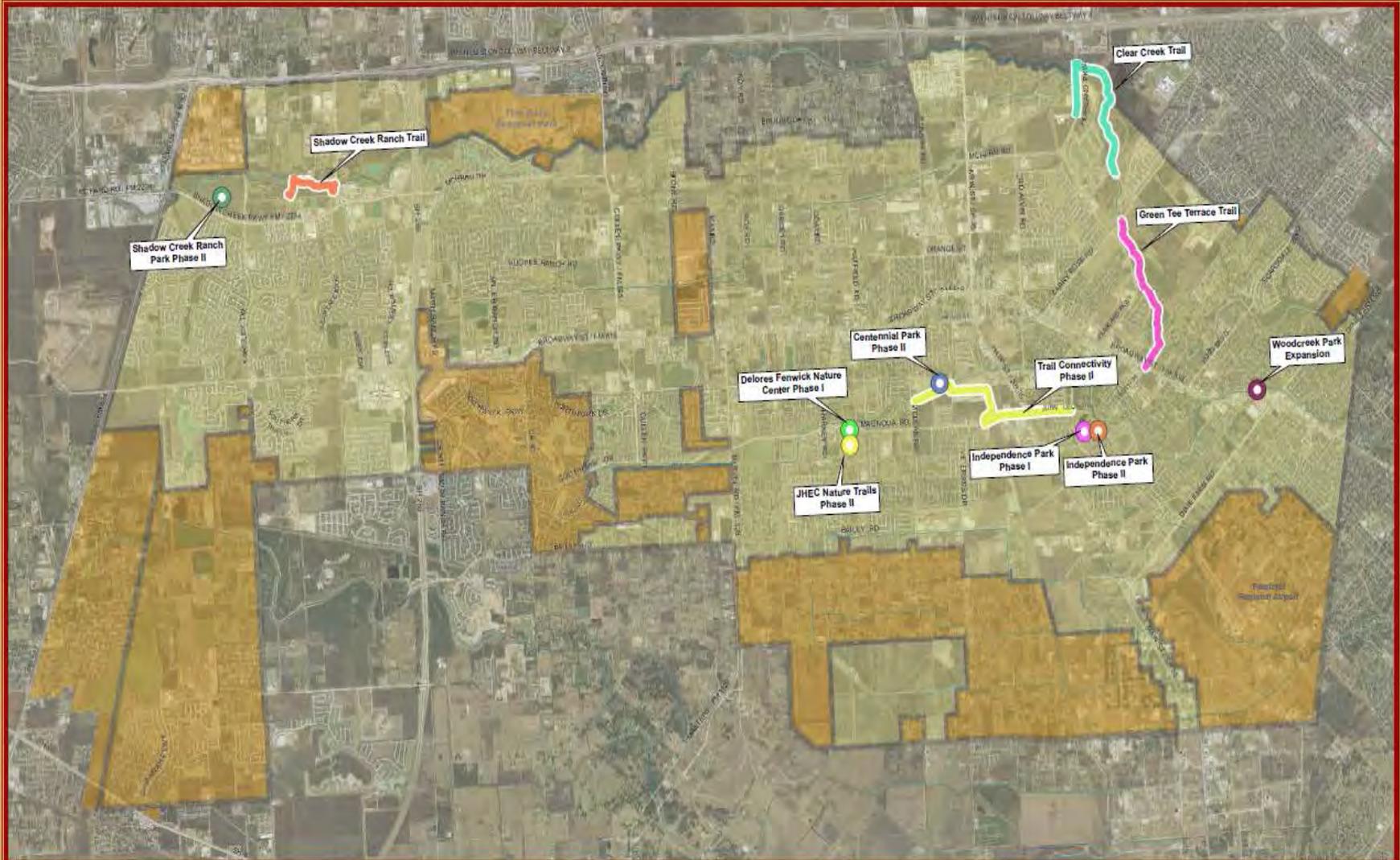
(1) Budget reduced

(2) Timing

(3) Budget increased

(4) New Project

* Projects highlighted in yellow are part of the 2018 proposed bond referendum

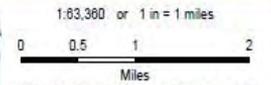


CITY OF PEARLAND
2017 - 2021
Capital Improvement Projects
Parks

- Clear Creek Trail
- Green Tee Terrace Trail
- Shadow Creek Ranch Trail
- Trail Connectivity Phase II
- Centennial Park Phase II
- Delores Fenwick Nature Center
- Independence Park Phase II
- Independence Park Phase I
- JHEC Nature Trails Phase II
- Shadow Creek Ranch Park Phase II
- Woodcreek Park Expansion

- City Limits
- ETJ

Projects Not Shown
 *PER for Future Bond Referendum
 *Park Equipment Recapitalization



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MAP PREPARED: JULY 2016
 CITY OF PEARLAND GIS DEPARTMENT



Parks CIP - Uses

Project Name	2017	2018	2019	2020	2021	TOTAL
Independence Park Phase I ⁽³⁾	1,770,000					1,770,000
Delores Fenwick Nature Center ⁽²⁾	2,096,557					2,096,557
Green Tee Terrace Trail	500,000	3,100,886				3,600,886
PER for Future Bond Referendum		613,000				613,000
Clear Creek Trail ⁽²⁾		40,000			986,183	1,026,183
JHEC Nature Trails Phase II ⁽³⁾			1,096,000			1,096,000
Park Equipment Recapitalization			500,000	500,000	500,000	1,500,000
Independence Park Phase II ⁽⁴⁾			900,000	1,300,000	5,100,000	7,300,000
Woodcreek Park Expansion ⁽⁴⁾			650,000			650,000
Shadow Creek Ranch Park Phase II				862,000	4,132,000	4,994,000
TOTAL	4,366,557	3,753,886	3,146,000	2,662,000	10,718,183	24,646,626

