August 1, 2025

Re: Construction Manager-at-Risk Services for Public Works Facility Renovation, City of Bellaire

Dear Mayor and Members of Bellaire City Council

On December 16, 2024, City Council approved $7 million in Certificates of Obligation for the purchase of a property at 5233-5235 Glenmont. Another $7 million was mentioned at that same meeting for renovations.

Per the above noted RFP, the renovation phase has begun. The first $7 million for this project was financed with Certificates of Obligation, so I wondered how these renovation costs will be paid.

It may be too late for a bond issue on the ballot this November, so more Certificates of Obligation? Kind of like using a credit card, isn't it? But a couple of million here, a couple of million there, and these projects start to add up.

The current projected debt at the end of FY2024 was $92,390,00, and debt service FY2024 at $9.6 million. Then we have:

Purchase of Glenmont property:	$7 million
Cypress Ditch project:	$40 million
Demolition of the WWTP:	$30 million
Renovations:	$7 million
Current Debt 2024:	$92 million
	$176 million

If all this debt accumulates in the next few years might the debt service almost double? Up to $18 or $20 million a year? Hopefully some debt obligations will mature soon. It would be helpful to have a list of maturity dates for the outstanding bonds and COs, updated annually.

Meanwhile, we'd better hope for good weather and a healthy economy!

Best regards,

Jane McNeel