



Governance – Incorporation Planning
Questions and Answers

Mandatory Pre-Submission Conference / Conference Call
November 6, 2017
10:00 a.m.

As stated in the Request for Qualifications and Proposals, The Woodlands Township is seeking a firm / organization that can bring together a number of professional disciplines to develop the information, studies and analysis that are necessary and appropriate for the Township consideration of incorporation. The Township is interested in accepting proposals from lead firms who can assemble and contract with the professional disciplines necessary to perform the tasks as provided in the Township RFQ&P. Proposals from firms / organizations to provide services for only portions of the project as provided in the Township RFP&Q will not be recommended to the Township Board of Directors.

Conference Call Questions:

The attached list of questions was submitted by firms and organizations responding to the Township's Request for Qualifications and Proposals / Consulting Services for Governance Planning.

- 1. For service delivery, have you considered contracting with private institutions (not just partnering with other governmental entities)?**

Response: The Township would be willing to consider all viable options for service delivery.

- 2. If a firm consulting on the study plans to submit a proposal to be a private service contractor to the new city, would this firm be disqualified from becoming the**

contracted service provider to the new city if they were part of the team conducting the study?

Response: While there may be no legal conflict of interest that would prevent a consultant on the study from being a part of the solution for the new city's service provisions, the appearance of a conflict of interest or the appearance of a skewed result on the basis of the consultant's involvement on the recommendation could be problematic; however, the final determination would have to be made by the Board of Directors.

3. What is the overall employment of the Township?

Response: Staffing levels for 2018 are proposed at 490.45 full-time equivalent (FTE) employees, consisting of 322.95 FTEs for general employees and 167.5 FTEs for the fire department.

4. Is the expectation for the existing employees to transition into the incorporation?

Response: Existing operations are expected to continue. Proposed changes in services or the method in which services are provided will be evaluated by the Township Board of Directors.

5. Is the tax rate listed as one question or two separate questions on the ballot?

Response: Specific wording on the ballot will be developed through legal counsel. In order to be successful, both incorporation and the maximum tax rate must be concurrently approved by voters.

6. How long is the maximum tax rate effective?

Response: This is not defined in the Township's legislation. However, once an initial rate is set, the new city's tax rate would be assessed on an annual basis subject to the State of Texas Truth in Taxation Laws and subject to rollback provisions as provided in statute.

7. Would the incorporation be as a general law city first, with the ability to convert to home rule later?

Response: Yes.

8. Has there been any public process to date on this?

Response: There have been no public outreach efforts organized by the Township since the conclusion of the 2011-2012 Governance Study.

9. Is there any flexibility in the 9 to 12 month timeline?

Response: It will be up to the Board of Directors to make the final determination; however, with an extended time, conditions may change and in order for the data to remain relevant, it must be timely.

10. Would community surveys be considered part of the public involvement process?

Response: Yes. Any effective form of public involvement could be considered as part of the public involvement process.

11. Is the Township looking at a joint venture with multiple disciplines?

Response: In order to complete the scope of work, it is anticipated that multiple disciplines within a team will be required. However, if a single organization can provide the in-house team necessary to effectively complete the scope of work, this would also be acceptable.

12. Would the Township consider picking and choosing from within the proposers?

Response: The Township is looking for a cohesive team approach to the proposal with a "lead person" to serve as the primary point of contact for the selected group. Township staff is not recommending that the Board "cherry pick" from within the proposals received.

13. What are the key factors that have led up to this process at this time?

Response: The recurring desire for more local control and for recognized status in the region.

14. Has the Township received any positive or negative feedback from the MUD Boards?

Response: The Township has not received (or solicited) feedback from the MUDs at this time.

15. Is The Woodlands essentially built out?

Response: Residential development is nearing completion; however, commercial development will continue.

16. Should the cost of the street analysis be included in the proposal?

Response: The proposal should estimate the cost of the total incorporation study based on the work proposed by the team. As a request for qualifications and proposals, the Township anticipates selecting the best qualified overall proposal and then negotiating with the selected lead consultant.

17. For this study, is there existing information about the infrastructure (streets, drainage, utilities)?

Response: The scope of work specifically includes the need for a street condition analysis/pavement index because the Township has limited information related to the specific conditions of streets. Information on drainage and utilities may be more readily available through community partners.

