# PUBLIC BUILDINGS

## PUBLIC BUILDINGS

The recommended locations of the future public buildings are shown on Plate 15. These recommendations are based on what is believed will be Deer Park's needs for the twenty years of the planning period.

The public buildings presently in existence are adequate to meet the City's needs with the exception of a library and Community building. It is recommended that a larger Community building be constructed at a more central location. The Community building should be constructed in the period 1962-1967.

The construction of a Public Library should be of immediate concern to the City, as books are now being collected and stored in a frame building where they are subject to loss through fire, water damage and vandalism. It is recommended that the proposed library be located within the proposed Civic Center site to be located on Luella Avenue.

When the proposed Community building is constructed, the City Hall can expand into the existing community building. However, it is felt that a new City Hall will have to be constructed within the planning period. In this event, the present City Hall should be converted into a headquarters for the Police, Fire, and Civil Defense Departments and the new City Hall constructed in a more central location in the City. This site would be east of Luella Avenue, between "X" and "L" Streets . It is recommended that this site be in the Civic Center, containing the City Hall, Public Library and a Municipal Auditorium.

Within the period covered by this plan, the City will have to expand its fire department. With the Central Fire Station Located on 13th and Center Streets, one Fire Sub-station should be sufficient. The location of this Fire sub-station should conform to the Texas State Board of Insurance specifications which states:

(1) Engine companies should be located within 3/4 miles of each other in commercial and industrial areas.
(2) Engine companies should be located within 1 ½ miles of each other in normal residential areas.

The general location of the proposed Fire sub-station is shown on Plate B-2.

PREPARED THROUGH THE COOPERATION OF
THE TEXAS STATE DEPARTMENT OF HEALTH
The preparation of this material was financed in part
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of the Housing Act of 1954, as amended

# PUBLIC BUILDINGS PLAN

## LEGEND

1. City Hall
2. Library
3. Public Auditorium
4. Central Fire Station
5. Police & Civil Defense Bldg.
6. Fire Sub-Station
7. Fire Sub-Station
8. Maintenance Building
9. Hospital

DEER PARK CITY PLAN

SCALE IN FEET

MILLWEE & ASSOCIATES

PLATE 15

# SCHOOLS

## SCHOOLS

The school age population of the City of Deer Park at various dates in the future is presented in Table XIV, page 62 . The school age population at various dates according to Neighborhood Units is shown in Table XV, page 63 . In order to adequately provide for this population growth, the school facilities will of necessity have to be expanded.

The School Location Plan is shown on Plate S-1. This plan shows recommended general school locations. The schools were located in this manner to accomplish the following purposes:

(1) To protect the elementary school students from the hazards of crossing major thoroughfares on their way to and from school as these streets will carry large volumes of fast moving traffic.

(2) To provide elementary schools close enough to the students homes to permit them to walk to school without being required to walk excessive distances.

(3) To locate Junior and Senior High Schools on or near major thoroughfares in such a way as to be convenient to the neighborhood they serve and convenient with respect to motor vehicle circulation, as a great number of the students of such schools will travel to and from school by motor vehicle (school bus or private auto).

In order for the Planning and Zoning Commission and the City of Deer Park to make informed decisions relative to land use within the City generally accepted school site standards are presented. These standards are not meant to be binding to either the Deer Park or the La Porte Independent School Districts. Theses Minimum Standards are:

| | |
|---|---|
| Elementary Schools: | Eight to ten acres six acres minimum. |
| Junior High Schools: | Twenty acres minimum |
| Senior High Schools: | Varies depending upon athletic facilities normal requirements 25 tO 30 acres. |

In accordance with the projected school age population and school size limitations as assumed in the Facilities Report. It appears that the two school districts involved will have to provide the following new school plants prior to 1980.

DEER PARK INDEPENDENT SCHOOL DISTRICT:

Elementary Schools:

One elementary school in Neighborhood #1

One elementary school in Neighborhood #2

One additional elementary school in Neighborhood #3

One elementary school in Neighborhood #4

Two elementary school in Neighborhood #5

Total of six new elementary schools.

Junior High Schools:

One Junior high school in Neighborhood #2

Total of one new junior high school.

Senior High Schools:

The existing senior high school should be adequate until sometime after 1980.