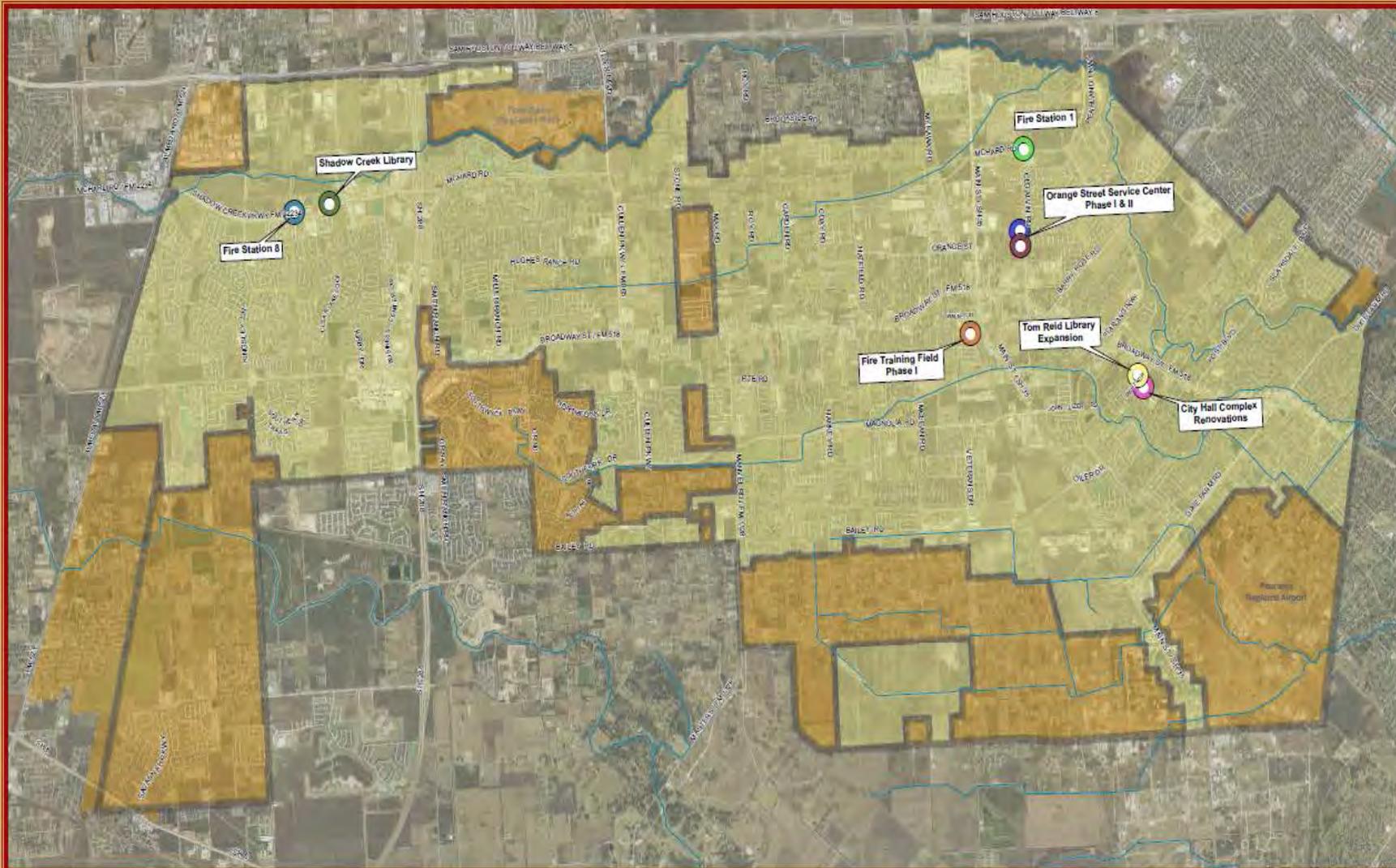
(1) Budget reduced

(2) Timing

(3) Budget increased

(4) New Project

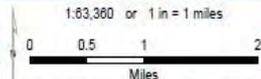
* Projects highlighted in yellow are part of the 2018 proposed bond referendum



CITY OF PEARLAND
2017 - 2021
Capital Improvement Projects
Facilities

- City Hall Complex Renovations
- Fire Station 1
- Fire Station 8
- Fire Training Field Phase I
- Orange Street Service Center Phase I
- Orange Street Service Center Phase II
- Shadow Creek Library
- Tom Reid Library Expansion
- City Limits
- ETJ

Projects Not Shown
 *Fiber Backbone
 *PER for Future Bond Referendum
 *Facilities Assessment and Maintenance Plan



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MAP PREPARED: JULY 2016
 CITY OF PEARLAND GIS DEPARTMENT



Facilities CIP - Uses

Project Name	2017	2018	2019	2020	2021	TOTAL
City Hall Complex Renovations ⁽²⁾	255,770	-	-	-	-	255,770
Orange Street Service Center ⁽²⁾	1,225,100	-	-	-	-	1,225,100
Fire Station #8 ⁽³⁾	-	793,350	6,395,000	-	-	7,188,350
Fire Station #1 ⁽³⁾	4,320,300	-	-	-	-	4,320,300
Fiber Backbone ⁽⁴⁾	100,000	100,000	100,000	100,000	100,000	500,000
PER ⁽⁴⁾	-	450,000	-	-	-	450,000
Facilities Assessment and Maintenance Plan ⁽⁴⁾	-	250,000	-	-	-	250,000
Fire Training Field Phase I	-	-	500,000	-	-	500,000
Shadow Creek Library ⁽⁴⁾	-	-	-	169,600	1,386,639	1,556,239
Orange Street Service Center Phase 2 ⁽⁴⁾	-	-	-	412,738	5,308,853	5,721,591
TOTAL	5,901,170	1,593,350	6,995,000	682,338	6,795,492	21,967,350

