



City of Rowlett

Work Session Agenda

City Council

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.

Tuesday, February 10, 2015

5:30 P.M.

City Hall Conference Room –
4000 Main Street

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment

1. **CALL TO ORDER**
2. **WORK SESSION (5:30 P.M.)**
 - 2A. Discuss Fundraising Goals for Kids Kingdom. (30 minutes)
 - 2B. Discuss the drafting of an ordinance calling for a May 2015 Bond Election as recommended by the Community Investment Program Task Force. (45 minutes)
 - 2C. Discuss proposed Community Enhancement Projects Program (\$0.0075). (45 minutes)
 - 2D. Discuss Community Development Block Grant RFP for 2015-2019 Consolidated Plan. (20 minutes)
3. **ADJOURNMENT**

Laura Hallmark

Laura Hallmark, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website (www.rowlett.com) on the 5th day of February 2015, by 5:00 p.m.



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 02/10/15

AGENDA ITEM: 2A

TITLE

Discuss Fundraising Goals for Kids Kingdom. (30 minutes)

STAFF REPRESENTATIVE

Jermel Stevenson, Director of Parks and Recreation
Keith Flournoy, Parks Manager

SUMMARY

In Spring of 2013 Kids Kingdom was deconstructed due to severe maintenance needs and the fact that the treated wood of the playground had been banned because it was treated with Chromated Copper Arsenate (CCA). After the removal of the playground, the City Council committed \$100,000 towards the rebuilding of a New Kids Kingdom and challenged the community to initiate fundraising efforts for a new playground, with \$100,000 being the initial fundraising goal as stated in the June 4, 2013, City Council work session. Fundraising efforts to meet the Council's commitment began soon after by the PARDners Foundation. These efforts had limited success. Nevertheless, we expect an increase in donations after we get an actual cost of what it will take to replace the playground.

BACKGROUND INFORMATION

The Parks Advisory Board has established an Ad-Hoc playground committee to lead the rebuild efforts of the New Kids Kingdom. In December 2014, the firm Play-By-Design was selected through the RFQ process as our consultant on this project. The playground committee has established several sub-committees in the areas of materials, tools, marketing, food, volunteers, site coordinator, general coordinator, child care, special needs and fundraising. Each sub-committee chairperson has been given roles and responsibilities.

The Playground Committee met on Monday, January 5, 2015, to discuss plans for the upcoming "Playground Design Unveiling Day" and fundraising goals. The committee decided to table establishing fundraising goals until after we have the cost estimate for the New Kids Kingdom from the consultants. The goal for the Unveiling Day was to establish a volunteer base, which is necessary as we progress towards a build day.

During the week of January 5, 2015, over 5,000 letters were sent home to students in the Rowlett elementary schools inviting parents to bring their kids to our "Playground Design Unveiling Day", which was held on Friday, January 16, 2015, at the Rowlett High School Cafeteria from 6:00pm to 8:00pm. The children were given the opportunity as a project to submit drawings of their new Kids Kingdom. Those drawings were collected by staff and given to the designers from Play-By-Design, who used them to create a conceptual design inspired by the children's drawings. The drawings were put on display in the Rowlett High School Cafeteria during the unveiling event.

On Thursday, January 29, 2015, the City Council met in a joint work session with the Parks Advisory Board members focused on the fundraising goals for Kids Kingdom. The group spent a considerable amount of time discussing the types of funds that might be raised, including the possibility of sweat equity for certain features and cash fundraising for additional amenities. City Council decided to table the discussion item until the final design of the project was completed and the estimated project costs were identified. City staff anticipated those deliverables would take place during the week of February 2, 2015.

In the end, the group desired to delay the decision on a challenge goal until after the estimates from the design consultants were completed the following week.

Council decided to continue this discussion during the previously mentioned joint work session with the Parks and Recreation Advisory Board, to discuss fundraising goals and expectations for the project.

DISCUSSION

To date, the Playground Committee has yet to establish a fundraising goal for the rebuild of Kids Kingdom. Their preference was to wait until we had an actual cost estimate for the project before doing so. This past week, staff received the latest design concept with a probable cost for the project being \$750,000.

There is a special work session scheduled with the Parks and Recreation Advisory Board scheduled for Monday, February 9, 2015 in order to discuss the latest information and to receive input from the board members regarding options for the design and cost. The discussion for the Committee includes:

- phasing in various equipment and amenities
- fundraising concerns and targets
- discussions relative to the upcoming bond

Staff anticipates the Parks Board will be able to make a recommendation prior to the February 10, 2015, Council meeting where the bond amounts will be approved. At that point, the committee feels a fundraising goal can be established. The committee wants to be certain that any fundraising goals that are established are realistic and obtainable.

In addition to the \$100,000 committed by the City Council, there is an estimated \$13,338 that has been raised through the PARDners Foundation and Keep Rowlett Beautiful, and some funds were donated directly to the City. If the goal of \$100,000 is still the target, then considerable work remains to be done.

Currently, a majority of the Committee has expressed the opinion to eliminate the fundraising efforts entirely. Their idea is that a successful bond can finance the entire project. However the prior stated Council goal of \$100,000 has not yet been met.

The purpose of our discussion tonight is to seek guidance on the following questions:

- Does the Council want to pursue fundraising efforts originally stated in the June 4, 2013, work session? (\$100,000 in addition to the City's contribution of \$100,000)
- Does the Council want to set different goals (larger or smaller) other than the original \$100,000 Council stated goal?
- Does the Council want fundraising dollars to offset overall project costs or be used to pay for amenities?
- Does the Council want to defer the fundraising efforts until the cost estimate and bond targets are set?
- Does the Council want to eliminate the fundraising goals altogether with the intent of funding the project entirely through the bond election?

FINANCIAL/BUDGET IMPLICATIONS

The cost of the design for Kids Kingdom is \$750,000. There are options that can be implemented in order to keep the cost of the playground at an approximately \$600,000 budget, which would be in line with the bond initiative. These options will be reviewed with the Parks and Recreation Advisory Board during a special work session on Monday, February 9, 2015. This work session will enable the Department to present a recommended option(s) to City Council during the presentation of this subject matter.

RECOMMENDED ACTION

Staff seeks direction to determine fundraising goals, timing and processes.



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 01/27/15

AGENDA ITEM: 2B

TITLE

Discuss the drafting of an ordinance calling for a May 2015 Bond Election as recommended by the Community Investment Program Task Force. (45 minutes)

STAFF REPRESENTATIVE

Jim Proce, Assistant City Manager

SUMMARY

The City Council and the Community Investment Program Task Force (CIPTF), chaired by Erik Ernst, held joint meetings on January 13 and 27, 2015, to discuss the potential slate of projects to be considered for the May 2015 ballot. The meetings successfully resulted in consensus meeting the goals of the City Council and the CIPTF to provide a balance of projects and initiatives.

The purpose of this discussion is to review the next steps in the process, including discussing the final slate of proposed projects and the review of the ballot language.

Staff members from each of the functional areas will be available to discuss any project details or to answer any questions pertaining to project scopes, estimates, project phasing, strategies, or costs breakdowns.

BACKGROUND INFORMATION

The City has been planning for a bond election since 2012. On June 20, 2014, during the annual City Council Retreat with City Management, staff presented a plan to address the planned upcoming bond election in May of 2015 and the related process. During that discussion, several items and questions were discussed inclusive of a needs assessment, how we leverage future freed up bond capacity, and the public engagement/election calendar. Council provided consensus on several items that included confirming that the City would hold a bond election in May 2015, providing for a public engagement process that would include an ad-hoc committee that would operate as a citizen task force, and providing a plan that met the objectives of the City Council. These objectives included:

- Provide for a May 2015 election date.
- Provide for a public process which would be transparent and provide opportunity for public input and participation.
- Provide a balance of projects that would address not only infrastructure needs but quality of life projects and planning for growth.
- Projects selected will be accomplished in a three year period

- Could be accomplished within the debt capacity without a tax increase.

It has been nearly ten years since the last measureable governmental bonds were issued other than refinancings. As a result, the City has a large curve where bonded indebtedness will significantly drop off in the near future. This freed up bond capacity could provide the ability as much as \$76.5 million over the next ten years **without a tax rate increase**. It was discussed that the City could best leverage the freed up bond capacity in a series of bond packages (every three years). The initial targeted amount for this bond election is approximately \$25M, but based upon refined projections shown in Attachment 1, it could be as much as \$27M over the three year period.

On August 19, 2014, the City Council established the CIPTF for the purpose of providing a recommendation to the City Council for the proposed May 2015 bond election. The task force has been meeting since August of 2014 working on the development of a slate of projects for the City Council discussion and consideration.

On January 13, 2015, and again on January 27, 2015, the City Council and the task force held joint meetings to discuss the potential slate of projects for the May 2015 Bond Election. In a 4½ hour marathon session on January 27, 2015, the group compiled a list of projects totaling \$25.2 million, which you can see on Attachment 2. More specific information about each project, as well as links to meetings and other documents can be found on the City's website at www.rowlett.com.

Bond Election (cont. from page 1)

Potential projects were categorized to strategically address the balanced needs of the community and provide citizen value.