LA PORTE INDEPENDENT SCHOOL DISTRICT:

Elementary Schools:

One elementary school in Neighborhood #4

One elementary school between Neighborhoods #7 and #8

Total of two new elementary schools

Junior High Schools:

None

Senior High Schools:

None

TABLE XIV

SCHOOL AGE POPULATION BY SCHOOL DISTRICTS

DEER PARK INDEPENDANT SCHOOL DISTRICT

| | 1960 | 1970 | 1980 | Ultimate |
|---|---|---|---|---|
| **Elementary School Age** | | | | |
| In Deer Park | 1175* | 2480* | 4654 | 5224 |
| Outside of Deer Park | 1339* | 1805* | -- | -- |
| Total | 2514# | 4285# | -- | -- |
| **Junior High School Age** | | | | |
| In Deer Park | 509* | 1070* | 1985 | 2239 |
| Outside of Deer Park | 254* | 726* | -- | -- |
| Total | 763# | 1796# | -- | -- |
| **Senior High School Age** | | | | |
| In Deer Park | 360* | 760* | 1284 | 2135 |
| Outside of Deer Park | 72* | 668* | -- | -- |
| Total | 432# | 1328# | -- | -- |

* Estimated from percentage

\# Obtained from records and estimates by DPISD

LA PORTE INDEPENDANT SCHOOL DISTRICT

| | 1980 | Ultimate |
|---|---|---|
| **Elementary School Age** | | |
| In Deer Park | 487 | 1980 |
| **Junior High School Age** | | |
| In Deer Park | 207 | 849 |
| **Senior High School Age** | | |
| In Deer Park | 233 | 814 |

NOTE: Total population residing in Deer Park in the La Porte Independant School District in 1960 was about 21 persons.

