



Advisory Committee: Minutes of Regular Meeting – November 17, 2015

IN ATTENDANCE:

Gilbert A. Herrera, Chair – **Present**

Jeri Brooks – Absent, with notice

Frances Castaneda Dyess – **Present**

Kathryn Easterly – **Present**

Scott Elmer – **Present**

Vernita Harris – Absent

Bert Keller – **Present**

Jeff Ross – Absent

Edward Taravella – Absent

Council Member Oliver Pennington, Ex-Officio – Absent, with notice

1. Call to Order / Welcome

Chairman Gilbert Herrera called the meeting of the ReBuild Houston Advisory Committee (RHAC) to order at 10:41 a.m. and thanked all in attendance.

2. Approval of the Minutes

Motion to approve the September 29, 2015 meeting minutes was made by Mr. Scott Elmer and seconded by Mr. Bert Keller. Motion carried.

3. ReBuild Houston Program Metrics and Reporting

Mr. Dale Rudick, Director of the Department of Public Works and Engineering (PWE), introduced Mr. Daniel Menendez, Deputy Director of PWE Engineering and Construction Division to present on the workshop topic of program metrics. Mr. Rudick stated that the focus of Mr. Menendez's presentation is how ReBuild Houston is enabling the City to increase our investment in our street and drainage infrastructure after decades of underinvestment. Mr. Rudick stated that the presentation will explain how we measure and present metrics that people can understand regarding the work accomplished in the Capital Improvement Plan (CIP). He also emphasized that PWE is working to educate people about PWE's processes such as the key message that the streets are designed to be part of the City's drainage system.

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Mr. Menendez began his presentation by noting that he will be discussing metrics pertaining to CIP reconstruction projects and not metrics pertaining to maintenance, programmatic rehabilitation, etc. He continued by sharing a map that visualized the number of projects required in the FY16-20 CIP to achieve a 2% reconstruction rate each year. Mr. Menendez followed this image with a visual showing the number of projects that would have been completed if we the City did not have the ReBuild Houston funding mechanism. The number of projects in the second map were significantly less than the first map shown. Additionally, the projects would have been funded primarily through bond debts. Finally, he showed an exhibit of the City representing the FY16-20 CIP projects made possible as a direct result of the ReBuild Houston funding.

Mr. Menendez shared that Houston has approximately 16,000 lane-miles throughout the city which includes approximately 6,000 major thoroughfare lane-miles and 10,000 local street lane-miles. Mr. Menendez stated that the lane-miles reconstructed under ReBuild Houston contains a number of assets beyond the roadway surface including sidewalks, street markings, traffic signals and storm drainage. Since the streets and storm drainage work together as a system and ReBuild Houston projects incorporate the concept of complete streets, Mr. Menendez suggested that lane-miles be defined under the ReBuild Houston program as a mile-long stretch of roadway that includes both the street and drainage systems. Together the street and drainage infrastructure equal what Mr. Menendez defined as a "ReBuild Houston lane-mile." In the FY 16-20 CIP, ReBuild Houston lane-miles total 232 major thoroughfare miles and 237 local street lane-miles which equals a total of 469 ReBuild Houston lane-miles that will be reconstructed within the current five year CIP. The average number of ReBuild Houston lane-miles scheduled to be reconstructed per year in the current CIP is 94 lane-miles with a total current cost of approximately \$1.7 million per lane-mile (Note: this average cost is for both major thoroughfares and local streets).

Mr. Menendez shared that based on the Infrastructure Design Manual (IDM), the average service life of newly built infrastructure is approximately 50 years. For PWE to replace 100% of the City's street and drainage infrastructure every 50 years, we would need to replace 2% of the total ReBuild Houston lane-miles each year. Otherwise, we will continue to accumulate a backlog of unfunded/decaying infrastructure. To achieve a 2% goal, PWE needs to reconstruct 111 major thoroughfare ReBuild Houston lane-miles and 197 local streets ReBuild Houston lane-miles per year. Mr. Rudick shared that a recent Houston Chronical article stated that only a handful of years has the City met, at most, up to 50% of the 2% replacement goal since the Whitmire administration. This article articulated the City's historical under investment in our street and drainage infrastructure.

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Mr. Menendez continued by sharing current and projected funding growth through FY34 as a result of ReBuild Houston funding (see table below):

	Without ReBuild Houston	With ReBuild Houston (projected growth)
FY16	17%	29%
FY20	21%	31%
FY25	22%	46%
FY30	24%	52%
FY34	25%	56%

Mr. Menendez stated that with ReBuild Houston, PWE is closing the gap between the number of CIP projects funded today and the 2% Investment Goal, we need to reach the 50-year ideal replacement rate for the City’s infrastructure. ReBuild Houston has already resulted in a 32% growth in funding which brings the City closer to its investment goal than it would have achieved without the program. He then noted that the table above is a conservative analysis and that it is quite possible that we would see an even greater percentage of growth during those years. He also stated that these projections do not include TIRZ (Tax Increment Reinvestment Zone) CIP programs or other potential investment partnerships.