- ✓ Infrastructure Needs
- ✓ Planning for Growth and Capacity Needs
- ✓ Quality of Life Initiatives

CIPTF Project Development Process

- Committee tours of facilities and infrastructure
- Committee development of ranking criteria
- Committee evaluation of proposed projects
- Committee ranking and prioritizing of proposed projects
- Determination of implementation strategies
- Review of financial capacities
- Planning for future bond initiatives for 2018

THE CITY OF ROWLETT BOND ELECTION 05.09.2015 NO TAX RATE INCREASE!

Projects Under Consideration Include:

- Alley Repairs
- Roads
- Drainage
- Public Safety Facilities
- Infrastructure
- Technology
- Parks
- Facility Improvements

Projects to be included in the 2015 CIP Bond Election will be finalized this month.

The projects identified for the 2015 bond election will be a commitment to the community!
For More Information, Please Visit the CIPTF page at www.rowlett.com

DISCUSSION

The process of developing the proposed slate of projects included many steps that were initiated by the CIPTF, Staff from several functional departments, solicitation of public input through a

series of meetings with citizens, civic groups, and advisory boards and commissions. Solicitation for public input has been through public meetings, social media, interactive website, RTN16 broadcasts, hand written suggestions from citizens, and face-to-face feedback.

The process of project development included:

- Committee tours of facilities and infrastructure
- Committee development of ranking criteria
- Committee evaluation of projects submitted for consideration
- Committee ranking and prioritizing of submitted projects
- Determination of implementation strategies
- Review of financial capacities
- Planning for future bond initiatives for 2018

Projects were categorized in three strategic topics for the purpose of addressing the balanced needs of the community. These categories are:

- Infrastructure Needs
- Planning for Growth & Capacity Needs
- Quality of Life Initiatives

These strategic categories enabled the task force to provide a recommendation that provides a balance of community needs and wants that will provide significant value to Rowlett citizens.

On January 27, 2017, the City Council and the CIPTF reached consensus on the mix of priorities. The result of this meeting yielded the following summary, the details of which are provided in Attachment 2. Please note that the breakdown below does not represent the categories for the ballot questions themselves, but represents broader strategic categories by type.

Project	%	\$
EXISTING INFRASTRUCTURE PROJECTS	65.7%	\$16,560,000
QUALITY OF LIFE PROJECTS	17.2%	4,347,000
PLANNING FOR GROWTH PROJECTS	17.1%	4,305,000
PROJECT TOTAL	100.0%	\$25,212,000
PROJECTED COST OF BOND ISSUANCE		500,000
TOTAL AMOUNT OF BONDS TO BE ISSUED		\$25,712,000
BALANCE		1,358,000
TOTAL PROJECTED BONDING CAPACITY		\$27,070,000

The City’s financial advisors, First Southwest, have provided the projections illustrated in Attachment 1, to support these numbers with the goal of being able to take advantage of future taxing capacity in order to issue the bonds without a tax increase. They are currently working on the cost of issuance, which will be included in the final ordinance documents. This will be approximately \$500,000.

The City's bond counsel, Leroy Grawunder, Jr., of McCall, Parkhurst & Horton L.L.P., has provided the language for the ballot (Attachment 3) and guidance for the process (Attachment 4) and representatives of this firm will present this to Council during this work session. The information provides the breakdown of the ballot language and supplemental information for your information. The supplemental information includes:

- Election and Notice Schedule for May 9, 2015 Election,
- Contract with the Voters,
- Bond Election Ethics Issues,
- Frequently Asked Questions Regarding Employee/Officer Conduct and Comments Leading up to a Bond Election,
- Texas Election Code and Texas Ethics Commission Requirements with Regards to Forming Political Action Committees.

Staff was asked if the entire bond issuance could be on one ballot question; however, due to the disparate nature of the types of projects, state law, and the recommendations of our bond counsel, the ballot will contain three questions as listed below. Proposition No. 1 will primarily address streets and alleys, such as the alley reconstruction program. Proposition No. 2 will primarily address parks and amenities such as the improvements to Springfield Park. And Proposition No. 3 will primarily address public facilities such as the fire training facility. Please note that the totals of each question will have to include a portion of the bond issuance costs; therefore, the numbers below currently represent only the amount representing the cost of each project. As such, the totals below are subject to change.

PROPOSITION NO. 1

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City in the aggregate principal amount of \$18,565,000, for the public purpose of constructing, improving, extending, expanding, upgrading and developing streets and roads, including utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way and other costs related to such street and road projects; with said bonds to be issued in one or more series or issues, to mature serially or otherwise not to exceed 40 years from their date, and bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said city in an amount sufficient to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?

PROPOSITION NO. 2

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City in the aggregate principal amount of \$4,067,000, for the public purpose of constructing, improving and equipping municipal parks and recreational facilities and the acquisition of land and interests in land necessary therefor, such projects to include trails, sports fields, Community Centre and aquatic facilities; with said bonds to be issued in one or

more series or issues, to mature serially or otherwise not to exceed 40 years from their date, and bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said city in an amount sufficient to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?

PROPOSITION NO. 3

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City in the aggregate principal amount of \$2,580,000, for the public purpose of constructing, improving and equipping public safety facilities for the fire and police departments, consisting of a training facility and communications equipment and transmission lines, with any surplus funds to be used for the construction, renovation and equipment of fire stations; with said bonds to be issued in one or more series or issues, to mature serially or otherwise not to exceed 40 years from their date, and bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said city in an amount sufficient to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?

FINANCIAL/BUDGET IMPLICATIONS

In June of 2014 the City Council provided the direction to Staff to develop a plan within the bonding capacity with the intent of accomplishing the program without a tax increase. The initial targeted estimate for the bond amount was between \$22.0 million and \$25.0 million based upon the projections provided at that time. Since then, the financial forecasts have been refined and the projections have been revised to be \$27.1 million. Under this consideration, the CIPTF recommendation targeted identifying approximately \$25.0 million with the remainder to be allocated to cover the cost of issuance of the bonds. The joint meeting with City Council and the CIPTF resulted in a slate of projects totaling \$25.2 million plus the cost of issuance, which is currently estimated at \$0.5 million for a total of \$25.7 million.

The \$25.7 million, inclusive of the cost of issuance, can be achieved without any impact to the current tax rate.

RECOMMENDED ACTION

Provide consensus on the project balance of priorities and the bond language for calling the ballot on February 17, 2015, for May 2015 Bond Election.

ATTACHMENTS

- Attachment 1 – Bond Election Financial Projections
- Attachment 2 – CIP Proposal
- Attachment 3 – Draft Ballot Language Ordinance
- Attachment 4 – Supplemental Information

City of Rowlett, Texas

Capital Improvement Plan

Preliminary- December 12, 2014

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>	<u>K</u>	<u>M</u>	<u>N</u>
FYE 30-Sep	Taxable Assessed Value ⁽¹⁾	Assessed Value Growth	Total Outstanding Debt Service	LESS: Self Supporting Debt Service			Total Net Debt Service	Proposed Capital Plan			Total Net Debt Service	Calculated I&S Tax Rate ⁽¹⁾
				Assumes 8/1 Delivery Date in Each Year				\$10,085,000	\$4,750,000	\$12,235,000		
				GOLF	W&S	DRAINAGE		Series 2015 ⁽²⁾	Series 2016 ⁽³⁾	Series 2017 ⁽⁴⁾		
								3.10% Interest	4.50% Interest	5.00% Interest		
2015	\$ 3,274,028,998	5.05%	\$ 9,370,068	\$ (243,251)	\$ (1,474,943)	\$ (375,383)	\$ 7,276,492				\$ 7,276,492	\$ 0.2374
2016	3,428,148,771	4.71%	9,559,645	(244,990)	(1,638,991)	(376,033)	7,299,632	\$ 677,463			7,977,094	\$ 0.2374
2017	3,529,434,985	2.95%	9,538,458	(241,990)	(1,639,958)	(375,670)	7,280,840	677,995	\$ 251,388		8,210,222	\$ 0.2374
2018	3,632,279,448	2.91%	9,205,944	(243,990)	(1,645,392)	(379,214)	6,937,348	678,351	212,400	\$ 635,540	8,463,639	\$ 0.2378
2019	3,632,279,448	0.00%	8,550,530	(245,840)	(1,465,256)	(377,229)	6,462,205	677,608	212,400	996,875	8,349,088	\$ 0.2345
2020	3,632,279,448	0.00%	8,189,264	(242,540)	(1,458,538)	(379,759)	6,108,427	675,526	398,125	996,625	8,178,703	\$ 0.2298
2021	3,632,279,448	0.00%	7,857,018	(244,240)	(1,456,047)	(376,275)	5,780,455	677,136	399,350	995,375	7,852,317	\$ 0.2206
2022	3,632,279,448	0.00%	7,369,618	(245,790)	(1,309,821)	(376,650)	5,437,356	677,560	395,238	998,000	7,508,154	\$ 0.2109
2023	3,632,279,448	0.00%	6,588,555	(242,190)	(1,310,852)	(376,275)	4,659,238	676,755	395,788	999,375	6,731,155	\$ 0.1891
2024	3,632,279,448	0.00%	5,808,028	(242,990)	(1,315,055)	(375,150)	3,874,832	679,840	395,888	999,500	5,950,060	\$ 0.1672
2025	3,632,279,448	0.00%	3,752,070	(242,990)	(10,805)	(377,931)	3,120,343	677,013	395,538	998,375	5,191,268	\$ 0.1458
2026	3,632,279,448	0.00%	2,205,656	(242,790)	(10,496)	(379,481)	1,572,888	678,235	399,625	996,000	3,646,748	\$ 0.1024
2027	3,632,279,448	0.00%	679,593	(242,053)	(10,187)	-	427,354	678,408	398,150	997,250	2,501,161	\$ 0.0703
2028	3,632,279,448	0.00%	670,684	(241,103)	(6,757)	-	422,824	677,489	396,225	997,000	2,493,538	\$ 0.0701
2029	3,632,279,448	0.00%	680,665	(244,940)	(9,671)	-	426,054	675,445	398,738	995,250	2,495,486	\$ 0.0701
2030	3,632,279,448	0.00%	664,359	(243,353)	-	-	421,006	677,430	395,688	996,875	2,490,999	\$ 0.0700
2031	3,632,279,448	0.00%	662,059	(241,553)	-	-	420,506	678,475	397,075	996,750	2,492,806	\$ 0.0700
2032	3,632,279,448	0.00%	244,540	(244,540)	-	-	-	678,560	397,788	999,750	2,076,098	\$ 0.0583
2033	3,632,279,448	0.00%	242,103	(242,103)	-	-	-	677,510	397,825	995,875	2,071,210	\$ 0.0582
2034	3,632,279,448	0.00%	244,453	(244,453)	-	-	-	675,300	397,188	1,000,000	2,072,488	\$ 0.0582
2035	3,632,279,448	0.00%	241,378	(241,378)	-	-	-	676,970	395,875	997,000	2,069,845	\$ 0.0581
2036	3,632,279,448	0.00%	243,090	(243,090)	-	-	-	-	398,775	996,875	1,395,650	\$ 0.0392
2037	3,632,279,448	0.00%	244,378	(244,378)	-	-	-	-	-	999,375	999,375	\$ 0.0281
2038	3,632,279,448	0.00%	245,240	(245,240)	-	-	-	-	-	-	-	\$ -
			\$ 93,057,391	\$ (5,841,771)	\$ (14,762,770)	\$ (4,525,049)	\$ 67,927,801	\$ 13,549,068	\$ 7,429,063	\$ 19,587,665	\$ 108,493,596	