TABLE XV

SCHOOL AGE POPULATION FORECAST

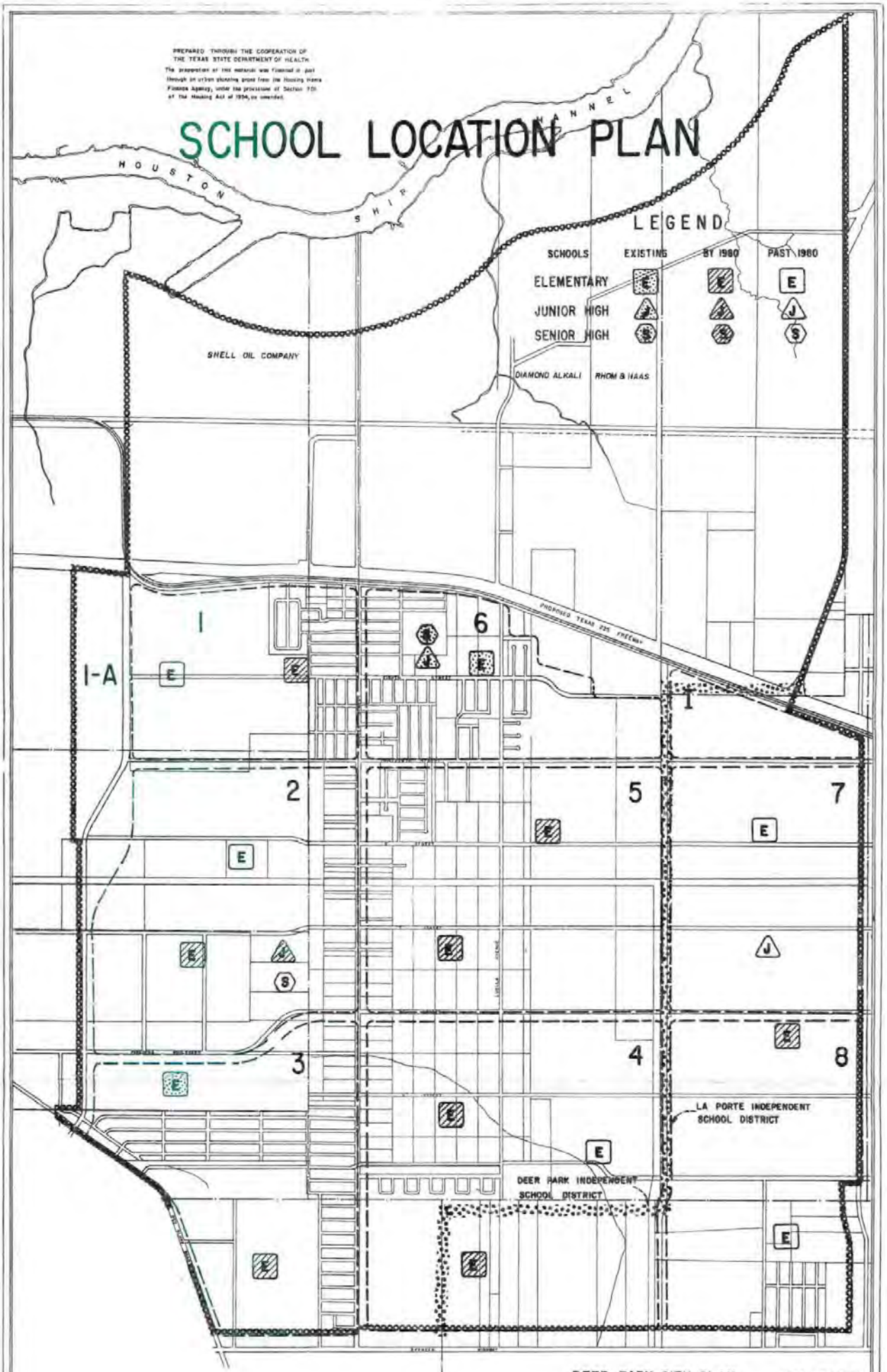
AT VARIOUS DATES

| Neighborhood Unit | Elementary School Age | | Junior High School Age | | Senion High School Age | |
|---|---|---|---|---|---|---|
| | 1980 | Holding Capacity | 1980 | Holding Capacity | 1980 | Holding Capacity |
| 1-A | 0 | 238 | 0 | 102 | 0 | 96 |
| 1 | 411 | 620 | 175 | 266 | 114 | 254 |
| 2 | 411 | 1010 | 175 | 435 | 114 | 415 |
| 3 | 1234 | 970 | 526 | 414 | 340 | 396 |
| Part of 4 | 872 | 901 | 371 | 388 | 240 | 368 |
| 5 | 1110 | 970 | 474 | 414 | 306 | 396 |
| 6 | 616 | 515 | 264 | 220 | 170 | 210 |
| Sub-Total (D.P.I.S.D.)*1 | 4,654 | 5,224 | 1,985 | 2,239 | 1,284 | 2,135 |
| 7 | 165 | 699 | 70 | 300 | 45 | 286 |
| Part of 4 | 157 | 359 | 67 | 154 | 43 | 150 |
| 8 | 165 | 922 | 70 | 395 | 45 | 378 |
| Sub-Total (L.P.I.S.D.)*2 | 487 | 1,980 | 207 | 849 | 133 | 814 |

TOTAL

*1 Deer Park Independent School District

*2 La Porte Independent School District


PREPARED THROUGH THE COOPERATION OF THE TEXAS STATE DEPARTMENT OF HEALTH
The preparation of this material was financed in part through an urban planning grant from the Housing Home Finance Agency, under the provisions of Section 701 of the Housing Act of 1954, as amended.
SCHOOL LOCATION PLAN
HOUSTON SHIP CHANNEL
LEGEND
SCHOOLS
EXISTING
BY 1980
PAST 1980
ELEMENTARY
JUNIOR HIGH
SENIOR HIGH
SHELL OIL COMPANY
DIAMOND ALKALI
RHOM & HAAS
PROPOSED TEXAS 225 FREEWAY
I
I-A
6
2
5
7
3
4
8
LA PORTE INDEPENDENT SCHOOL DISTRICT
DEER PARK INDEPENDENT SCHOOL DISTRICT
DEER PARK CITY PLAN
SCALE IN FEET
MILLWEE & ASSOCIATES
PLATE 16

# CAPITAL IMPROVEMENTS

## CAPITAL IMPROVEMENTS PROGRAM

As mentioned previously, the principal purpose of any municipality is that of providing services and facilities of a public nature to its citizens. The purpose of this report is to outline what the City's needs are expected to be for the period covered by this Plan based on the projected population and economic increases.

This section is presented in order to give the City an insight into the facilities that will be needed for a period of years and what these facilities will cost. Therefore, the City can plan its capital improvements in a systematic manner according to what the City can pay for these facilities.

The CAPITAL IMPROVEMENTS PROGRAM is devoted to answering three questions of the utmost importance to the realization of the overall COMPREHENSIVE PLAN. These questions are:

(1) What Community Facilities will be needed during the next six years and what will these facilities cost?

(2) How can these needed Community facilities be financed?

(3) What is the financial condition of the City?

This study is limited to the City's expenditures and it does not take into account the funds which will have to be expended inside the corporate limits of Deer Park by the State of Texas, Harris County, the Deer Park and La Porte Independent School Districts and other policial subdivisions in order for the COMPREHENSIVE PLAN to be followed.

FACILITIES NEEDED DURING SIX YEAR PERIOD AND COST ESTIMATES: The findings of previous reports and previous sections of this report indicate that: 1) the existing developed areas of the City are in the main served with adequate community facilities, the one outstanding exception being in the parks and recreation field, and 2) that in order for the City to realize the population

growth forecasted that approximately 420 acres of raw land will have to be provided with all community facilities to provide home sites for the anticipated new citizens.

In order to correct the inadequacies currently existing in the provision of community facilities and to provide community facilities for the anticipated growth, a total of approximately $1,542,000 will have to be expended for capital improvements by the City during the period from fiscal year 1962-63 to fiscal year 1967-68 inclusive.