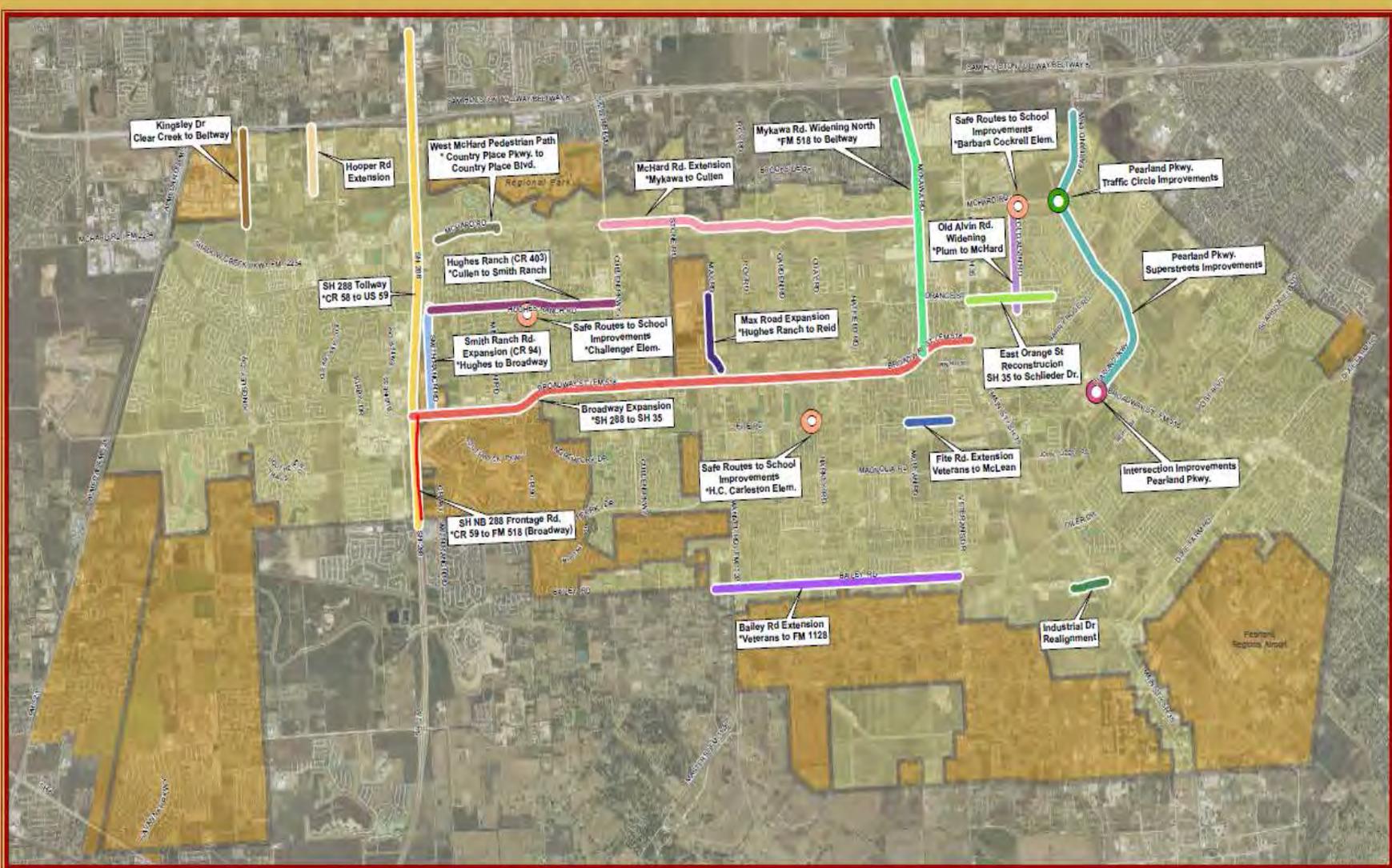
(1) Budget reduced

(2) Timing

(3) Budget increased

(4) New Project

* Projects highlighted in yellow are part of the 2018 proposed bond referendum



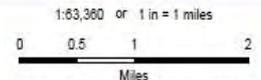
CITY OF PEARLAND

2017 - 2021

Capital Improvement Projects Streets

- Pearland Pkwy Superstreets
- Bailey Road Extension
- Broadway Expansion
- East Orange St Reconstruction
- Fite Road Extension
- Hooper Road Extension
- Hughes Ranch Road
- Industrial Drive Realignment
- Kingsley Dr
- Max Road Expansion
- McHard Road Extension
- Mykawa Road Widening
- Old Alvin Road Widening
- SH 288 Tollway
- Smith Ranch Road Expansion
- West McHard Pedestrian Path
- SH 288 Northbound Frontage Rd
- Safe Routes to School Improvements
- Intersections Improvements
- Pearland Pkwy Traffic Circle Modifications

Projects Not Shown
 *Street Reconstruction
 *Multi-Modal Master Plan
 *Intersection Improvements
 *PER for Future Bond Referendum



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MAP PREPARED: JULY 2016
 CITY OF PEARLAND GIS DEPARTMENT



Streets CIP - Uses

Project Name	2017	2018	2019	2020	2021	TOTAL
Old Alvin Rd Widening - Plum Street to McHard Road ⁽¹⁾	8,729,957	-	-	-	-	8,729,957
Mykawa Road Widening - Orange to McHard ⁽²⁾	1,044,000	-	1,858,000	16,013,200	24,019,800	42,935,000
Hughes Ranch Road (CR 403) - Cullen to Smith Ranch ⁽²⁾	-	-	13,662,750	19,910,400	-	33,573,150
Fite Road Extension - Veterans to McLean	-	-	-	-	-	-
Max Road Expansion - Hughes Ranch to Reid Blvd. ⁽²⁾	2,840,000	-	-	-	-	2,840,000
McHard Road Extension - Mykawa Road to Cullen Parkway ⁽³⁾	8,628,187	22,532,118	5,271,500	-	-	36,431,805
Smith Ranch Road Expansion (CR 94) - Hughes Ranch to Broadway ⁽²⁾	816,803	2,580,000	2,360,300	-	-	5,757,103
Safe Routes to School ⁽²⁾	-	-	-	224,848	3,514,534	3,739,382
SH288 Northbound Frontage Road - CR 59 to FM 518 (Broadway) ⁽²⁾	900,000	-	-	9,043,543	-	9,943,543

(1) Budget reduced

(2) Timing

(3) Budget increased

(4) New Project

* Projects highlighted in yellow are part of the 2018 proposed bond referendum



Streets CIP - Uses

Project Name	2017	2018	2019	2020	2021	TOTAL
Orange Street Reconstruction ⁽⁴⁾	5,400,000	-	-	-	-	5,400,000
PER for Future Bond Referendum	-	750,000	-	-	-	750,000
Multi-Modal Master Plan ⁽⁴⁾	-	300,000	-	-	-	300,000
Intersection Improvements	-	440,000	465,000	490,000	490,000	1,885,000
Broadway Expansion - SH 288 to SH 35 ⁽¹⁾	-	-	-	5,000,000	-	5,000,000
Pearland Parkway Traffic Circle Modifications	-	-	2,000,000	-	-	2,000,000
Pearland Parkway Superstreet Modifications	-	-	2,300,000	-	-	2,300,000
Street Reconstruction	-	-	2,175,000	2,175,000	2,175,000	6,525,000
Kingsley Drive - Clear Creek to Beltway 8 ⁽⁴⁾	-	-	-	-	1,475,400	1,475,400
TOTAL	28,358,947	26,602,118	30,092,550	52,856,991	31,674,734	169,585,340