Assumptions:

- (1) Assumes Collection Rate of 98%. FY 2015 AV as reported by the City; Subject to change during the ensuing year
- (2) Assumes total estimated COI of \$183,595; Deposit to Construction Fund = \$9,901,405
- (3) Assumes total estimated COI of \$110,250; Deposit to Construction Fund = \$4,639,750
- (4) Assumes total estimated COI of \$205,645; Deposit to Construction Fund = \$12,029,355

1-27-15 JOINT CC/CIPTF COMBINED RECOMMENDED PROJECT LIST			
Code	Proposition #	Project	Total Project Cost (Recommendation)
EI	1	Phase 1 Lake Country Estates Street Reconstruction	\$3,650,000
EI	1	Advanced Traffic Management System	\$800,000
EI	1	Right Turn Lane on Main & PGBT	\$260,000
EI	1	Phase 1 Dalrock Estates Street Reconstruction	\$3,400,000
EI	1	Alley Reconstruction Program	\$2,000,000
EI	1	Phase 1 - Highland Meadows Street Reconstruction	\$3,030,000
EI	1	Primrose Lane Street Reconstruction	\$1,550,000
EI	1	Main St. Reconstruction from Roundabout to PGBT	\$1,870,000
QL	1	Sidewalk Connections	\$280,000
QL	2	Wet Zone Waterpark	\$660,000
QL	2	"Hike & Bike" Trail Plan	\$300,000
QL	2	New Kids Kingdom	\$500,000
QL	2	Rowlett Community Centre Renovation	\$350,000
QL	2	Lakeside Park	\$185,000
QL	2	Springfield Park	\$600,000
QL	2	Community Park	\$665,000
QL	2	Paddle Point Park	\$165,000
QL	2	Nature Trail	\$94,000
QL	2	Veterans Park	\$33,000
QL	2	Pecan Grove	\$75,000
QL	2	Shorewood Park	\$30,000
QL	2	Katy Railroad Park Soccer	\$100,000
QL	2	Katy Railroad Park Phase 2	\$310,000
PGR	3	New Public Safety Dept Training Center & Close Fiber Ring	\$2,580,000
PGR	1	Merritt Road Interconnector Phase 2	\$1,500,000
PGR	1	Traffic Signal at Chiesa & Liberty Grove	\$225,000
<i>EXISTING INFRASTRUCTURE PROJECTS</i>			\$16,560,000
<i>QUALITY OF LIFE PROJECTS</i>			\$4,347,000
<i>PLANNING FOR GROWTH PROJECTS</i>			\$4,305,000
PROPOSITION 1 - STREETS			\$18,565,000
PROPOSITION 2 - PARKS			\$4,067,000
PROPOSITION 3 - PUBLIC SAFETY			\$2,580,000
TOTAL PROJECT COST			\$25,212,000
PROJECTED COST OF BOND ISSUANCE			\$500,000
TOTAL AMOUNT OF BONDS TO BE ISSUED			\$25,712,000
BALANCE OF CAPACITY			\$1,358,000
TOTAL PROJECTED BONDING CAPACITY			\$27,070,000

ORDINANCE NO. _____

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, CALLING A BOND ELECTION TO BE HELD ON MAY 9, 2015; PROVIDING FOR THE CONDUCT AND THE GIVING NOTICE OF THE ELECTION; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, this City Council finds and determines that it is necessary and advisable to call and hold an election within said City on the propositions hereinafter set forth; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS:

Section 1. Findings.

The statements contained in the preamble of this Ordinance are true and correct and are adopted as findings of fact and as a part of the operative provisions hereof.

Section 2. Election Ordered; Propositions.

An election shall be held in the City of Rowlett, Texas, on May 9, 2015, at which election the following propositions shall be submitted in accordance with law:

PROPOSITION NO. 1

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City in the aggregate principal amount of \$_____, for the public purpose of constructing, improving, extending, expanding, upgrading and developing streets and roads, including utility relocation, landscaping, sidewalks, traffic safety and operational improvements, drainage, the purchase of any necessary right-of-way and other costs related to such street and road projects; with said bonds to be issued in one or more series or issues, to mature serially or otherwise not to exceed 40 years from their date, and bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all taxable property in said city in an amount sufficient to pay the annual interest on said bonds and provide a sinking fund to pay said bonds at maturity?

PROPOSITION NO. 2

Shall the City Council of the City of Rowlett, Texas, be authorized to issue and sell the bonds of said City in the aggregate principal amount of \$_____, for the public purpose of constructing, improving and equipping municipal parks and recreational facilities and the acquisition of land and interests in land necessary therefor, such projects to include trails, sports fields, Community Centre and aquatic facilities; with said bonds to be issued in one or more series or issues, to mature serially or otherwise not to exceed 40 years from their date, and bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at such price or prices, as the City Council in its discretion shall determine; and shall there be levied and pledged, assessed and collected annually ad valorem taxes on all

The election shall be held on election day at the polling places designated by the Dallas County Elections Administrator (the "Elections Administrator") in accordance with the provisions of a joint election agreement and contract for election services with the Elections Administrator (the "Election Services Agreement"). The locations of such polling places are set forth in Exhibit A attached hereto and incorporated herein. Exhibit A shall be modified to include additional or different election day polling places designated by the Elections Administrator and to conform to the Election Services Agreement.

Section 5. Early Voting.

(a) The Early Voting Polling Places for conducting early voting by personal appearance, and the address for early voting by mail, for said election only are as described and set forth in Exhibit A attached hereto. Exhibit A shall be modified to include additional or different early voting locations designated by the Elections Administrator and to conform to the Election Services Agreement. The Dallas County Elections Administrator shall serve as the early voting clerk in accordance with the terms of an Election Services Agreement.

(b) The early voting ballots shall be canvassed by the Early Voting Ballot Board, which shall be appointed and designated in accordance with the provisions of the Election Services Agreement.

Section 6. Voting Hours; Period for Early Voting by Personal Appearance.

(a) On election day the polls shall be open from 7:00 A.M. to 7:00 P.M.

(b) The dates and hours for early voting by personal appearance at the Early Voting Polling Places shall be as described in Exhibit A hereto.

Section 7. Persons Qualified to Vote.

All resident qualified electors of said City shall be permitted to vote in said election.

Section 8. Required Information.

In accordance with the provisions of Section 3.009(b), Texas Election Code, it is hereby found and determined that:

- (a) The proposition language that will appear on the ballot is set forth in Section 3 hereof.
- (b) The purpose for which the bonds are to be authorized is set forth in Section 2 hereof.
- (c) The principal amount of the bonds to be authorized is set forth in Sections 2 and 3 hereof.
- (d) As set forth in Sections 2 and 3 hereof, if the bonds are approved by the voters, the City Council will be authorized to levy annual ad valorem taxes on all taxable property in the City, within the limits prescribed by law, sufficient to pay the annual principal of and interest on the bonds and provide a sinking fund to pay the bonds at maturity.
- (e) [Based upon the bond market conditions at the date of adoption of this Ordinance, the maximum interest rate for any series of the bonds is estimated to be ____% as calculated in accordance with applicable law. Such estimate takes into account a number of factors, including the issuance schedule, maturity schedule and the expected bond ratings of the proposed bonds. Such estimated maximum interest rate is provided as a matter of

information, but is not a limitation on the interest rate at which the bonds, or any series thereof, may be sold.]