The capital improvements recommended for consideration during the fiscal year 1962 year 1962-63 are as follows:

| | | |
|---|---|---|
| (1) | 1,500gpm well located at the Community Playfield on "P" Street ..... | $ 50,000 |
| (2) | One Million Gallon Ground Storage Tank at the same location ..... | 40,000 |
| (3) | Booster Pump Station and Appurtenances .... | 40,000 |
| (4) | 10" Water Main from New Water Plant to existing main on Center Street ..... | 14,000 |
| (5) | Drainage Ditch along the Raglin Survey Line between Willow Springs Bayou and the South Pasadena Plaza Subdivision ..... | 6,000 |
| (6) | Engineering Study of Drainage in Middle Bayou Watershed ..... | 1,000 |
| (7) | Thoroughfare Extension Fund to be expended as needed ..... | 77,000 |
| (8) | Sanitary Sewer Extension Fund to be expended as needed ..... | 18,000 |
| Total Capital Expenditures recommended for Fiscal Year 1962 | | $246,000 |

The capital expenditures required for community facilities recommended for construction during the five year period from fiscal year 1963-64 to fiscal year 1967-68 inclusive are as follows:

| | | |
|---|---|---|
| (1) | Throughfare to be constructed as required to serve new subdivisions ..... | $562,000 |
| (2) | Drainage | |
| | Center Channel, Planning Unit #5 .. | 15,000 |
| | East Channel, Planning Unit #5 .... | 15,000 |

(3) Sanitary Sewer Main Extensions as required to serve new subdivisions .....$132,000

(4) Water Mains Extensions as required to serve new subdivisions ..... 79,000

(5) Parks and Recreation Facilities
Community Playfield Facilities ..... 100,000
Community Building ..... 100,000

Neighborhood Parks & Playgrounds
Planning Unit #3 ..... 24,000

METHODS OF FINANCING PUBLIC IMPROVEMENTS: The primary purpose of municipal government is that of providing public facilities and services. In order to adequately provide these facilities and services, the municipality must have sufficient financing methods available. Among the more common methods of financing Public Improvements are: 1) Pay-as-you-go method; 2) General Obligation Bonds; 3) Revenue Bonds: 4) Warrants; 5) Assessment Method. The relative merits of each method are discussed below.

1) Pay-as-you-go Method: In some instances, the pay-as-you-go method of financing is the most feasible method of financing public improvements. That is, if the City's income is such that it can meet its operating costs and other obligations with an adequate surplus left over to provide "step-wise" public improvements as mentioned earlier in this report, it can escape the high interest payments encountered by finacing the improvements through the issuance of bonds. The principal advantage to this method of financing is that there are no interest payments required. Therefore, with careful planning, the City can apply the money which would otherwise be paid out as interest to other public improvements. The outstanding disadvantage to this method of financing is that the City's income must first be spent for the operation and maintenance of the City and the debt service requirements of any outstanding bonds. After these expenditures are made, and if a surplus exists, the surplus can be applied to capital improvements. It is quite likely that a sufficient surplus will not exist when a public improvements.

2) General Obligation Bonds: General Obligation Bonds are issued to finance public improvements of a general nature such as street improvements or park and recreation facilities. General Obligation Bonds are authorized by a majority vote of the qualified voters at a public referendum. These bonds are secured by the ad valorem taxes of the community. One advantage to this method of financing is that the City can borrow a large amount of money for immediate public improvements and pay out the balance over a period of years without incurring excessive payments in any one year. However, along this same line of thought, the city will have to pay a considerable amount of interest on the amount of money borrowed. Taking the common 30 year bonds at an interest rate of 4% to 4½%, the accumulated interest on the bonds at their maturity date will approximately equal the initial amount of money borrowed.

3) Revenue Bonds: Revenue bonds are issued primarily for the purpose of financing services offered by the City from which revenues can be derived. Revenue bonds are ordinarily authorized by a vote of the qualified voters of the community at a public election. Revenue bonds are secured by the pledge of revenues to be obtained from the sale of the services such as water service and/or sewer services. If the City's financial condition is such that it cannot meet its operational expense and maintenance expense with a sufficient surplus left over to meet existing debt service requirements and make the capital improvements as necessary, revenue bonds provide a recognized method of financing needed capital improvements.