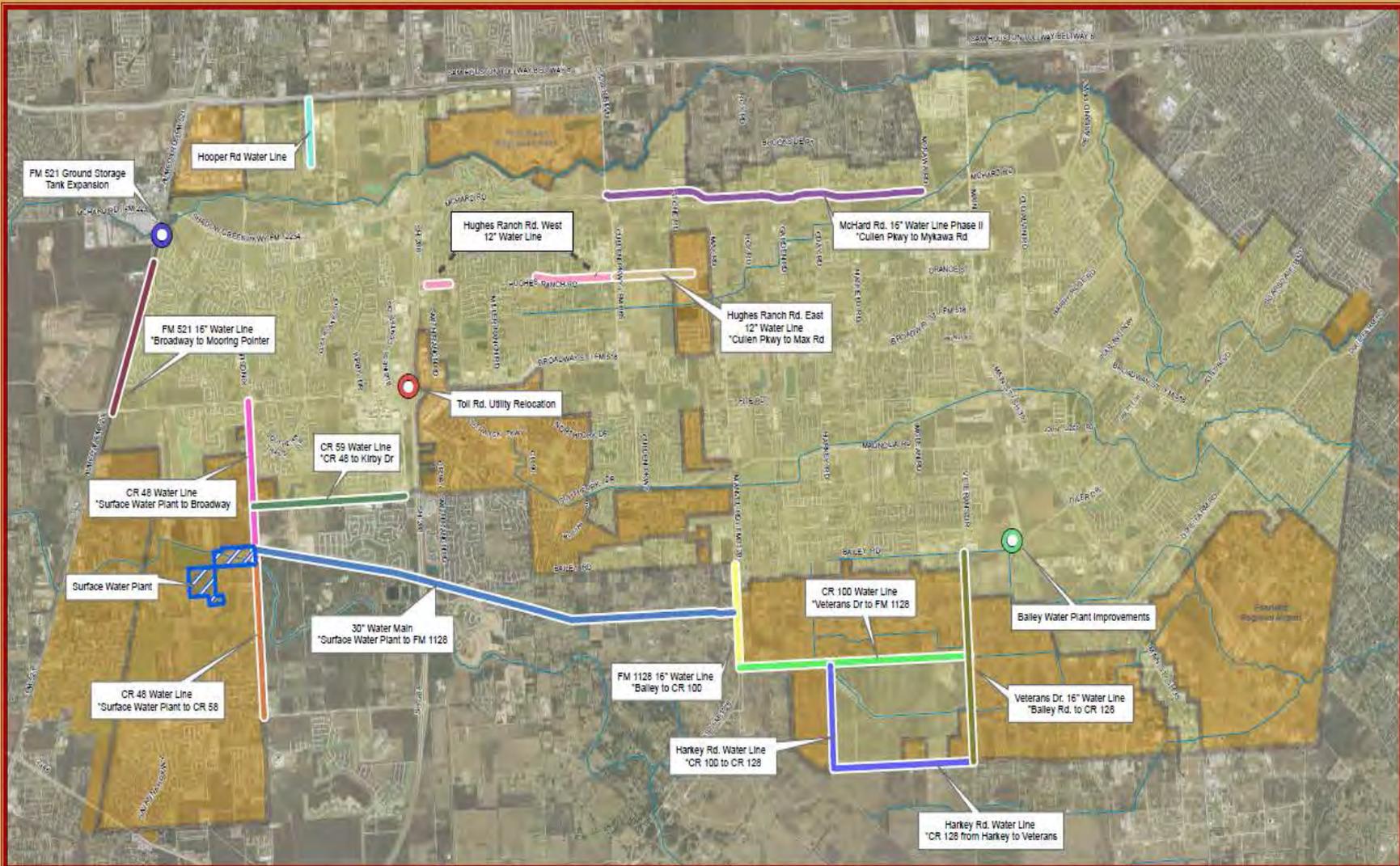
(1) Budget reduced

(2) Timing

(3) Budget increased

(4) New Project

* Projects highlighted in yellow are part of the 2018 proposed bond referendum



CITY OF PEARLAND
2017 - 2021
Capital Improvement Projects
Water

- Bailey Water Plant Improvements
- FM 521 Ground Storage Tank Expansion
- Toll Rd. Utility Relocations

- 30" Water Main
- CR 100 Water Line
- CR 48 Water Line
- CR 48 Water Line
- CR 59 Water Line
- FM 1128 16" Water Line
- FM 521 16" Water Line

- Hughes Ranch Road East 12" Water Line Phase II
- Hughes Ranch Road West 12" Water Line
- McHard Road 16" Water Line Phase II
- Veterans Drive 16" Water Line
- Harkey Rd 12" Water Line
- Hooper Road Water Line
- Surface Water Plant

- City Limits
 - ETJ
- Projects Not Shown**
- *Water Meter Changes
 - *General Engineering/CIP Administration
 - *Transite Water Line Replacement Program
 - *Underground Piping Infrastructure at Water Facilities



1:63,360 or 1 in = 1 miles

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Miles

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MAP PREPARED: JULY 2016
 CITY OF PEARLAND-GIS DEPARTMENT



Water CIP - Uses

Project Name	2017	2018	2019	2020	2021	TOTAL
General Engineering/CIP Administration	550,000	50,000	-	-	-	600,000
FM 521 Waterline - Broadway to Mooring Pointe ^{(2) (3)}	420,000	-	-	-	-	420,000
McHard Rd. 16" Waterline Phase II - Cullen Parkway to Mykawa Road ⁽²⁾	5,836,480	-	-	-	-	5,836,480
Hughes Ranch Road West 12" Water Line ⁽¹⁾	906,000	-	-	-	-	906,000
Surface Water Plant Phase 1 (10 MGD) ^{(2) (3)}	6,500,000	-	51,754,800	-	53,970,200	112,225,000
FM 521 Ground Storage Tank Expansion ⁽³⁾	305,050	2,378,900	-	-	-	2,683,950
Water Meter Changeout ^{(2) (3)}	5,800,000	5,500,000	-	-	-	11,300,000
Underground Piping Infrastructure at Water	250,000	250,000	250,000	250,000	250,000	1,250,000
Transite Water Line Replacement Program	500,000	1,000,000	1,000,000	1,500,000	1,500,000	5,500,000
Bailey Water Plant Improvements ⁽³⁾	-	233,625	2,000,000	-	-	2,233,625