Mr. Scott Elmer had questions regarding how PWE will acquire new staff and/or contracts to accomplish the growing number of projects. Mr. Menendez shared that PWE has an annual budgeting process in which staff/contractor needs are evaluated and assessed regularly. He added that the \$1.7 million approximate cost per lane mile accounts for the staff and resources needed for the projects allowing us to budget accordingly.

Mr. Herrera asked how many new contracts PWE manages each year. Mr. Menendez replied that there are approximately 60 – 70 new contracts per year and approximately 400 projects happening in varying phases at any given time. Mr. Herrera also inquired as to why dollars are being allocated for projects and then not being spent immediately. Mr. Menendez informed the committee that the funding must be appropriated prior to the beginning of a project and is appropriated by City Council for the full contract amount. In regard to why those dollars are not being spent immediately, Mr. Menendez shared that there are a multitude of reasons why a project may be delayed including issues with private utilities, contractor, weather conditions, etc.

4. CY 2016 Meeting Calendar (DRAFT)

Mr. Rob Lazaro provided the committee with an overview of the draft meeting schedule for the upcoming 2016 calendar year. He noted that there will be no February 2016 meeting due to the CIP Town Hall Meetings occurring at that time. He stated that during the March 2016 meeting, committee members can expect to see the updated Look Back/Look Forward report. He also requested that the committee members begin thinking about ideas for the workshops and process/methodology suggestions for the upcoming calendar year.

5. ReBuild Houston Website and Community Engagement Updates

Mr. Lazaro shared with the committee that the ReBuild Houston website has received several updates which makes it easier for citizens to find the CIP project information they are seeking. Updates include: a schedule of upcoming community meetings; a Community Engagement list which details project name, project number, location, links to supplemental community meeting documents and the ReBuild Houston Interactive Map.

6. Executive Report

Mr. Rudick provided an overview of the three financial reports:

1. Drainage Utility Collections/Expenditures Report (attached);
2. Drainage Utility Collections Quarterly Report (attached);
3. Dedicated Street and the Drainage Fund Group FY15 Adopted Budget and CIP Report (attached)

Mr. Rudick announced that from a backlog of 3,822 work orders to repair potholes greater than the size of a pizza box, PWE has 163 active work orders as of today. He also shared that in September for every pothole (that is smaller than a pizza box) reported, an additional 21 potholes were filled proactively. Mr. Rudick commended PWE's Street & Drainage Division staff on their good work.

Mr. Rudick announced that there will be no December 2015 ReBuild Houston Advisory Committee Meeting. Lastly, Mr. Rudick officially recognized and thanked Council Member Pennington for his service since 2011 as Ex-Officio to the ReBuild Houston Advisory Committee.

7. Old Business/New Business

None.