4) Warrants: Warrants are short-term high interest bonds which may generally be considered as an emergency financing method. Under the Deer Park City Charter warrants as such do not exist. The City Charter outlines two procedures for emergency borrowing. Each procedure must be authorized by resolution of the City Council. Under Section 6.06 of the

City Charter, the Council may authorize the borrowing of money to meet a deficit by the issuance of notes, each of which shall be designated "Emergency Note" and may be renewed from time to time, but all such notes of any such fiscal year and any renewals thereof shall mature and be payable not later than the last day of the fiscal year in which the emergency appropriation was made.[1] Under Section 6.07 of the City Charter, the Council may by resolution authorize the borrowing of money, not to exceed in any fiscal year an amount equal to ten (ten) per cent of the budget for that fiscal year. The borrowing shall be by the issuance of "tax anticipation notes" for a particular tax year. These notes shall mature and be payable not later than the end of the fiscal year in which issued, and may be secured by the pledge of the ad valorem property taxes for such year.[2]

5) Assessment Method: The assessment method of financing certain public improvements has met with favorable reception in many Texas cities. Under this method of financing, the citizens who receive direct benefit from the facility provided are required to share the construction cost of the facility. The most common utilization of this method of financing public improvements is in the construction of minor streets. The home-owners may pay so much per front foot of land served by the street or some similar method. These costs may be paid in a lump sum basis or by addition to the annual tax statement by installments.

SUMMARY OF PRESENT FINANCIAL CONDITION: As of March 29, 1961, the City of Deer Park had outstanding General Obligation Bonds in the amount of $1,752,000.00 and an interest and sinking fund account of $52,586.00, leaving an outstanding debt of $1,699,414.00. Based on the population at that time of 5,303 persons, a general obligation debt of $320.52 per capita existed.[3] This debt per capita is essentially unchanged at this

[1] Deer Park City Charter

[2] Deer Park City Charter

[3] Source - Texas Municipal Reports, City of Deer Park, Harris County, March 29, 1961

time. In normal municipal financing procedures, it is recommended to maintain the net debt per capita down to approximately $100.00 per capita. This criteria does not apply to the City of Deer Park in that a disproportionate portion of the City's tax income is derived from industrial properties.

As of this time, disregarding the small amount of principal paid on the outstanding general obligation debt, the percentage ratio of the net debt to the assessed valuation of all taxable properties is about 7.5%. This ratio is based on a net debt of $1,699,414.00 and an assessed valuation of approximately $23,265,000.00.[4] The assessed valuation of properties in the City was increased from approximately $11,863,000.00 in 1960-61 to $23,265,000.00 in 1961-62 by the 1960 annexation. After this annexation, the percentage ratio of net debt to assessed valuation decreased from approximately 14.3% prior to the annexation to 7.5% after the annexation. It is normally recommended in municipal financing practice to limit the net debt to 10% or less of the assessed valuation.

Of the above mentioned General Obligation Bonds outstanding of $1,752,000.00; water and sewer tax bonds account for approximately $615,000.00 of this total. In addition to the General Obligation Bonds which were for water and sewer system capital improvements; the City of Deer Park has outstanding at this time (April, 1962) water and sewer revenue bonds in the amount of $519,000.00. The net income from the operation of the water and sewer department is sufficient to serve the revenue bonds which were expended for water and sewer capital improvements. This deficit has been made up by subsidies from the general fund.

In addition to general obligation bonds and water and sewer revenue bonds outstanding, the City has at this time (April, 1962) a floating debt outstanding of approximately $75,000.00. This debt was incurred primarily by

[4] Source - 1961-62 Budget, City of Deer Park.

purchase of land and fire fighting equipment and is in the form of notes secured by the purchased property.

FORECAST OF GENERAL FUND NET REVENUE: The City of Deer Park provides two basic types of services to its citizens, and its accounting activities takes this fact into account by the provision of a general fund bubget and a systems fund budget.

The general fund budget provides for the receiving and distributing of funds for general governmental services. The income to the general fund is normally derived in most Cities from ad valorem and franchise taxes, and from various fees, fines and permits. In the case of Deer Park, an additional source of income not common among municipalities are what is called "In Lieu of Tax Payments". These are payments made to the City by Industries located in municipal tax-free islands within the corporate boundaries of the City of Deer Park in return for the provision and maintenance of these tax free islands. The general fund expenditures are made for the provision of general governmental services which include: 1) protective services such as fire and police protection, 2) health and sanitation services such as insect control and the elimination of nuisances, 3) recreation services such as the provision of Parks and Playgrounds, and 4) transportation services such as the provision and maintenance of streets, traffic control devices, etc. In the case of Deer Park, garbage and refuse collection and disposal services are included in the general fund and paid for out of general fund income. This is not generally recommended as this service is more appropriately paid for by a service charge based on the amount of service actually rendered to the individual citizen.

The systems fund budget provides for the receiving and distributing of funds for the various quasi-business type operations which the City is engaged in. In the case of Deer Park, this includes the water and sewerage and should include garbage operations.

Estimates of the net general fund net revenue from 1962 to 1990 based on existing debt service requirements are shown in Table XVI. Column 1 of this table shows the anticipated increase in the ad valorem tax collections over the years. During the tax year of 1962, the industrial tax accounts for approximately 53% of the total ad valorem tax. The total amount of the industrial tax is not anticipated in this column to increase appreciably. A moderate and steady growth in tax yield from the non-industrial properties in Deer Park is anticipated. At the present time (1962), the assessed valuation of properties on the City of Deer Park tax roll is approximately 36.7% of actual value and the tax rate is $1.50 per $100.00 of assessed value.