(1) Budget reduced

(2) Timing

(3) Budget increased

(4) New Project



Water CIP - Uses

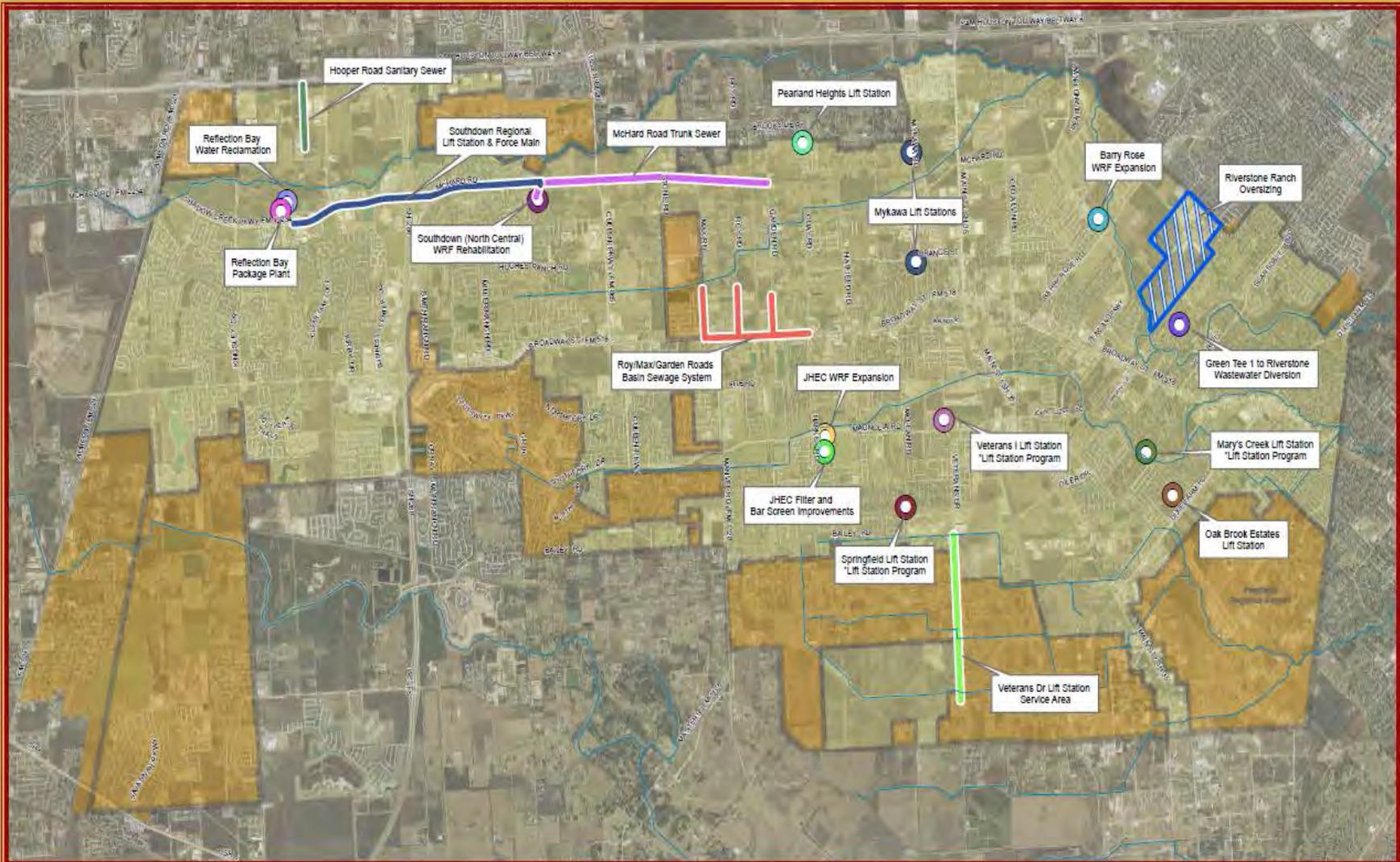
Project Name	2017	2018	2019	2020	2021	TOTAL
Hughes Ranch Road East 12" Water Line Phase II ⁽²⁾⁽³⁾	-	-	320,000	660,000	-	980,000
FM 1128 16" Waterline - Bailey to CR 100 ⁽²⁾⁽³⁾	-	-	240,000	1,402,000	-	1,642,000
CR 100 16" Waterline - Veterans Dr to FM 1128 ⁽²⁾	-	-	670,000	2,962,500	-	3,632,500
Harkey Rd. 12" Waterline - CR100 to CR128 & CR128 from Harkey to Veterans ⁽²⁾⁽³⁾	-	-	608,000	2,345,000	-	2,953,000
Veterans Dr. 16" Waterline - Bailey Rd. to CR 128	-	-	658,000	2,595,000	-	3,253,000
CR 48 Waterline - Surface Water Plant to Broadway ⁽⁴⁾	-	-	6,216,000	-	-	6,216,000
CR 59 Waterline - CR 48 to Kirby Dr ⁽⁴⁾	-	-	4,904,200	-	-	4,904,200
30" Water Main - Surface Water Plant to FM1128 along American Canal ⁽⁴⁾	-	-	17,895,000	-	-	17,895,000
CR 48 Waterline - Surface Water Plant to CR 58 ⁽⁴⁾	-	-	4,230,000	-	-	4,230,000
TOTAL	21,067,530	9,412,525	90,746,000	11,714,500	55,720,200	188,660,755

(1) Budget reduced

(2) Timing

(3) Budget increased

(4) New Project



CITY OF PEARLAND

2017 - 2021

Capital Improvement Projects

Wastewater

- Barry Rose WRF Expansion
- Green Tee 1 to Riverstone Wastewater Diversion
- JHEC Filter and Bar Screen Improvements
- JHEC WRF Expansion
- Veterans I Lift Station
- Mary's Creek Lift Station
- Mykawa Lift Stations
- Pearland Heights Lift Station
- Reflection Bay Package Plant
- Veterans I Lift Station
- Southdown (North Central) WRF Rehabilitation
- Springfield Lift Station
- Oak Brook Estates Lift Station
- Veterans Dr Lift Station Service Area
- Riverstone Ranch Oversizing
- Hooper Road Sanitary Sewer
- MoHard Road Trunk Sewer
- Roy/Max/Garden Roads Basin Sewage System
- Southdown Regional Lift Station & Force Main
- Veterans Drive Lift Station Service Area

Projects Not Shown
 *Sanitary Sewer Rehabilitation (WW1607)
 *Sanitary Sewer Rehabilitation (WW1702)

1:63,360 or 1 in = 1 miles

Miles

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MAP PREPARED: JULY 2016
 CITY OF PEARLAND GIS DEPARTMENT



Wastewater CIP - Uses

Project Name	2017	2018	2019	2020	2021	TOTAL
Reflection Bay Water Reclamation ⁽³⁾	20,200,000	-	-	-	-	20,200,000
McHard Rd Trunk Sewer (Garden to Southdown WRF) ^{(2) (3)}	2,129,500	1,983,500	-	-	-	4,113,000
Barry Rose WRF Expansion	2,940,000	17,432,000	11,888,000	-	-	32,260,000
Mykawa Lift Stations ⁽³⁾	5,381,620	-	-	-	-	5,381,620
JHEC WRF Expansion - WWM Project 29A	26,780,000	6,603,300	-	-	-	33,383,300
Green Tee 1 to Riverstone Wastewater Diversion (Longwood Service Area Phase 1) ⁽¹⁾	840,000	-	-	-	-	840,000
Roy/Max/Garden Roads Basin Sewage System - WWM Project 12 ⁽²⁾	50,000	355,000	2,440,000	-	-	2,845,000

- (1) Budget reduced
- (2) Timing
- (3) Budget increased
- (4) New Project



Wastewater CIP - Uses

Project Name	2017	2018	2019	2020	2021	TOTAL
Lift Station Program	275,000	750,000	560,000	560,000	560,000	2,705,000
Sanitary Sewer Rehabilitation	500,000	1,000,000	1,000,000	1,500,000	1,500,000	5,500,000
Veterans Drive Lift Station Service Area - WWM						
Project 11 ⁽²⁾	-	-	1,237,372	7,662,545	-	8,899,917
Southdown Regional Lift Station & Force Main ⁽⁴⁾	-	-	-	-	5,853,900	5,853,900
TOTAL	59,096,120	28,123,800	17,125,372	9,722,545	7,913,900	121,981,737