[Based upon the assumptions referenced below, which assumptions are based on current market conditions affecting the City, the estimated total tax rate of the City if the bonds are approved by the voters is \$___ per \$100 of taxable assessed value. Such estimated tax rate is the maximum rate projected by the City when the election was called, and is based on various assumptions relating to factors that contribute to the City's tax rate for its bonds, including current and projected tax roll values for the City, assumed credit ratings for the proposed bonds and the issuance schedule and maturity schedule for the bonds. Such estimated tax rate could be affected by material changes in the assumptions used, including changes in economic and legal environments that are beyond the control of the City. The estimated total tax rate is provided as a matter of information, but is not a limitation on the tax rate that may be levied to pay debt service on the proposed bonds.]

- (f) As set forth in Section 7 hereof, if the bonds are approved, they may be issued in one or more series over a period not to exceed 40 years.
- (g) The aggregate amount of the outstanding principal of the City's debt obligations which are secured by ad valorem taxes as of the beginning of the City's 20____ - ____ fiscal year is \$_____.
- (h) The aggregate amount of the outstanding interest of the City's debt obligations which are secured by ad valorem taxes as of the beginning of the City's 20____ - ____ fiscal year is \$_____.
- (i) The ad valorem debt service tax rate for the City for the 20____ - ____ fiscal year is \$_____ per \$100 of taxable assessed valuation.

Section 9. Effective Date.

In accordance with the provisions of V.T.C.A., Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

[Execution page follows]

PASSED, APPROVED AND EFFECTIVE this _____.

Mayor

City Secretary

[CITY SEAL]

EXHIBIT A

**City of Rowlett, Texas
Bond Election
May 9, 2015**

Election Day Precincts and Polling Places

County Voting Precincts

(consisting of the _____ County election precincts, or portions thereof, listed below and located within the corporate boundaries of the City of _____)

Polling Places

Early Voting

Any voter who is entitled to vote an early ballot by personal appearance may do so at any Early Voting Polling Place listed below.

Early voting shall be conducted by personal appearance at the locations set forth below and during the period early voting is required or permitted by law, being April 27, 2015, through May 5, 2015, on the following dates and times:

Main Early Voting Location:

Branch Early Voting Locations:

Temporary Branch Early Voting Polling Places

Dates and Hours for Early Voting

The Early Voting Polling Places for the election shall include all locations, on such dates and during such hours, as may be established by the _____ County Elections Department as Branch and Temporary Branch Early Voting Polling Places.

Address for Applications for Early Voting by Mail



McCall, Parkhurst & Horton L.L.P.
www.mphlegal.com

717 North Harwood, Ninth Floor
Dallas, Texas 75201-6587
(214) 754-9200

600 Congress Avenue, Suite 1800
Austin, Texas 78701-3248
(512) 478-3805

700 N. St. Mary's Street, Suite 1525
San Antonio, Texas 78205-3503
(210) 225-2800

BOND ELECTION MATERIALS
CITY OF ROWLETT, TEXAS

TRANSMITTAL LETTER

LAW OFFICES

McCALL, PARKHURST & HORTON L.L.P.

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: 214 754-9200
FACSIMILE: 214 754-9250

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: 512 478-3805
FACSIMILE: 512 472-0871

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 210 225-2800
FACSIMILE: 210 225-2984

February 4, 2015

Mr. Jim Proce
City of Rowlett, Texas
4000 Main Street
Rowlett, Texas 75088

Re: City Bond Election

Dear Mr. Proce:

The enclosed materials have been prepared to assist the City Council, the Mayor and City staff in preparing for calling and conducting a bond election. The materials have been prepared for a May 9, 2015, election.

We look forward to working with the City on the bond election.

Very truly yours,

McCALL, PARKHURST & HORTON L.L.P.

By: _____
Leroy Grawunder, Jr.

Enclosures

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Outline of City Bond Election Issues1

- 1 - Election and Notice Schedule for May 9, 2015 Election
- 2 - Contract with the Voters
- 3 - Bond Election Ethics Issues
- 4 - Frequently Asked Questions Regarding Employee/Officer Conduct and Comments Leading up to a Bond Election
- 5 - Texas Election Code and Texas Ethics Commission Requirements with Regards to Forming Political Action Committees

OUTLINE OF CITY BOND ELECTION ISSUES

LAW OFFICES

McCALL, PARKHURST & HORTON L.L.P.

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: 214 754-9200
FACSIMILE: 214 754-9250

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: 512 478-3805
FACSIMILE: 512 472-0871

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 210 225-2800
FACSIMILE: 210 225-2984

February 4, 2015

CITY BOND ELECTION MATERIALS

Below we have outlined some of the major legal issues involved in calling a bond election, structuring a bond issue and preparing the necessary documents in order to call the election.

I. PRELIMINARY ISSUES

- Type of projects to be bonded
- Sizing considerations
- Negotiation and execution of joint election agreements and/or election services agreements for election if election is to be jointly held (non-joint November elections are especially difficult)

II. TIMING CONSIDERATIONS

- Election and notice schedule for May 9, 2015 election - See "Exhibit 1"
- Availability of electronic voting equipment
- Date for holding election (current law authorizes bond election only on uniform election dates)
- Section 3.005 of the Election Code requires ordering an election held on the date of a non-general election not later than the 71st day before election (78 days for a general election date)
- Notice of election must be given to the county clerk and voter registrar of each county that the city is located not later than the 60th day prior to the election
- A substantial copy of the election ordinance in English and Spanish must be posted at three (3) public places within the City, at City Hall and on the City's website if the City maintains a website not less than twenty-one (21) days prior to the date the election is to be held
- Notice of election in English and Spanish must also be published on the same day in each of two (2) successive weeks in a newspaper of general circulation in the City, the first of these publications to appear in such newspaper not more than thirty (30) days, and not less than fourteen (14) full days prior to the day of the election

- A copy of the election ordinance must be posted at each polling location on the first day of early voting and posted continuously through the day of the election
- Other general election notice/timing considerations (notice to election judges, office hours for election, etc.)

III. ELECTION DAY POLLING PLACES/ELECTION JUDGES AND CLERKS/EARLY VOTING

- Location of polling places/joint election procedures
- Appointment of election judges and clerks/joint election procedures
- Decision to utilize "motor voter" statute for multiple temporary early voting locations in accordance with Sections 85.062 and 85.063 of the Election Code
- Location of permanent and any temporary early voting polling places as well as appointment of judges and clerks
- Decision to have joint or non-joint early voting

IV. PROPOSITION/BALLOT LANGUAGE

- Single proposition versus multiple propositions with varying purposes
- Project specific language versus general constitutional language (preserving ability to use interest earnings and other excess funds for additional projects)
- Alternative propositions
- Wording of ballot
- Contract with voters issue - "Exhibit 2"

V. FEDERAL TAX LAW CONSIDERATIONS

- Consideration of any sizing issues
- Review/consideration of any management contracts
- Contract with rebate consultant regarding timing of construction draws and other rebate issues

VI. ETHICS ISSUES

- Officers or employees of the City are prohibited from spending City funds or using City resources (including other employees) on communications that support or oppose the bond election - See "Exhibit 3"
- The City can only prepare communications that factually describe the purpose of the bond election, and only if the communication does not advocate the passage or defeat of the bonds - See "Exhibits 3 and 4"
- Violations can subject City officers and employees to significant fines and/or jail time - See "Exhibits 3 and 4" and the opinions of the Texas Ethics Commission attached to such exhibit

- All materials prepared by the City regarding the bond election must also be in English and Spanish
- Political action committees in support of or against the bonds can be formed, but they must comply with Texas Election Code and Texas Ethics Commission requirements- See "**Exhibit 5**"

* * * *

ELECTION AND NOTICE SCHEDULE FOR MAY 9, 2015 ELECTION

May 2015 Bond Election Schedule of Major Events* Election Date¹ May 9, 2015

DATE	EVENT	TIME FRAME
February 8	First day for City Council to adopt the Ordinance calling the Bond Election. Gov. Code §1251.003(c)	90 days before election
February 27	Last day for City Council to adopt the Ordinance calling the Bond Election. §3.005	71 days before election
March 10	Last day to give notice of election to applicable county clerk(s) and to voter registrar. §4.008	60 days before election
April 9	First day to publish the first of two successive weekly notices of election in a newspaper circulated in the territory covered by the election. ² §4.003(a)(1), (c) & Gov Code §1251.003(e)	30 th day before election
April 20	Last day to post election ordinance, Notice of Election and contents of proposition on city or county's website, if website is maintained. §4.003(f)	21 st day before election
April 20	Last day to post Notice of Election and polling places on bulletin board. §4.003(b)	21 st day before election
April 20	Last day to post election ordinance in three public places in the boundaries of the political subdivision. §4.003(f)	21 st day before election
April 22	Last day to publish the first of two successive weekly notices of election in a newspaper circulated in the territory covered by the election. §4.003(a)(1), (c) & Gov. Code §1251.003(e)	17 th day before election
April 27	First day for Early Voting. The bond election ordinance must be posted at each polling location §85.001(a), (c) & (e) & §4.003(f)(1)	17 th day before election ³
April 29	Last day to publish the second of two successive weekly notices of election in a newspaper circulated in the territory covered by the election. §4.003(a)(1), (c) & Gov. Code §1251.003(e)	10 th day before election
May 5	Last day for Early Voting. §85.001(a)	4 th day before election
May 9	Election Day – Polls Open 7:00 a.m. to 7:00 p.m. The bond election ordinance must be posted at each polling location §41.031 & §4.003(f)(1)	Election Day

* All dates and deadlines may be subject to change by the Texas Legislature through future legislation.