8. Public Comments

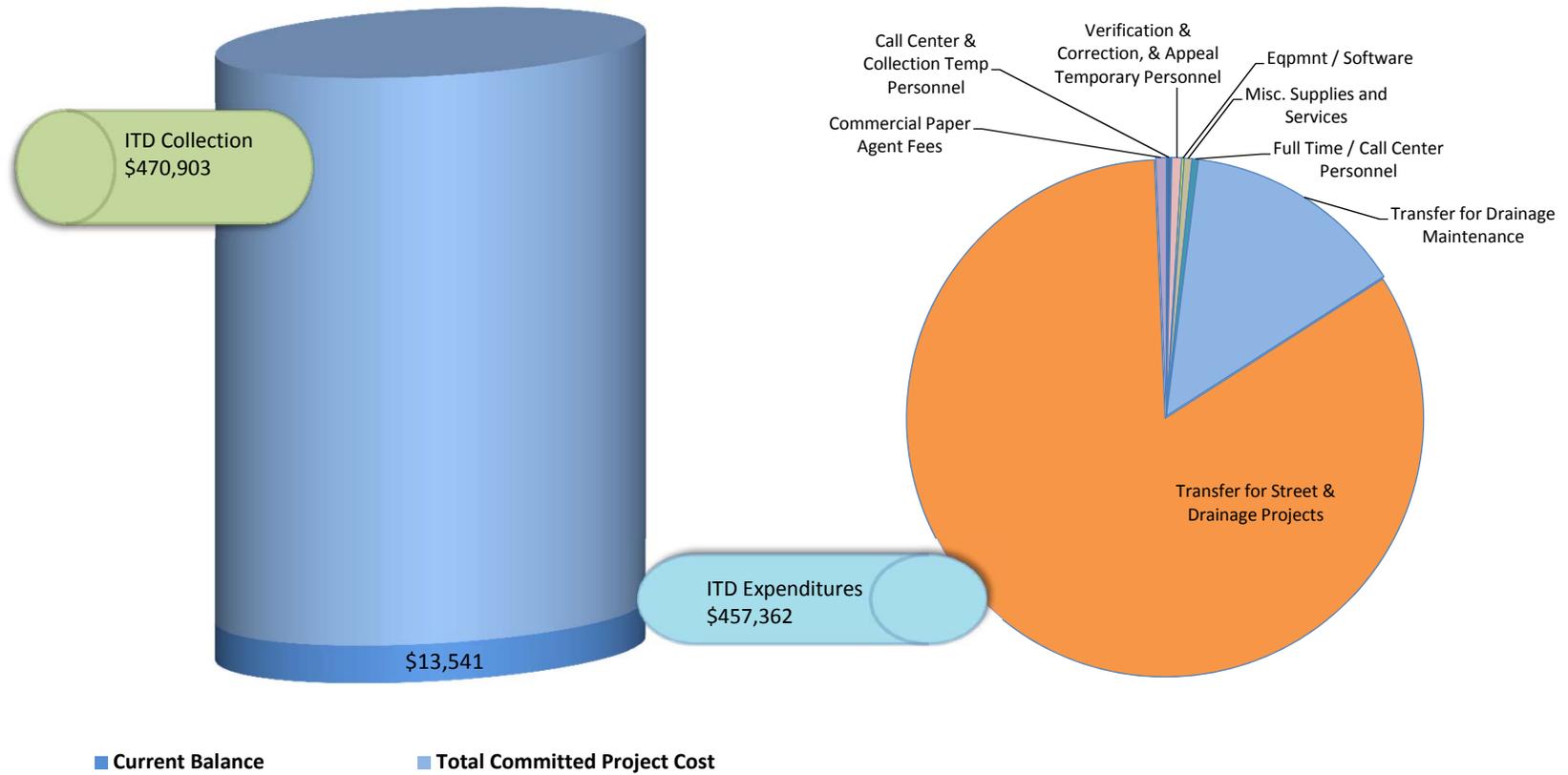
None.

- 9. Adjourn:** Meeting adjourned at 12:17 p.m.

Attachments:

- Drainage Utility Collections/Expenditures Report
- Drainage Utility Collections Quarterly Report
- Dedicated Street and the Drainage Fund Group FY15 Adopted Budget and CIP Report
- CY 2016 Meeting Calendar (DRAFT)

**Drainage Utility
Inception to Date (ITD) Collections / Expenditures
(\$ in Thousands)
(As of September 30, 2015)**



Note: Currently committed project costs total \$217.7 Million.

Drainage Utility Collections
Quarterly Collections and Annual Projections as of 08/29/2015

Billing through June 2015 and Collection through August 2015

	Billings¹		Collections²		% Collected
Monthly Bills	\$ 81,090,174	\$	76,932,201		94.87%
Annual/Bi-Monthly Accounts ³	\$ 2,787,739	\$	1,759,279		63.11%
Quarterly - 4 quarters ⁴	\$ 27,334,604	\$	27,346,964		100.05%
City Bills	\$ 6,859,193	\$	6,859,193		100.00%
Total	\$ 118,071,710	\$	112,897,637		95.62%
Penalties	\$ 906,240	\$	544,120		
Grand Total	\$ 118,977,950	\$	113,441,757		

1 Total Fiscal Year billings reflect actual status as of June 30, 2015 and includes amounts in litigation.

2 Collection figures include payments received through August 29, 2015.

3 Accounts with total annual drainage charges of \$60 or less and accounts for which no payment has ever been remitted are billed annually. Accounts with sewer and drainage charges only (no water) are billed bi-monthly.

4 Quarterly continue to be moved from quarterly to monthly as matched. Some monthly bills have been consolidated based on owner request and billed quarterly. As of this report, all quarters have been billed.