The In lieu of Tax Payments listed in Column 2 of Table XVI are the second largest source of general fund income to the City of Deer Park. The existing In Lieu agreement between the affected Industries and the City was made in 1961 and expires in 1966 at which time the agreement is subject to renegotiation. Under this agreement, the Industries contribute $200,000 annually. In the forecast of General Fund Income, this contribution is assumed to continue at the same rate.

The general fund expenditures for general governmental services not including debt service (shown in column 6) is anticipated to decrease over the years, from about $66.00 per capita in 1962 to about $26.00 per capita in 1990. This decreased expenditure per capita for general governmental services will in part be brought about by the increase in size of the City making more economical operation possible. In order to realize this decreased expenditure per capita, an efficient local government will be necessary. Expenditures per capita for general governmental services for surrounding Cities are as follows:

| YEAR | MUNICIPALITY | EXPENDITURE |
|---|---|---|
| 1958 | Houston | $44.40[1] |
| 1958 | Pasadena | 14.70[1] |
| 1958 | Liberty | 23.75[2] |

FORECAST OF WATER AND SEWERAGE NET REVENUE: Estimates of the Net Revenue available for financing future capital improvements derived from the operation of the Water and Sewer Department are shown in Table XVII. The forecast of gross income is based on a continuation of the existing water and sewer service charges which are as follows.

[1]Source-Survey of Finances of Municipalities in Harris County-1958 Fiscal Year, Tax Research Association, Houston (August, 1959).

[2]Source-1959 Progress Report on the City of Liberty, Texas.

TABLE XVI

CITY OF DEER PARK

ESTIMATE OF GENERAL FUND REVENUE

1962 - 90

| YEAR | AD VALOREM TAX | IN LIEU INCOME | FEES AND PERMITS | FRANCHISE TAX | G.O. BOND DEBT SERVICE REQUIREMENT | GENERAL FUND EXPENDITURES | NET REVENUE |
|---|---|---|---|---|---|---|---|
| 1962 | $ 360,963 | $200,000 | $ 20,520 | $ 15,120 | $114,046 | $ 382,840 | $ 99,717 |
| 1963 | 376,994 | 200,000 | 22,162 | 16,330 | 106,859 | 398,322 | 110,305 |
| 1964 | 393,025 | 200,000 | 23,935 | 17,636 | 106,459 | 414,592 | 113,545 |
| 1965 | 412,263 | 200,000 | 25,849 | 19,047 | 106,980 | 431,698 | 118,481 |
| 1966 | 431,500 | 200,000 | 27,917 | 20,571 | 115,210 | 449,687 | 115,091 |
| 1967 | 453,944 | 200,000 | 30,151 | 22,216 | 115,194 | 468,606 | 122,511 |
| 1968 | 476,388 | 200,000 | 32,563 | 23,994 | 116,091 | 488,525 | 128,329 |
| 1969 | 502,038 | 200,000 | 35,168 | 25,913 | 113,879 | 509,487 | 139,753 |
| 1970 | 527,688 | 200,000 | 37,981 | 27,986 | 118,554 | 531,556 | 143,545 |
| 1971 | 556,544 | 200,000 | 41,020 | 30,225 | 118,027 | 554,801 | 154,961 |
| 1972 | 585,400 | 200,000 | 44,301 | 32,643 | 117,391 | 579,290 | 165,663 |
| 1973 | 617,463 | 200,000 | 47,845 | 35,254 | 107,688 | 605,097 | 187,777 |
| 1974 | 649,525 | 200,000 | 51,673 | 38,075 | 115,114 | 632,300 | 191,859 |
| 1975 | 688,000 | 200,000 | 55,807 | 41,121 | 113,280 | 662,911 | 208,737 |
| 1976 | 732,888 | 200,000 | 60,271 | 44,410 | 116,312 | 693,284 | 227,973 |
| 1977 | 784,188 | 200,000 | 65,093 | 47,963 | 113,164 | 725,326 | 258,754 |
| 1978 | 841,900 | 200,000 | 70,300 | 51,800 | 110,997 | 759,144 | 293,859 |
| 1979 | 906,025 | 200,000 | 75,924 | 55,944 | 103,809 | 794,847 | 339,237 |
| 1980 | 970,150 | 200,000 | 81,998 | 60,420 | 110,522 | 832,546 | 369,500 |
| 1981 | 1,005,419 | 200,000 | 88,558 | 65,253 | 112,868 | 872,369 | 373,993 |
| 1982 | 1,069,544 | 200,000 | 95,643 | 70,473 | 100,318 | 914,445 | 420,897 |
| 1983 | 1,143,288 | 200,000 | 103,294 | 76,111 | 97,929 | 958,914 | 465,850 |
| 1984 | 1,220,238 | 200,000 | 111,558 | 82,200 | 100,519 | 1,005,931 | 507,546 |
| 1985 | 1,303,600 | 200,000 | 120,482 | 88,776 | 97,821 | 1,040,014 | 575,023 |
| 1986 | 1,393,375 | 200,000 | 130,121 | 95,878 | 70,663 | 1,108,242 | 640,469 |
| 1987 | 1,489,563 | 200,000 | 140,530 | 103,549 | 69,016 | 1,163,887 | 700,739 |
| 1988 | 1,598,575 | 200,000 | 151,773 | 111,832 | 57,340 | 1,222,787 | 782,053 |
| 1989 | 1,710,794 | 200,000 | 163,915 | 120,779 | 57,068 | 1,285,142 | 853,278 |
| 1990 | 1,835,838 | 200,000 | 177,028 | 130,441 | 31,775 | 1,351,173 | 960,359 |