** As a general rule, if the last day to perform an act falls on a Saturday, Sunday, or a legal state or national holiday, then the deadline becomes the next regular business day, unless a particular provision of the election code provides otherwise. **§1.006**

¹ Bond elections may only be held on the May and November uniform election dates. **§41.001**

² Home Rule cities must also give notice as provided in their charters.

³ If the governing body orders early voting to occur on a Saturday or Sunday, then notice of the early voting must be posted on the bulletin board 72 hours before such early voting during the early voting period. **§85.007(b) & (c)**

DATE	EVENT	TIME FRAME
May 12	Earliest possible day for City Council to canvass election. §67.003 (Notice of meeting to canvass election returns must be posted 72 hours before meeting. Texas Gov. Code §551.043)	3rd day after election ⁴
May 20	Last day for City Council to canvass election. §67.003(c)	11 th day after election

⁴ Before canvassing, any provisional ballots cast must be verified and counted and all ballots from outside the US received within 5 days of the election must also be counted.

CONTRACT WITH THE VOTERS

It is a well established principle of Texas law that proceeds of bonds approved by the voters may only be expended for the purposes for which they were approved and they may not be expended for additional or different purposes.⁵ The order calling a bond election, which must state the purpose for which the bonds will be issued, has been interpreted to create a contract with the voters if the voters approve the bond issue.⁶

When an election order calling an election states only the general purpose for which bonds will be issued and does not specify particular projects for which the proceeds will be used, the governing body is free to exercise its discretion in expending the funds for projects within the scope of the general purpose.⁷ Yet, even in such a case, the governing body must act reasonably.⁸ On the other hand, if the election order specifies the projects for which bonds will be issued, the proceeds can only be used for those specific projects, and cannot be applied to different projects.⁹ Texas law further provides that where an election order specifies the location of a project to be constructed, the governing body gives up its discretion to select a different location after the election passes and must construct the project at the location approved by the voters.¹⁰

In determining the purposes for which the bonds were voted, the courts have looked not only to the election order and notices, but also to resolutions, orders, and minutes adopted by the governing bodies prior to the election. Thus, where governing bodies formally adopt orders, minutes, resolutions, or "official statements" prior to the election, pledging that the proceeds of bonds will be used on a certain project or projects, such pledge also becomes part of the governing body's contract with the voters.

In certain instances a court has determined that the governing body is not bound by representations of employees. In *Davis v. Duncanville Independent School District*, Davis sought to enjoin the construction of a swimming pool by the district on the theory that prior to the election the superintendent had made numerous presentations to voters throughout the district, during which he described the facilities to be constructed with the proceeds of the bonds, and none of which representations ever included references to any swimming pools. The court held:

A school district was not bound by representations concerning use of school bond proceeds that were made by the school district superintendent at a number of community meetings and contained in a leaflet distributed to residents of the school district where the representations were not formally adopted by the school board as a body at a properly called meeting. *Davis*, at 16.

⁵ *Moore v. Coffman*, 200 S.W. 374 (Tex. 1918); *Black v. Strength*, 246 S.W. 79 (Tex. 1922).

⁶ *Moore*, at 374-375; *Black*, at 80-81; see also *Devorsky v. La Vega Independent School District*, 635 S.W.2d 904 (Tex. App. - Waco 1982, no writ); *Inverness Forest Improvement District v. Hardy Street Investors*, 541 S.W.2d 454 (Tex. Civ. App. - Houston [1st Dist.] 1976, writ ref'd n.r.e.); *Blanton v. City of Houston*, 350 S.W.2d 947 (Tex. Civ. App.- Houston 1961, writ granted), judgm't vacated & cause dism'd on other grounds, 353 S.W.2d 412 (Tex. 1962).

⁷ *Barrington v. Cokinos*, 338 S.W.2d 133 (Tex. 1960); *Hudson v. San Antonio Independent School District*, 95 S.W.2d 673 (Tex. 1936); *Levis v. City of Fort Worth*, 89 S.W.2d 975, 978 (Tex. 1936); *Davis v. Duncanville Independent School District*, 701 S.W.2d 15 (Tex. App. - Dallas, writ dism'd).

⁸ *Barrington*, at 143; *Levis*, at 978.

⁹ *Moore*, at 374-375; *Black*, at 80-81; *Devorsky*, at 908; *Inverness Forest Improvement District*, at 460; *Blanton*, at 951.

¹⁰ *Moore*, at 374.

Implied in the Court's holding, however, is the concept that if the board of trustees of the district does act as a body to formally adopt a specific group of projects or statements regarding specific projects to be financed with bond proceeds, the district has created a "*contract with the voters*" governing the use of bond proceeds for such purposes.

Furthermore, in *Taxpayers for Sensible Priorities v. City of Dallas*¹¹, the Court held that extraneous documents relating to a bond proposition that were not approved by the City Council do not form a contract with the voters. In *Taxpayers for Sensible Priorities*, the City's staff developed, printed and distributed a pamphlet and two other documents that described certain bond propositions, including a proposition relating to the Trinity River Corridor Project. All three documents bore the City's official seal and allocated amounts for various components of the project. In addition, the pamphlet included the names of each City Council member. The lawsuit alleged that these three documents were part of the contract with the voters and that the City violated the contract by altering the project from the description in the three documents. The Court disagreed and held that "the bond proposition itself is the contract between voters and the City, and extraneous documents not approved by the City Council do not form any part of that contract." In addition, the Court reaffirmed the holding in *Davis* that "a political subdivision cannot be bound by the representations of individual council members or the City staff."¹²

It is important to consider that the Court gave great weight to an affidavit of the City's secretary asserting that the City Council did not authorize the publication or distribution of the pamphlet, and that no official action of the City Council was taken to approve any other representation to the public regarding the Trinity River Corridor project, other than the proposition itself. *Taxpayers for Sensible Priorities* at 675. In doing so, the Court, as in *Davis*, implied that if the City Council had directed the production of the pamphlet and other documents, or approved their content by official action, the pamphlet and other documents may become part of the contract with the voters.

Notwithstanding these well established principles, there are several cases in which the courts found that even though a contract with the voters was created for a particular project or projects at a particular location or locations by formal adoption of orders, minutes, resolutions, or "official statements" prior to the election, the governing bodies did not act arbitrarily or illegally in abandoning or altering the size, scope, location or character of the projects.

In *Hudson v. San Antonio Independent School District*¹³, Hudson sought to restrain the district from spending bond proceeds of school bonds for other than construction of a high school building at a particular site. The voters had approved bonds in question "for the purpose of constructing, remodeling, equipping and repairing public free school buildings and the purchase of the necessary sites therefor." Two days before the election, however, the board of trustees of the district entered in its minutes an "official statement" that if the bonds were approved, the board would use \$750,000 of the proceeds to build a new senior high school at "Aster and South Pine Streets." Hudson argued that the board was bound by its official statement to build the high school at that location. The court stated that while the election order and notice were in general terms and gave the school board the discretion in expending the proceeds for legitimate projects, the official statement had the effect of pledging to the voters that the proceeds would be used for the particular projects. However, the court determined that the voters had not relied on the subsequent official statement in voting to authorize the school building bonds. Therefore, the court concluded the "official statement" would not be enforced, and the school

¹¹ *Taxpayers for Sensible Priorities v. City of Dallas* 79 S.W.3d 670 (Tex. App. – Dallas 2002).

¹² Id. at 675.

¹³ *Hudson v. San Antonio Independent School District*, 95 S.W.2d 673 (Tex. 1936)

board was not limited to using the bond proceeds for the high school. In so concluding, the court reasoned that conditions had so materially changed since the bonds were voted that building the high school would be unwise and unnecessary expenditure of school funds. Accordingly, the court also concluded that the school board had not acted arbitrarily in abandoning the high school project.