City of Houston
Public Works and Engineering Department
Dedicated Street & Drainage Fund Group
FY15 Adopted Budget and CIP Report
For the Quarter ending June 30th, 2015

<i>CONSOLIDATED APPROPRIATIONS</i>	<i>Adopted Budget</i>	<i>Adopted CIP</i>	<i>Adopted + Refined CIP²</i>	FY15 Preliminary Final (11/03/2015)
OPERATIONS AND MAINTENANCE				
Street and Drainage ¹	\$ 20,891,369		\$ 20,891,369	\$ 18,308,695
Traffic Operations ¹	\$ 23,440,000		\$ 23,440,000	\$ 21,450,791
Support Operations	\$ 920,200		\$ 920,200	\$ 611,071
Transfer to Stormwater Fund	\$ 14,012,000		\$ 14,012,000	\$ 14,012,000
Other Drainage Operational Expenditures	\$ 3,937,100		\$ 3,937,100	\$ 2,429,276
Total O&M	\$ 63,200,669		\$ 63,200,669	\$ 56,811,833
PERMANENT AND CAPITAL IMPROVEMENTS				
Street Resurfacing ¹	\$ 18,046,876		\$ 18,046,876	\$ 16,745,625
Bridge Replacement ¹	\$ 1,561,009		\$ 1,561,009	\$ 1,323,497
Concrete Replacement ^{1,4}	\$ 7,891,247		\$ 7,891,247	\$ 16,252,748
Capital Equipment	\$ 183,200		\$ 183,200	\$ 16,344
Total Permanent Impr./Capital Impr.	\$ 27,682,331		\$ 27,682,331	\$ 34,338,214
Sub-total - Budget	\$ 90,883,000	\$ -	\$ 90,883,000	\$ 91,150,047
CIP				
Metro Capital		\$ 57,109,000	\$ 57,109,000	\$ 49,149,879
Grant Funds		\$ 32,569,000	\$ 32,569,000	\$ 4,304,300
Capital Contribution		\$ 5,208,000	\$ 5,208,000	\$ 1,550,064
Other		\$ 2,057,000	\$ 2,057,000	\$ -
DDSRF Capital Fund (4042)		\$ 168,779,000	\$ 210,872,915	\$ 113,643,390
Total CIP		\$ 265,722,000	\$ 307,815,915	\$ 168,647,633
Total Permanent and Capital			\$ 335,498,246	\$ 202,985,847
Reconciling Items				
Transfer to DDSRF Capital Fund				
Transfer to DDSRF Capital Fund ⁴	\$ 162,346,556			
Total Transfers	\$ 162,346,556			
Grand Total	\$ 253,229,556	\$ 265,722,000	\$ 398,698,915	\$ 259,797,679
O&M Expenditure as Percentage of Total O&M Budget and CIP Appropriation³			15.85%	21.89%

- 1) Budgeted amounts for ongoing level of service provided by City Personnel - previously in the General Fund and reimbursed by METRO, now in fund 2310 and reimbursed by METRO.
- 2) The difference between Adopted CIP vs. Refined CIP is due to rollover of projects that were in the FY14 CIP but were not appropriated until FY15.
- 3) Based on the ReBuild Houston charter amendment, the percentage calculation is: The amount of the O&M (purple) divided by the amount appropriated (sum of blue highlighted numbers).
- 4) Transferring monies from the Transfer to DDSRF Capital account to cover increased costs related to the emergency street repairs that consists of full depth asphalt street repairs and concrete street panel replacements. In addition, the Adopted Budget for Transfer to DDSRF Capital was increased by \$31.3M (from \$131.0M to \$162.3M) to reflect the budget amendment that was approved by City Council in FY15.

Advisory Committee: CY 2016 Meeting Schedule – SUBJECT TO CHANGE

January 26, 2016

- PWE's Draft "5+5 Year Plan" (FY 17 – 26); CIP Program Update & Prioritized Need Areas
- Preview: CIP Town Hall Meetings & Process (February & March)

February 2016 – No RHAC meeting during CIP Town Hall Meetings

March 22, 2016

- Overview of CIP Town Hall Meetings and Public Input Period
- Look Back/Look Forward
- Discussion on "project selection, process methodology & recommended changes" for FY 18-27
- Suggestions for future educational workshops (August thru November below)

April 26, 2016

- Consensus on "project selection, process methodology & recommended changes" for FY 18-27

May 24, 2016

June 21, 2016

- Final Consensus on Recommendations for FY 18 – FY 27 Plan

July 26, 2016 – No RHAC meeting; PWE 101 Orientation Tour for interested members

August 23, 2016

- Workshop (Topic TBD)

September 20, 2016

- Workshop (Topic TBD)

October 25, 2016

- Workshop (Topic TBD)

November 15, 2016 (Nov. & Dec. meetings combined)

- Workshop (Topic TBD)
- Timeline for January release of FY 18-27 "5+5 Year Plan"
 - January 20, 2017 (tentative) – Release of Internal Draft FY 18-27 "5+5" to RHAC
 - January 24, 2017 – RHAC discussion on Draft FY 18-27 "5+5"
 - Feb/March – CIP District Town Hall meetings/Public Comment Period