TABLE XVII
ESTIMATE OF WATER AND SEWER
NET REVENUES

| YEAR | POPULATION | WATER AND SEWER REVENUES | REVENUE BOND DEBT SERVICE REQUIREMENT | WATER AND SEWER EXPENDITURES | NET REVENUE |
|---|---|---|---|---|---|
| 1962 | 5,800 | 108,460.00 | 32,510.00 | 60,480.00 | 15,470.00 |
| 1963 | 6,300 | 117,810.00 | 33,128.00 | 65,318.00 | 19,364.00 |
| 1964 | 6,800 | 127,160.00 | 32,723.00 | 70,544.00 | 23,893.00 |
| 1965 | 7,400 | 138,380.00 | 33,295.00 | 76,187.00 | 28,898.00 |
| 1966 | 8,000 | 149,600.00 | 32,845.00 | 82,282.00 | 34,473.00 |
| 1967 | 8,700 | 162,690.00 | 33,373.00 | 88,865.00 | 40,452.00 |
| 1968 | 9,400 | 175,780.00 | 32,878.00 | 95,974.00 | 46,928.00 |
| 1969 | 10,200 | 190,740.00 | 33,360.00 | 103,652.00 | 53,728.00 |
| 1970 | 11,000 | 205,700.00 | 32,820.00 | 111,944.00 | 60,936.00 |
| 1971 | 11,900 | 222,530.00 | 33,258.00 | 120,900.00 | 68,372.00 |
| 1972 | 12,800 | 239,360.00 | 32,673.00 | 130,572.00 | 76,115.00 |
| 1973 | 13,800 | 258,060.00 | 33,065.00 | 141,017.00 | 83,978.00 |
| 1974 | 14,800 | 276,760.00 | 33,413.00 | 152,299.00 | 91,048.00 |
| 1975 | 16,000 | 299,200.00 | 32,738.00 | 164,483.00 | 101,979.00 |
| 1976 | 17,400 | 325,380.00 | 32,063.00 | 177,641.00 | 115,676.00 |
| 1977 | 19,000 | 355,300.00 | 32,365.00 | 191,853.00 | 131,082.00 |
| 1978 | 20,800 | 388,960.00 | 32,623.00 | 207,201.00 | 149,136.00 |
| 1979 | 22,800 | 426,360.00 | 32,832.00 | 223,777.00 | 169,751.00 |
| 1980 | 24,800 | 463,760.00 | 33,003.00 | 241,679.00 | 189,078.00 |
| 1981 | 25,900 | 484,330.00 | 33,125.00 | 261,013.00 | 190,192.00 |
| 1982 | 27,900 | 521,730.00 | 32,225.00 | 281,894.00 | 207,611.00 |
| 1983 | 30,200 | 564,740.00 | 33,239.00 | 304,446.00 | 227,055.00 |
| 1984 | 32,600 | 609,620.00 | 33,142.00 | 328,802.00 | 247,676.00 |
| 1985 | 35,200 | 658,240.00 | 33,972.00 | 355,106.00 | 269,162.00 |
| 1986 | 38,000 | 710,600.00 | 33,729.00 | 383,514.00 | 293,357.00 |
| 1987 | 41,000 | 766,700.00 | 33,437.00 | 414,195.00 | 319,068.00 |
| 1988 | 44,400 | 830,280.00 | 33,096.00 | 447,331.00 | 349,853.00 |
| 1989 | 47,900 | 895,730.00 | 32,707.00 | 483,117.00 | 379,906.00 |
| 1990 | 51,800 | 968,660.00 | 32,250.00 | 521,767.00 | 414,643.00 |
| 1991 | 53,000 | 991,100.00 | 30,750.00 | 563,479.00 | 396,871.00 |