In making its decisions, the Court in the *Hudson* case relied upon the holding in *Black v. Strength*:

It will be noted that the opinion in the *Black* Case does not hold absolutely that in all instances where the voters have voted bonds, relying on a subsequent order pledging that the proceeds would be used on a certain project or projects, the governing body must carry out the order or pledge, regardless of consequences or changed conditions. It merely holds that the governing body must not "arbitrarily ignore or repudiate" such order or pledge. In the case at bar, it is shown ... by the record that the conditions have so materially changed since the bonds were voted that the building of the high school building here involved would be an unwise and unnecessary expenditure of public school funds. Such record does not show that the board acted arbitrarily in abandoning the project.¹⁴

At the same time, however, the Texas Attorney General has noted that *Hudson* cannot be read to establish the principle that the Board had the discretion to use bond proceeds for projects different from those approved by the voters.¹⁵ The Texas Attorney General notes that nothing in the *Hudson* court's opinion indicates that because the school board in that case could reasonably abandon the particular high school project, it had discretion to use bond proceeds for projects different from those approved by the voters. The board of trustees was clearly limited to expending the bond proceeds for constructing, remodeling, equipping, and repairing school buildings and acquiring the necessary sites. While such purposes were much broader than the particular high school building project the school board had abandoned, they were obviously not different or additional purposes given that these were precisely the purposes stated in the bond election proposition and approved by the voters.

¹⁴ *Hudson* at 674-675.

¹⁵ Op. Tex. Atty. Gen. LO98-060 (1998).

BOND ELECTION ETHICS ISSUES

The following is a general discussion regarding issues that frequently arise when conducting a bond election as they relate to political advertising. The employees and officers of a political subdivision should be aware of the legal requirements imposed on communications related to the bond election imposed by the Election Code and the Texas Ethics Commission.

The Election Code specifically prohibits a political subdivision from using public funds and resources to produce or distribute communications that support or oppose a bond election. Section 255.003(a) of the Election Code prohibits an officer or employee of a political subdivision from spending or authorizing the spending of public funds for "political advertising." The Election Code's definition of "political advertising" includes communications that support or oppose a candidate or a measure. A violation of Section 255.003 of the Election Code constitutes a Class A Misdemeanor and is punishable under the Texas Penal Code by a fine of up to \$4,000 and/or up to a year in jail. The Texas Ethics Commission is the primary body that enforces election law issues such as advocacy and can impose an additional civil penalty of up to \$5,000 per violation.

The Election Code's requirements apply to all communications, both written and oral, that are made by or at the direction of the employees and officers of the political subdivision (including members of its governing body) and (i) are published in a newspaper, magazine or other periodical, provided that such communication was paid for, (ii) are broadcast on the radio or television, provided that such communication was paid for, (iii) appear in a pamphlet, circular, flier, billboard or other sign, bumper sticker, or similar form of written communication or (iv) appear on an Internet website. Additionally, the prohibition against the use of public funds for communications that support or oppose a bond election extends to the use of all property of the political subdivision, including the payment of mailers. Even during non-working hours, the use of the political subdivision's copiers, telephones, computers, email system, software, fax machines, office supplies and other property is prohibited. The Election Code also contains a specific prohibition on the use of a political subdivision's internal mail system by its employees or officers to distribute communications that advocate a position on the election.

The Election Code does allow a political subdivision to expend public funds on election communications that factually describe the bond proposition if the communication does not advocate the passage or defeat of the bonds. However, the wording of any such factual communication needs to be carefully considered as the Texas Ethics Commission has indicated that no matter how much factual information appears in a communication, if the communication contains any amount of advocacy, the communication will be considered impermissible and will subject the employees and officers of the political subdivision who prepared it to liability. The communication's overall tone and the emphasis placed on certain statements can also lead to the communication being considered as advocating a position on the bond election.

To help assure that the information contained in a communication will be considered factual in nature, the information needs to be objectively verifiable and not subject to interpretation or evaluation. Types of generally permissible factual information include: the

identification and costs of the proposed projects, comparisons to the services or facilities of other similar political subdivisions, the estimated tax rate effect (assuming no change in assessed valuation), voting dates and polling locations. The communication may also encourage people to vote in the bond election.

However, the communication must be informational only in nature and cannot advocate a position with respect to the Bonds. Communications cannot use words or phrases that evaluate the proposed facilities or lack thereof, such as "fantastic," "state-of the art," "countless benefits," or "horrible shape." Such communications should also refrain from using motivational slogans like "good schools are the foundation of a good community" and "every child deserves a good school." Other statements intended to inspire action like "our future depends on your commitment," "put the children first," and "show that you care about our community" are also impermissible.

The following summary is intended to provide guidance to employees and officers when they are communicating, orally or in writing, regarding a future bond election of the political subdivision.

1. An employee or officer of a political subdivision may advocate for or against a bond election on his or her nonofficial or off-duty time, and using his or her own funds, so long as no resources of the political subdivision are used.
2. Actions or authorizations by an employee or officer of a political subdivision involving the spending of public funds for political advertising are prohibited by Texas Election Code 255.003. "Political advertising" is a communication that advocates a particular outcome in an election and includes statements made in writing, orally, email messages, posters, newsletters, fliers, television or radio ads and Internet sites. An employee or officer who makes use of any resources of the political subdivision to engage in political advertising, including computer, copier or telephone use, is spending public funds in violation of the Texas Election Code. Also, using paid time of employees of a political subdivision to create or distribute political advertising is prohibited.
3. Any factual statement can be made at any time regarding the bond election without violating the Texas Election Code. All political advertising, whether in support of or against a bond election, is considered advocacy and is strictly prohibited.
4. Most employees and officers violate the ethics laws by engaging in communication that is considered advocacy. Obviously, asking for support or rejection of a bond election is advocacy and using statements such as "Vote For X" and "Defeat Y" is also advocacy. However, one of the difficulties in understanding what is or is not advocacy comes from the Texas Ethics Commission's prior decisions that have indicated whether communication is advocacy can turn on the tone and emphasis of the statements made.
5. Officers or employees of the City are prohibited from spending City funds or using City resources (including other employees) on communications that

support or oppose the bond election. The City can only prepare communications that factually describe the purpose of the bond election, and only if the communication does not advocate the passage or defeat of the bond proposition(s).

6. Violations can subject City officers and employees to significant fines and/or jail time.
7. All materials prepared by the City regarding the bond election must also be in English and Spanish.
8. Political action committees in support of or against the bonds can be formed, but they must comply with Texas Election Code and Texas Ethics Commission requirements. Such materials are available on the website of the Ethics Commission at <http://www.ethics.state.tx.us/filinginfo/spacfrm.htm>.

FREQUENTLY ASKED QUESTIONS REGARDING EMPLOYEE/OFFICER CONDUCT AND COMMENTS LEADING UP TO A BOND ELECTION

It cannot be overstated that when conducting a bond election the employees, officers, directors, trustees, council members, and any other member of a governing body or representative of a political subdivision (collectively referred to herein as "employees and officers") must be aware of and adhere to the legal requirements imposed on the oral and written communications they make relating to the bond election by the Texas Election Code and the Texas Ethics Commission. The Texas Ethics Commission strictly enforces the legal requirements regarding statements made and actions taken by employees and officers of a political subdivision before a bond election, and often finds that well intentioned actions violate the law. Penalties for this sort of ethical violation include a personal fine imposed on the employee or officer responsible for the statement of up to \$10,000 and/or up to one year in jail.

The following list of questions and answers is intended to provide guidance to employees and officers of political subdivisions when they are communicating, orally or in writing, regarding a future bond election of the political subdivision.

Frequently Asked Questions

Q: What actions are prohibited prior to a bond election?

A: Actions or authorizations by an employee or officer of a political subdivision involving the spending of public funds for political advertising are prohibited by Texas Election Code 255.003. "Political advertising" is a communication that advocates a particular outcome in an election and includes statements made orally or in writing, email messages, posters, newsletters, fliers, television or radio ads and Internet sites. An employee or officer who makes use of any resources of the political subdivision to engage in political advertising, including computer, copier or telephone use, is spending public funds in violation of the Texas Election Code. Also, using paid time of employees of a political subdivision to create or distribute political advertising is prohibited.

Q: What can or can't I say about an upcoming bond election?

A: Any factual statement can be made at any time regarding the bond election without violating the Texas Election Code. All political advertising, whether in support of or against a bond election, is considered advocacy and is strictly prohibited.

Q: What's considered "advocating" for or against a bond election?

A: Most employees and officers violate the ethics laws by engaging in communication that is considered advocacy. Obviously, asking for support or rejection of a bond election is advocacy and using statements such as "Vote For X" and "Defeat Y" is also advocacy. However, one of the difficulties in understanding what is or is not advocacy comes from the Texas Ethics Commission's prior decisions that have indicated whether communication is advocacy can turn on the tone and emphasis of the statements made.

Q: How can I know if a statement I want to make is advocacy? "Tone and emphasis" of a statement is subjective and doesn't help me figure out if I'm about to make an ethical violation.

A: Unfortunately, the Texas Ethics Commission has not provided a clear answer. Prior Ethics Commission decisions are helpful in understanding the types of prohibited communications. The following statements were all considered advocacy by the Ethics Commission and provide some guidance in determining the types of statements that are impermissible:

"Although, as policy, we will not formally endorse, there is a choice there that some of our leaders highly favor. You can contact me for who and why, but I am confident all of you will research and make the right choice."

"It is very important for your children and the school district that the tax rollback election pass."

A newsletter headline indicated the governing body "seeks voter approval" and a quote stating "we want to sustain the excellence. And we are now asking voters if they too want to sustain the excellence."