(1) Budget reduced
 (2) Timing
 (3) Budget increased
 (4) New Project

Five Year CIP Sources Summary



SOURCE OF FUNDS	2017	2018	2019	2020	2021	TOTAL
General Revenue - Cash	50,000	1,080,000	515,000	540,000	586,909	2,771,909
Certificates of Obligation	5,876,502	3,195,154	3,608,000	1,853,678	996,813	15,530,147
General Obligation Bonds	21,146,883	8,613,090	11,275,037	7,184,720	4,803,960	53,023,690
New/Proposed GO Bonds			16,516,000	10,002,095	15,881,860	42,399,955
PEDC	450,000					450,000
W/S Revenue Bonds	42,377,040	15,182,475	54,613,039	10,074,665	33,907,362	156,154,581
System Revenues - Cash	800,000	2,350,000	2,300,000	3,300,000	3,050,000	11,800,000
Impact Fees - Cash					470,200	470,200
Impact Fees - Debt	22,495,990	14,198,850	49,664,000	7,297,523	29,441,850	123,098,213
Other Funding Sources	12,053,587	23,048,711	16,122,382	37,216,093	23,853,155	112,293,928
<i>Plus Bonds Sold in Prior Year</i>						27,379,524
TOTAL	\$ 105,250,002	\$ 67,668,280	\$ 154,613,458	\$ 77,468,774	\$ 112,992,109	\$ 545,372,147

O & M for CIP 2018 - 2021



Project	2018	2019	2020	2021
Southeast Quadrant of Old Townsite Drainage	21,000	21,000	21,000	21,000
Independence Park Phase I	55,779	57,582	59,445	61,371
Delores Fenwick Nature Center	276,760	283,189	284,116	294,679
Centennial Park Phase II	76,045	76,118	76,118	76,118
Green Tee Terrace Trail	4,463	9,371	9,840	10,332
JHEC Nature Trails Phase II			87,873	57,869
Tom Reid Library Expansion	90,382	90,382	90,382	90,382
Orange Street Service Center Phase I	92,856	92,856	92,856	92,856
Fire Station #8 *	1,900,000	1,015,466	1,041,963	1,069,255
Fire Station #1	78,085	86,815	904,610	101,670
Bailey Road Extension - Veterans to FM 1128	80,611	84,642	88,874	93,318
Old Alvin Road Widening - Plum Street to McHard Road	19,226	19,226	19,226	19,226
Mykawa Road Widening - Orange to McHard				7,169
Hughes Ranch Road (CR 403) - Cullen to Smith Ranch Road				92,786
Fite Road Extension - Veterans to McLean	16,786	17,625	18,506	19,432
Max Road Expansion - Hughes Ranch to Reid Blvd.	38,731	40,667	42,701	44,836

* 2018 O&M for fire apparatus

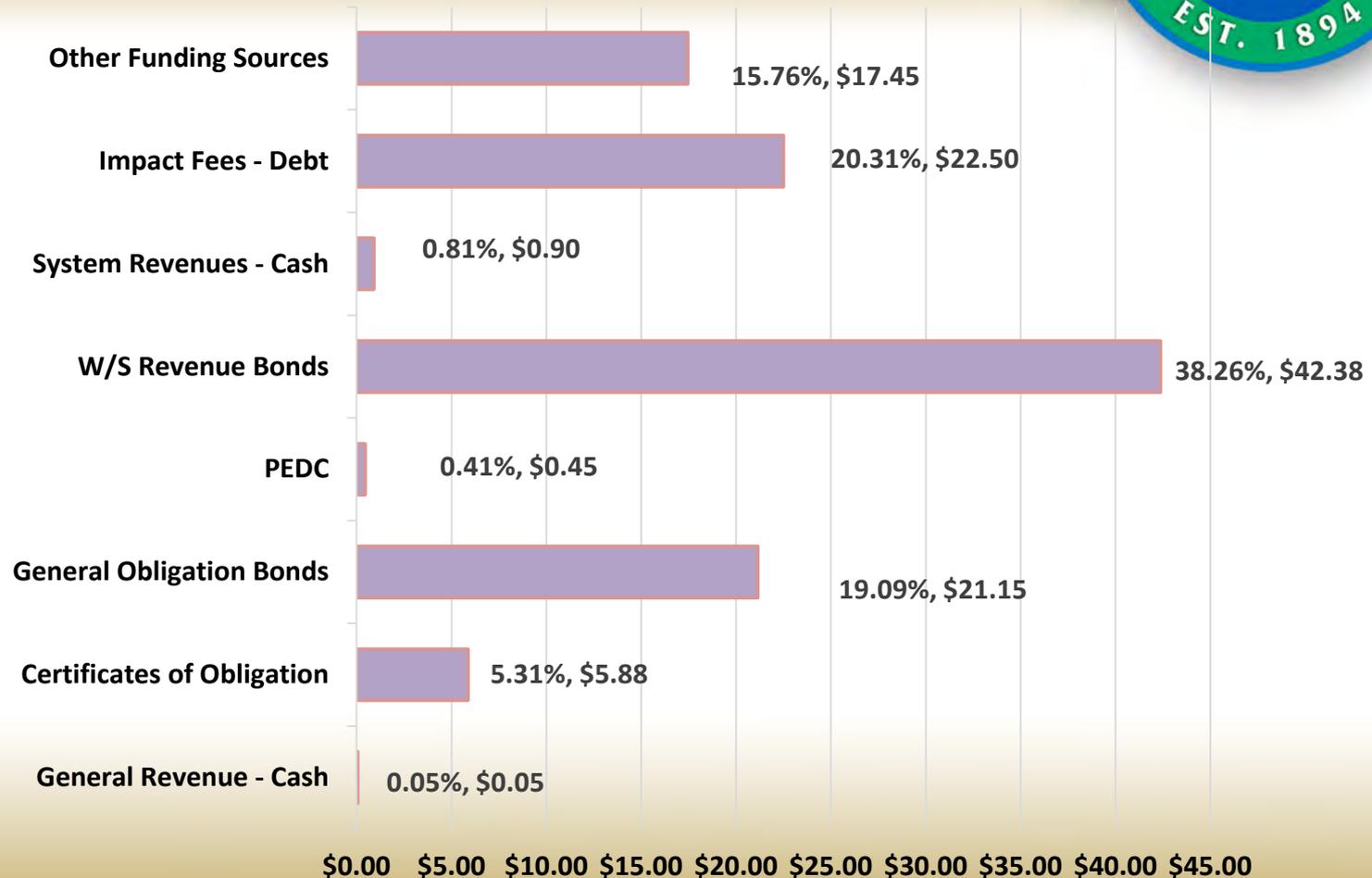


O & M for CIP 2018 - 2021

Project	2018	2019	2020	2021
McHard Road Extension (Mykawa Road to Cullen Parkway)		158,971	190,765	190,765
Smith Ranch Road Extension (CR 94) - Hughes Ranch Road to Broadway		15,813	33,208	34,869
Industrial Drive Realignment	3,283	3,447	3,619	3,800
McHard Rd. 16" Waterline Phase II - Cullen Parkway to Mykawa Road		(375,000)	(750,000)	(750,000)
FM 521 Ground Storage Tank Expansion	60,086	120,172	120,172	120,172
Riverstone Ranch Oversizing	(16,400)	(16,400)	(16,400)	(16,400)
Reflection Bay Water Reclamation	180,258	240,344	240,344	240,344
Barry Rose WRF Expansion			42,060	168,241
Lift Station Program	8,200	8,200	8,200	8,200
JHEC WRF Expansion - WWM Project 29A		80,115	240,344	240,344
Mykawa Lift Stations	(4,100)	(8,200)	(8,200)	(8,200)
Roy/Max/Garden Roads Basin Sewage System - WWM Project 12			(10,933)	(16,400)
Veterans Drive Lift Station Service Area - WWM Project 11			(8,200)	(16,400)
TOTAL	2,982,051	2,122,401	2,922,489	2,351,634