On the basis of the existing water and sewer rates and past consumption, the gross annual revenue per capita should be about $18.70, and this table is calculated on this basis. The operation and maintenance expense is based on a decreasing expense per capita from about $10.40 in 1962 to about $9.80 in 1980. Expenditures per capita for water and sewer operations and maintenance in some surrounding Municapalities are as follows:

| YEAR | MUNICIPALITY | EXPENDITURE |
|---|---|---|
| 1960 | Pasadena | $10.90[1] |
| 1958 | Liberty | 6.80[2] |

FORECAST OF NET INCOME DERIVED FROM A GARBAGE CHARGE: TableXVIII presents the estimated gross revenue to be derived from the assessment of a garbage and refuse collection and disposal service charge of $1.50 per month per customer. Inasmuch as the expense for the provision of this service is already taken into account in the estimate of net revenue from the general fund, the amount shown is the actual estimated income from the enactment of a garbage service charge.

[1]Source - 1960-61 Fiscal year Budget, City of Pasadena

[2]Source - 1959 Progress Report of the City of Liberty, Texas

TABLE XVIII

ESTIMATE OF INCOME FROM GARBAGE CHARGE

| YEAR | NO. OF HOUSES | NET INCOME @ $18.00/HOUSE/YEAR |
|---|---|---|
| 1961 | 1350 | $ 24,444.00 |
| 1962 | 1450 | 26,100.00 |
| 1963 | 1575 | 28,350.00 |
| 1964 | 1700 | 30,600.00 |
| 1965 | 1850 | 33,300.00 |
| 1966 | 2000 | 36,000.00 |
| 1967 | 2175 | 39,150.00 |
| 1968 | 2350 | 42,300.00 |
| 1969 | 2550 | 45,900.00 |
| 1970 | 2750 | 49,500.00 |
| 1971 | 2975 | 53,550.00 |
| 1972 | 3200 | 57,600.00 |
| 1973 | 3450 | 62,100.00 |
| 1974 | 3700 | 66,600.00 |
| 1975 | 4000 | 72,000.00 |
| 1976 | 4350 | 78,300.00 |
| 1977 | 4750 | 85,500.00 |
| 1978 | 5200 | 93,600.00 |
| 1979 | 5700 | 102,600.00 |
| 1980 | 6200 | 111,600.00 |
| 1981 | 6475 | 116,550.00 |
| 1982 | 6975 | 125,550.00 |
| 1983 | 7550 | 135,900.00 |
| 1984 | 8150 | 146,700.00 |
| 1985 | 8800 | 158,400.00 |
| 1986 | 9500 | 171,000.00 |
| 1987 | 10,250 | 184,500.00 |
| 1988 | 11,100 | 199,800.00 |
| 1989 | 11,975 | 215,550.00 |
| 1990 | 12,950 | 233,100.00 |

Source - Estimated by Consultants

Since the In Lieu payments are legally temporary, the loss of the In Lieu payments would immediately be reflected in increased water, sewage, and garbage charges without disrupting the entire economy of the City. Of course, if the In lieu payments are continued at a sufficient level to subsidize these services the low rates can continue to prevail.

In order to offer a quality municipal bond the criteria established by the purchasers of the bonds must be met. It should be a prime goal of the administrators of the City to raise the quality of the bonds offered from time to time thereby reducing the interest costs to the City.

In the past the conditions prevailing at the time of sale of the bonds has penalized the City greatly in interest costs and these penalities will be felt for years to come. Since the settlement of the Industry-City conflict under the new contract, the City is in a much more favorable credit position than ever before, and because of the improved position should take action to remedy some of the penalties placed on it by the previous poor credit position. These would include elimination of high interest floating debt either by payoff with surplus cash, or refinancing under its improved credit position; and examination of past financing with the thought of refinancing where the higher interest requirements of the past can be eliminated on its bonded indebtedness.

In order to finance the required improvements of a growing City it is necessary that the financing be done on the basis of the permanent anticipated sources of income. The In lieu payments cannot be pledged beyond the term for which they are contracted and therefore prove to be poor collateral for long-term bonds.

## RECOMMENDATIONS

I Make the water, sewage, and garbage services self-supporting, or subsidize them from the In Lieu payments until such time as they can economically become self-supporting.

II Eliminate high-interest floating debt by pay-off or refinancing.

III Examine the outstanding bonded indebtedness with the thought of refinancing if a saving can be effected.

IV Raise the assessment ratio from 40% to 60% and lower the tax rate from $1.50 to $1.00 to improve the criteria necessary for a quality municipal bond.

V Amend the Charter to provide for a self-sustaining garbage department.

VI Provide a Paving Assessment Program for those desiring permanent pavement that the City will be unable to provide within its tax capability.