"[O]ur citizens now have the opportunity to support X for the 21st Century. Please support the vision – our future depends on your commitment."

"This bond is the right thing to do for the children of this community."

The following types of terms and phrases are also considered advocating a position and should not be used:

"Best solution"

"State-of-the-art"

"Countless benefits"

"Horrible shape"

"Need"

"We must do something"

The following types of motivational slogans and calls to action are also violations:

"Good Schools are the Foundation of a Good Community"

"Every Child Deserves a Good Education"

"Put Children First"

"Show that You Care about Our Community"

Q: Is that an exhaustive list?

A: No. The comments listed above are representative of the type of statements that are considered advocacy. Any statement that is similar in tone or content to any of the above should be avoided.

Q: It doesn't seem like I can say much. What is permitted?

A: Texas Election Code 255.003(b) exempts communication that "factually describes the purposes of a measure if the communication does not advocate passage or defeat of the measure." Also, an employee or officer of a political subdivision may advocate for or against a bond election on his or her non-official or off-duty time so long as no resources of the political subdivision are used.

Q: If I'm working on an advocacy campaign in my free time, can I take phone calls at work or receive/respond to emails for that campaign from my work computer?

A: No. There is no de minimis exception to the use of equipment of the political subdivision. Brief telephone calls, one sentence emails, sending or receiving a fax, printing a single page off a work printer or making a single copy are prohibited. An employee or officer violates the Texas Election Code even if they will reimburse the political subdivision for the costs associated with using a work machine or resource. All advocacy activity should be conducted in the employee's or officer's free time and should not involve any machinery or equipment owned by the political subdivision.

Q: It is a fact that our political subdivision needs this project and will not be able to grow without it. Does the Texas Election Code allow me to explain that?

A: No. This type of statement is prohibited and considered advocating for the project. It is for the voters to determine need and the future growth of the community, and an employee or officer cannot explain a project this way. The following objectively verifiable information, is classified as factual and is representative of the type of information that can be presented by an employee or officer of a political subdivision prior to a bond election: growth rates; student capacity of a school facility; performance data; relationship between the political subdivision's mission and public welfare; specific data on how obtaining or not obtaining bond funds will affect the political subdivision's mission and goals; age/condition of facilities; tax rate effect; cost of projects; identifying the proposed projects; information on establishment of committees to assist management of successful bond programs; efforts to provide factual information about the election; voter registration and encouraging voter turnout; voting dates; and polling place locations.

Q: If I stick to factual information, will I avoid an ethical violation?

A: Probably, but it's necessary to remember that the tone and emphasis of the information presented, even if purely factual, may give rise to a violation punishable by the Texas Ethics Commission. Bold or italicized print in a written communication could be viewed as advocacy even if the information presented is strictly factual. Also, a preponderance of "facts" that set forth reasoning supporting passage of a bond election may result in the overall content of the communication being seen to be an advocacy statement.

Q: We want to prepare a newsletter/article/pamphlet/advertisement/press release explaining the bond election. Do these same issues apply?

A: Yes. Material produced by a political subdivision cannot contain advocacy. It is important to allow both opponents and proponents of a measure to use material produced by the political subdivision in their efforts. Favorable treatment to one side must be avoided. Extra copies

of materials produced by the political subdivision should not be provided to either side and they should make copies at their own expense.

Q: Can we provide space on property owned by the political subdivision for advocacy groups to distribute literature or advocate for their side?

A: As a general rule, advocacy literature produced by proponents or opponents cannot be distributed or available on property owned by the political subdivision, even if equal access is allowed to both sides. In some instances, such as elections involving college districts that have established "free speech" zones on its campus, advocacy provided by third parties can be posted or presented in such designated areas. Another exception is that a political subdivision can establish a public forum reserved for discussion of certain topics, at which advocacy literature may be made available by the advocacy groups, although the government itself cannot participate if its participation is to advocate passage. A public forum or public debate is permitted if all sides have the same opportunity to participate and viewpoint discrimination is prohibited and restrictions on the public forum must be reasonable in light of the purpose served by the forum.

Q: How serious is this type of ethical violation? What are the penalties?

A: A person who violates Texas Election Code 255.003 commits a Class A misdemeanor punishable by a civil fine of up to \$5,000, or, for a sworn complaint deemed frivolous, up to \$10,000. If the violation was intentional or knowing, criminal charges, including bribery, coercion of public servant or voter, abuse of official capacity or official oppression, could be brought. Each of these violations is against the employee or officer committing the offense and not against the political subdivision.

Examples

The following are summaries of certain decisions of the Texas Ethics Commission that, in light of the rules described above, offer insight into what is and is not permissible:

Ethics Advisory Opinion No. 443 (2002): Placement of campaign flyers in an area restricted to employees of the political subdivision is prohibited because it necessarily requires political subdivision employees to transport the flyers to the restricted area on work time. Allowing equal access for political advertising did not make the distribution of campaign flyers permissible.

Ethics Advisory Opinion No. 456 (2004): When a city council holds a meeting to discuss whether to place an issue before the voters, council members are likely to voice opinions about the issue and the city is not prohibited from broadcasting a tape of such a meeting if the broadcast is in keeping with the city's regular practice of broadcasting meetings. In that situation, city resources would not be used "for" political advertising even if an incidental effect of broadcasting the tape would be to broadcast statements supporting or opposing a ballot measure. However, there are likely situations in which one or more city council members might arrange a discussion of a matter with the hope that broadcasts of the discussion would influence the outcome of an election which could result in a violation.

Ethics Advisory Opinion No. 343: A forum in which all candidates in an election are provided the same opportunity to appear and speak is not a forum in support or opposition to any individual candidate, regardless of how the candidates actually perform.

Ethics Advisory Opinion No. 198 (1994): Corporations are prohibited from making expenditures for communications if they "expressly advocate" the election or defeat of a candidate for public office.

Ethics Advisory Opinion No. 77: Under an "express advocacy" analysis, a corporation could not pay for the printing or mailing of postcards stating "let's elect judges by qualifications," and then listing the winners of a county bar poll.

Ethics Advisory Opinion No. 172 (1993): A state employee could not be used as a political or personal scheduler but nonetheless found that directing a state employee to keep track of a legislator's overall schedule would not be a misapplication of the employee's time. The use of a state employee's work time to handle campaign transactions is a misapplication of employee's time unless it is incidental and unavoidable (e.g., forwarding campaign contributions to a campaign office.)

Sworn Complaint Order SC-230963: Mayor, city manager, city clerk and city attorney participated in the taping of a television program where they discussed proposed charter amendments and the effects of passing the amendments, including arguing in favor of the amendments. The television program was broadcast violating the Texas Election Code.

Sworn Complaint Order SC-230309: Dissolution of a city was proposed and the residents were sent a letter from the Mayor listing sixteen things that would happen if the city were dissolved and encouraging residents to "keep the control here – among the residents – not in the hands of outsiders." The Mayor was held to have violated the Texas Election Code.

Sworn Complaint Order SC-230205: Despite factual descriptions in a brochure, when considered in its entirety, it advocated a vote in favor of a bond proposition.

Sworn Complaint Order SC-220574: An advertisement in the local newspaper in the last edition prior to an election outlined a disagreement between two parties and linked the complainant by name to the disagreement, which involved taxes and water rate hikes. The Ethics Commission found these circumstances linked the complainant to two issues that can be perceived as unpopular and was therefore a violation of the Texas Election Code.

Sworn Complaint Order SC-210541: A school district trustee wrote two letters supporting his reelection and placed them in internal school district mailboxes. Even though the superintendent granted permission and called the other candidates and offered them the same opportunity, the trustee violated the Texas Election Code.

Sworn Complaint Order SC-210426: Mayor violated the Texas Election Code by directing his secretary to distribute a media release asking people to vote for a specific result in a referendum, despite a subsequent media release later that day stating the first media release had inadvertently contained the statement seeking support, acknowledging the first media release was improper and stating the city would be reimbursed for any costs involved with the error.

Sworn Complaint Order SC-210101: School employees who created a flyer advocating a position in the upcoming election on school district computer and made copies on school copiers before the school day began violated the prohibition against spending or authorizing the spending of public funds for political advertising.

Sworn Complaint Order SC-200416: General manager of a metropolitan transit authority violated the Texas Election Code by preparing a PowerPoint presentation that included a number of endorsements of a bond proposition from community organizations (e.g., "we support the light rail measure 100%").

Sworn Complaint Order SC-970852: Political advertising cannot be inserted into the city's water bill that is mailed by the city.

Sworn Complaint Order in the Matter of Jim Richardson: A hospital district administrator violated the prohibition against the use of public funds for political advertising, despite the respondent having reimbursed the district for the funds spent on political advertising.

Sworn Complaint Order SC-93029: A school district superintendent violated the Texas Election Code by circulating a cover memo stating "Be aware! Beware! Share!" to which was stapled a political advertisement distributed by the candidates in an upcoming election.

Sworn Complaint Order SC-231180: A circular prepared by a school district was deemed political advertising because it advocated passage of a bond measure by stating the "best solution" to the school district needs would be to do exactly what the school district has proposed to do with the proceeds of the bonds.