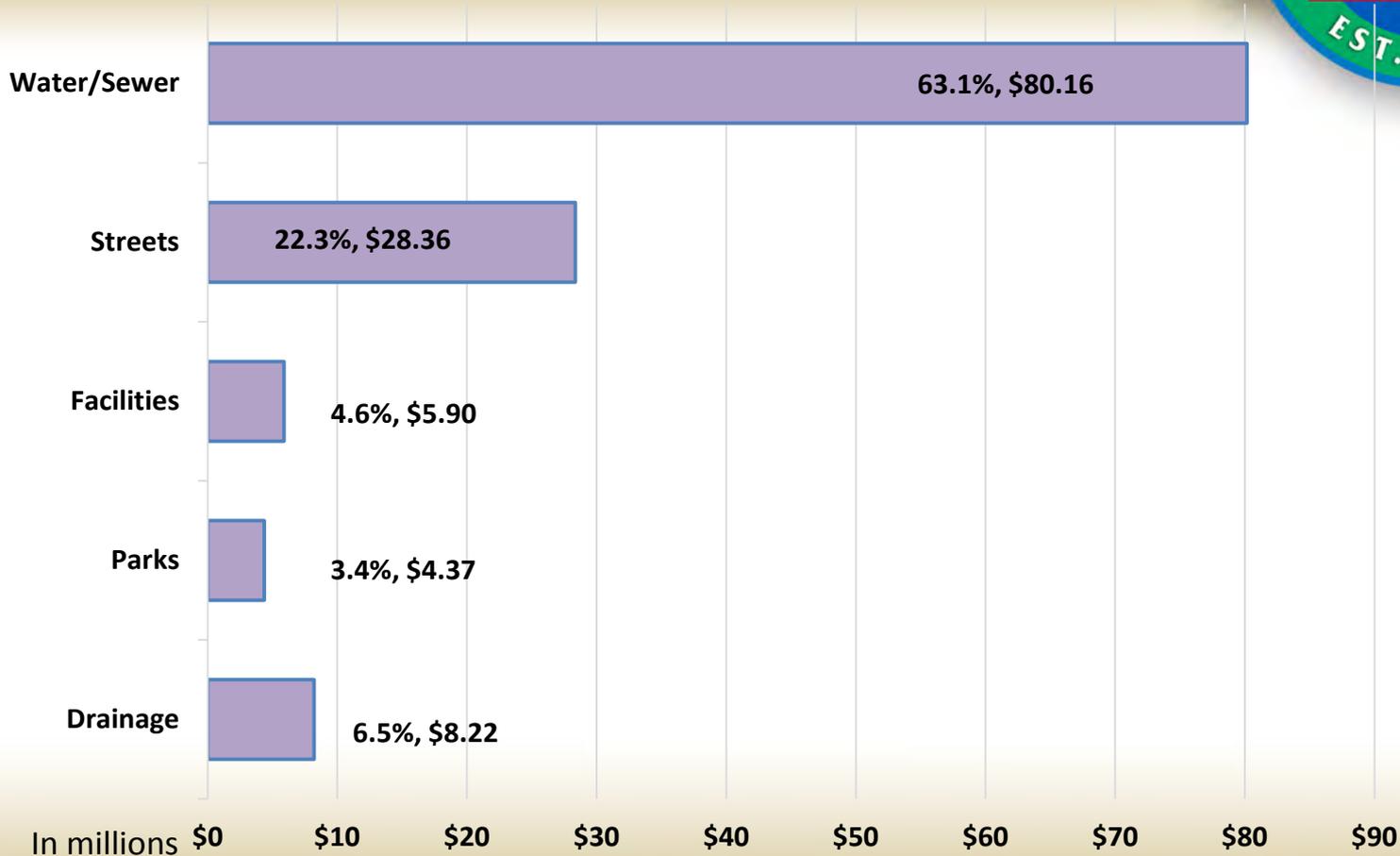
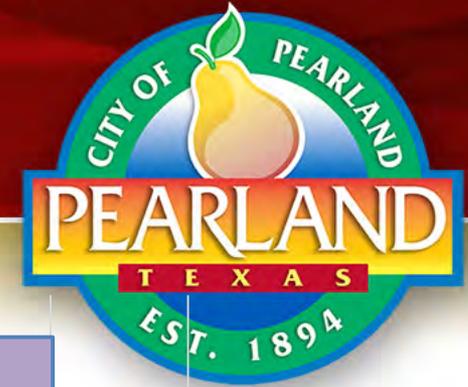
Fiscal Year 2017 CIP

\$127,005,962 - Uses



In millions

Fiscal Year 2017 CIP- \$105,250,002 Sources



Note – Sources are lower than Uses as the Texas Water Development Board financing for the expansion of the Reflection Bay Reclamation Plant is all in 2016 however the actual expenses will be over a 2-year period.

2017 Drainage CIP Uses & Sources



Southeast Quadrant of Old Townsite Drainage	\$ 3,795,406
Linwood Subdivision Street and Drainage (Old Alvin Street to Orange Street)	\$ 1,150,000
Corrigan Ditch Sub-Basin of Mary's Creek Drainage Improvements	\$ 2,770,232
PER for Future Bond Referendum	\$ 500,000
Total	8,215,638
GO Bonds to be Sold - 2017	\$ 4,375,940
Other Funding Sources	\$ 2,770,232



2017 Parks CIP Uses & Sources

Independence Park Phase I	\$ 1,770,000
Delores Fenwick Nature Center	\$ 2,096,557
Green Tee Terrace Trail	\$ 500,000
Total	\$ 4,366,557
Certificates of Obligation	\$ 606,202
GO Bonds to be Sold - 2017	\$ 3,187,617
Other Funding Sources	\$ 400,000



2017 Facilities CIP Uses & Sources

City Hall Complex Renovations	\$ 255,770
Orange Street Service Center	\$ 1,225,100
Fire Station #1	\$ 4,320,300
Fiber Backbone	\$ 100,000
Total	\$ 5,901,170
Cash	\$ 50,000
Certificates of Obligation	\$ 4,820,300
System Revenues - Cash	\$ 50,000



2017 Streets CIP Uses & Sources

Old Alvin Rd Widening - Plum Street to McHard Road	\$ 8,729,957
Mykawa Road Widening - Orange to McHard	\$ 1,044,000
Max Road Expansion - Hughes Ranch to Reid Blvd.	\$ 2,840,000
McHard Road Extension - Mykawa Road to Cullen Parkway	\$ 8,628,187
Smith Ranch Road Expansion (CR 94) - Hughes Ranch to Broadway	\$ 816,803
SH288 Northbound Frontage Road - CR 59 to FM 518 (Broadway)	\$ 900,000