**TEXAS ELECTION CODE AND TEXAS ETHICS COMMISSION
REQUIREMENTS WITH REGARDS TO
FORMING POLITICAL ACTION COMMITTEES**

Chapters 251-258, Texas Election Code
Chapters 18, 20-26, Texas Ethics Commission Rules



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 02/10/15

AGENDA ITEM: 2C

TITLE

Discuss proposed Community Enhancement Projects Program (\$0.0075 tax). (45 minutes)

STAFF REPRESENTATIVES

Jim Proce, Assistant City Manager
Jermel Stevenson, Parks & Recreation Director
Tim Rogers, Public Works Director

SUMMARY

This item is to discuss the \$0.0075 tax increase that the City Council allocated for a Community Enhancement Projects Program. Staff will provide options for the Council to discuss in an effort to initiate the program and its related projects.

BACKGROUND INFORMATION

During the budget preparation process in the summer of 2014 and at the request of City Council, staff has been working on developing a new program for community enhancement and amenities. The initial three-year program proposed will identify the functions and types of projects that staff will be implementing with Council approval. These projects were intended to address aesthetic and visual improvements throughout the community. Specific projects will be developed for consideration and implementation and may include:

- Neighborhood entry features
- Landscaping
- Streetscaping projects
- Signage
- Monuments
- Screening walls and fences
- Median improvements

The program goals include:

- Provide a more attractive Rowlett
- Provide a sense of community and a sense of place
- Provide neighborhood beautification opportunities
- Identify strategic locations to optimize the use of available funds
- Enhance high visibility projects
- Enhance economic development
- Attract development and community interest

DISCUSSION

Much like parks, communities are often judged by a myriad of intangibles and first impressions are important. Amenities such as entrance features, medians, landscaping, and screening walls go a long way to create an expectation of quality in a community. In Rowlett, back-to-back droughts in 2005-2006 and 2011-2014 have created havoc with such infrastructure and many existing amenities appear tired and unimaginative. Additionally, opportunities for enhancements exist in our community and are prime for making the impression this community strives to create.

This implementation of the \$0.0075 tax increase adds about \$245,552 to be programmed for screening walls & fences, median improvements and landscaping, streetscape and signage, neighborhood entry features, etc.

Adopted 3 Year Community Enhancement Project Plan

Community Enhancement Programs	FY 2015	FY 2016	FY 2017	Total 3 Yr.
Screening walls & fences	\$61,388	\$61,388	\$61,388	\$184,164
Median & landscaping improvements	\$61,388	\$61,388	\$61,388	\$184,164
Streetscaping, signing & monuments	\$61,388	\$61,388	\$61,388	\$184,164
Neighborhood entry features	\$61,388	\$61,388	\$61,388	\$184,164
Total	\$245,552	\$245,552	\$245,552	\$736,656

- Budget assumes current tax rate and valuation is constant
- Total for YEAR 1 program is \$245K, which can be allocated as the Council approves

At the time of publishing the FY2015 Budget, the program was yet to be developed and the targeted areas and program specifics had yet to be discussed with Council. Projects had not been identified with any specificity. As such, staff has identified several opportunities for discussion with Council. In brief review, it was evident that these proposed items are beyond the level of available funding and, as a result, staff seeks guidance from the Council on setting priorities for this program. Once the priorities have been set by Council, the implementation will be administered by joint efforts of the Parks & Recreation Department and the Public Works Department, dependent upon project types selected. Topics for the Council discussion include the following items.

MEDIANS –

- May include landscaping, irrigation, ground covering, sod, and trees;

- Targeted areas include Dalrock Road, Dexham Road (north of SH66), Rowlett Road @ Castle, Miller Road @ Dexham Road.
- Estimated costs - \$25,000 - \$30,000 per location.

MONUMENTS –

- May include erection of additional similarly themed monuments at key intersections and entryways, landscape enhancements and irrigation.
- Targeted areas include Miller Road @ PGBT (2), Miller Road @ Dexham, Rowlett Road (north entry), and other thoroughfares.
- Estimated costs - \$25,000 - \$30,000 per location; monument costs \$10,000 - \$20,000 dependent upon size.

SIGNING –

- May include decorative or themed signing that can include street signing, directional guidance signing, or neighborhood theming street signing.
- Targeted areas include Downtown and surrounding areas, thoroughfares, and neighborhoods through a cost share initiative.
- Estimated costs - \$300-500 per single pole sign; sign monuments vary dependent upon size, project costs to be developed by size of area being addressed.
- Issue regarding signage –
 - Theming/branding
 - Standards and enforcement
 - Additional maintenance cost impacts

NEIGHBORHOOD ENTRY FEATURES –

- May include street gardens, lighting, landscaping, trees, bulb-outs, atrium grates, integrated traffic calming features, street furniture, and other project enhancements.
- Targeted areas are selected subdivision entries, thoroughfares, Kenwood Heights, College Park, and others.
- Suggested Pilot Project at Kenwood Heights entrance (2).
- Estimated costs - \$25,000 - \$30,000 per treatment.

SCREENING WALLS & FENCES –

- May include living screening walls, select landscaping, wrought-iron fencing and other types of masonry.
- Targeted areas include Dalrock Road and Rowlett Road.
- Estimated costs – Walls \$150-\$200 per foot and landscaping \$25,000 per application.
- Issues regarding walls and fences –
 - code revisions are required to establish sustainable standards for maintenance and appearance for both walls and fences; higher emphasis on thoroughfare standards
 - establishment of new standards to provide aesthetic value
 - transitioning to new standards over time

- use of living screens as alternative methods
- identify prohibitions in code regarding fence and wall construction methods and types
- funding mechanisms that may include PIDs

Since there are clearly many needs beyond the available funding, staff will provide Council discussion points to identify priorities for the desired program choices and targeted areas.

FINANCIAL/BUDGET IMPLICATIONS

\$245,552 is available to implement the Community Enhancement Projects Program.

RECOMMENDED ACTION

Provide direction to staff on the Community Enhancement Programs Program.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 02/10/15

AGENDA ITEM: 2D

TITLE

Discuss Community Development Block Grant RFP for 2015-2019 Consolidated Plan. (20 minutes)

STAFF REPRESENTATIVE

Marc Kurbansade, Director of Development Services
Erin Jones, Senior Planner

SUMMARY

As a recipient of Community Development Block Grant funds from the Department of Housing and Urban Development, one of the requirements is to prepare a Consolidated Plan every four years. The City of Rowlett last updated the Consolidated Plan in 2011; therefore, this document is due to be updated. Due to the extensive amount of research required to produce this document, the City will be required to seek additional administrative support services. This discussion item will cover the scope and costs associated with these additional services.

BACKGROUND INFORMATION

The City of Rowlett last approved a Consolidated Plan in August 2011. Since this 2011 update, the City has annually adopted corresponding Action Plans. These documents identify and prioritize the areas, both geographic and programmatic, where funds should be allocated.

Community Development Block Grant (CDBG) funds are distributed to municipal entities based upon the needs of the community. Over the recent past, funds allocated to the City of Rowlett have decreased significantly as the city-wide income increases. For instance, in the 2010 program year, where the funds used to last update the Consolidated Plan were allocated, Rowlett received a grant allocation of \$234,084. The funds allocated to Rowlett for the current 2014 program year decreased by over 20 percent to \$186,209. The below table illustrates the decrease in grant allocation by program year.

Program Year	Grant Amount
2010	\$234,084
2011	\$197,107
2012	\$228,181
2013	\$191,254
2014	\$186,209

DISCUSSION

The Consolidated Plan is a multi-year task item that includes extensive research and analysis. The purpose of the Consolidated Plan as described by the Department of Housing and Urban Development (HUD) is as follows:

The Consolidated Plan is designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs: Community Development Block Grant (CDBG) Program. The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. Grantees report on accomplishments and progress toward Consolidated Plan goals in the Consolidated Annual Performance and Evaluation Report (CAPER).

As mentioned in the Background section of this report, administrative costs associated with the oversight of the CDBG are set at a maximum of 20 percent of the overall grant. Recently, the apportioned administrative costs have been sufficient for typical annual tasks. However, multi-year task items, such as the update of the Consolidated Plan, have become impractical with the current grant amount. Our current consultant only contacted staff about six weeks ago to inform us that the current Administrative funds would not cover the five-year Consolidated Plan update. As a result, staff had no reason to believe that the funds would not be adequate for this purpose; therefore, funds were not specifically allocated for this expense in the Fiscal Year 2015 budget.

City staff is requesting that City Council provide consensus to proceed with the use of funds outside of the CDBG administrative funds in order to complete the 2015-2019 Consolidated Plan. This process will include the issuance of a Request for Proposals (RFP) in order to determine the candidate to complete this work. Staff research of other comparatively sized municipalities indicates that this additional cost would be approximately \$30,000 above current allocated administrative funds in the CDBG and will be paid out of the General Fund.

FINANCIAL/BUDGET IMPLICATIONS

This item will have an estimated cost of \$30,000. Adequate funds are not currently available in the Administrative portion of the Community Development Block Grant in order to complete this document and will be paid out of the General Fund.

RECOMMENDED ACTION

Provide direction to staff regarding proceeding with an RFP for the CDBG 2015-2019 Consolidated Plan update.