2017 Streets CIP Uses & Sources

Orange Street Reconstruction	\$ 5,400,000
Total	\$ 28,358,947
Certificates of Obligation	\$ 450,000
GO Bonds to be Sold - 2017	\$ 13,583,326
PEDC	\$ 450,000
Other Funding Sources	\$ 8,580,830

2017 Water CIP Uses & Sources



General Engineering / CIP Administration (Design)	\$ 550,000
FM 521 Waterline - Broadway to Mooring Pointe	\$ 420,000
McHard Rd. 16" Waterline Phase II - Cullen Parkway to Mykawa Road	\$ 5,836,480
Hughes Ranch Road West 12" Water Line	\$ 906,000
Surface Water Plant Phase 1 (10 MGD)	\$ 6,500,000
FM 521 Ground Storage Tank Expansion	\$ 305,050
Water Meter Changeout	\$ 5,800,000
Underground Piping Infrastructure at Water Facilities	\$ 250,000



2017 Water CIP Uses & Sources

Transite Water Line Replacement Program	\$ 500,000
Total	\$ 21,067,530
W/S Revenue Bonds	\$ 18,993,765
System Revenues - Cash	\$ 750,000
Impact Fees - Debt	\$ 6,571,240
Other Funding Sources	\$ 252,525



2017 Wastewater CIP Uses & Sources

Reflection Bay Water Reclamation	\$ 20,200,000
McHard Rd Trunk Sewer (Garden to Southdown WRF)	\$ 2,129,500
Barry Rose WRF Expansion	\$ 2,940,000
Mykawa Lift Stations	\$ 5,381,620
JHEC WRF Expansion - WWM Project 29A	\$ 26,780,000
Green Tee 1 to Riverstone Wastewater Diversion (Longwood Service Area Phase 1)	\$ 840,000
Roy/Max/Garden Roads Basin Sewage System - WWM Project 12	\$ 50,000



2017 Wastewater CIP Uses & Sources

Lift Station Program	\$ 275,000
Sanitary Sewer Rehabilitation	\$ 500,000
Total	\$ 59,096,120
W/S Revenue Bonds	\$ 23,383,275
Impact Fees - Debt	\$ 15,924,750
Other Funding Sources	\$ 50,000

Note – Texas Water Development Board financing in 2016 for the entire project however actual expenses will be over a 2-year period.

v * tr = r



Future Bond Referendum





Future Bond Referendum

- 2007 Bond Referendum complete by 2021
- Future bond referendum development
 - List of projects identified by multiple City departments, totaling \$114.7 million
 - Future project list does not include results of Master Plans, such as Parks Master Plan, Drainage Master Plan, Facilities Assessment Study or potential TIP opportunities
 - Projects were prioritized
 - Project list kept within a reasonable five-year program for completion
 - 2018 Potential Bond Referendum totals \$69.7 million, built into long range forecast
- The future bond is planned to be presented for voter approval when valuation grows to \$8.3 billion, which is currently projected for fiscal year 2019.



Future Bond Referendum

Project Name	Project Type	Overall Priority	2019	2020	2021	2022	2023	Total	Running Total
Proposed 2018 Bond Projects									
Fire Station #8 Construction	Facilities	1	6,395,000					6,395,000	6,395,000
Park Equipment Replacement Program	Parks	2	500,000	500,000	500,000	500,000	500,000	2,500,000	8,895,000
Street Reconstruction Program	Roads	3	2,175,000	2,175,000	2,175,000	2,175,000	2,175,000	10,875,000	19,770,000
JHEC Nature Trails - Phase II	Parks	4	1,096,000					1,096,000	20,866,000
Independence Park Phase II	Parks	5	900,000	1,300,000	5,100,000			7,300,000	28,166,000
Pearland Pkwy Super Street	Roads	6	2,300,000					2,300,000	30,466,000
Orange Street Service Center Phase II	Facilities	7		165,095	2,123,541			2,288,636	63,530,555
Shadow Creek Ranch Park Phase II	Parks	8		862,000	4,132,000	4,132,000		9,126,000	39,592,000
SCR Library	Facilities	9		169,600	1,386,639	10,064,027	5,463,873	17,084,139	56,676,139
Kingsley - Clear Creek to BW 8 (Assumes 80% TIP Funds)	Roads	10			295,080		2,270,700	2,565,780	59,241,919
Pearland Pkwy Traffic Circle Improvements	Roads	11	2,000,000					2,000,000	61,241,919
Fire Training Field Phase I	Facilities	12	500,000					500,000	64,030,555
Broadway Expansion - SH 288 to Cullen (City Share)	Roads	13		5,000,000				5,000,000	69,030,555
Woodcreek Park Improvements	Parks	14	650,000					650,000	69,680,555
Total New/Proposed Bond Projects			16,516,000	10,171,695	15,712,260	16,871,027	10,409,573	69,680,555	
Additional Identified Projects									
Trail Connectivity Phase IV	Parks	15			577,433			577,433	70,257,988
Hickory Slough Detention Pond Phase II	Drainage	16		330,000	3,220,000			3,550,000	73,807,988
Hickory Slough Sportsplex Phase II	Parks	17		439,000	2,914,500	809,500		4,163,000	77,970,988
Hughes Ranch Rd - Cullen to Stone	Roads	18		1,160,000	4,065,000	2,455,000		7,680,000	85,650,988
Fire Training Field Phase II	Facilities	19		315,000	1,552,350	1,184,901		3,052,251	88,703,239
Park Land Acquisition	Parks	20			1,000,000			1,000,000	89,703,239
Hillhouse PW Annex Phase II	Facilities	21		200,000	1,806,000			2,006,000	91,709,239
FM2234 Landscape Improvements - SH 288 to 15,000' West	Roads	22		1,350,000				1,350,000	93,059,239
Grand Blvd Reconstruction - Broadway to Walnut	Roads	23		890,800	4,354,200			5,245,000	98,304,239
Old Alvin - McHard to Knapp	Roads	24		252,000	1,950,000			2,202,000	100,506,239
Fire Station #7	Facilities	25			961,000	6,056,000		7,017,000	107,523,239
Animal Services Shelter	Facilities	26			1,132,000	4,004,000		5,136,000	112,659,239
Fire Station #4 Expansion	Facilities	27			230,000	1,820,000		2,050,000	114,709,239
Total Additional Identified Projects			-	4,936,800	23,762,483	16,329,401	-	45,028,684	
TOTAL ALL PROJECTS			16,516,000	15,108,495	39,474,743	33,200,428	10,409,573	114,709,239	

Note - Does not include results of Parks Master Plan, Drainage Master Plan, Facilities Assessment Study or potential TIP opportunities. Items in red are outside the current 5-year CIP.