18. Will resources (artifacts, previous studies, infrastructure studies, etc.) be available?

Response: If it exists and is available to the Township, these resources will be provided; however, the consultant/team should anticipate providing current information for all items in the scope of services.

19. Will the Municipal Utility Districts (MUDs) be able to provide any information on the value of their annual property tax valuations or assessments?

Response: The MUD boundaries align with Township boundaries; therefore, the assessed value for all MUDs will be the same value as the Township.

20. How many MUDs service The Woodlands?

Response: Fourteen (14) MUDs. Of those, 11 are in Montgomery County and serviced through The Woodlands Joint Powers Agency (WJPA). The three remaining are located primarily in Harris County and are serviced through a municipal services management company.

21. How are the MUD rates set – individually or separately?

Response: Separately. The MUD Boards have the authority to set tax rates and use fees.

22. Will the list of mandatory conference/conference call attendees be posted online?

Response: Yes. The list has been posted with the study's bid posting on the Township website, <http://www.thewoodlandstowship-tx.gov/bids.aspx?bidID=384>.

23. How are the MUDs compensated?

Response: MUDs are funded through a combination of property tax assessments and use fees.

24. Who currently dispatches calls for The Woodlands Fire Department?

Response: The Woodlands Township has a fire dispatch center within The Woodlands Fire Department.

25. Would the Township continue to fire dispatch upon incorporation?

Response: Yes. The current arrangement benefits The Woodlands.

26. Does the Township dispatch law enforcement?

Response: No. At this time, The Woodlands Fire Department does not dispatch law enforcement calls.

27. Would the Township add law enforcement dispatch upon incorporation?

Response: This would need to be determined through the course of the incorporation study.

28. How can professional engineers get around the fees to assist with the project?

Response: The selected consultant for the incorporation study will determine how the road analysis is developed and submitted and what types of services are required. The selected consultant is responsible for assembling a team and negotiating the costs for all services they need to complete the incorporation study.

The Township will be reviewing comprehensive proposals and qualifications of total teams. An estimate of the total cost of the project is requested based upon the team's proposed plan to meet the comprehensive scope of work as set forth in the Request for Qualifications and Proposals. Upon selection, the Township anticipates negotiating with the selected project lead. The selection is not solely based on price, rather an estimate is requested to give context for the proposed plan for the study. The Township anticipates contracting with, and paying the negotiated price to, the lead consultant and the lead consultant being responsible for its subcontracts and compensating any subconsultants on its team.

29. Is the Township looking for feedback on alternative tax rate structures or existing tax structures (user fees, surcharges, etc.) to support the level of city services anticipated? -Financial analysis and tax rate study.

Response: The Township is open to any revenue options available within the parameters of State Law.

30. Do you anticipate the ultimate form of the contract is type of materials or firm fixed price? Could it be in a range?

Response: An estimate of the total cost of the project is requested based upon the team's proposed plan to meet the scope of work. Upon selection, the Township anticipates negotiating with the selected project lead.

31. Does the Township have a budget for the Governance/Incorporation Study?

Response: The Township has funding available for governance/incorporation planning; however, a specific budget dollar amount for this project has not been determined.

32. Does the Township have general obligation debt?

Response: Yes.

33. Do any of the MUDs have general obligation debt?

Response: Yes.

34. How many years are being requested for the financial analysis in the proposal (Year 1, Year 3, Year 5, Year 7, etc.)?

Response: Yes, forecasting for planning purposes will be needed; however, what that should look like will ultimately be a Board determination. The Township currently discusses a five-year plan as part of its annual budgeting process and therefore anticipates at least five years of forecasting will be needed for effective planning.

35. Does the Township know what the appraisal value projections are (3-5-7) for use in the maximum tax calculation?

Response: Yes, the Township forecasts appraisal values for its five-year plan as part of the annual budget process.

Additional questions submitted in advance of the November 17 deadline:

- 36. Specifically, as part of the RFP, is the intent that respondents include professional services such as engineering? If so, then how do respondents (our engineering partners) address the request for costs as a part of the selection criteria since a professional engineering firm cannot provide fee information at this stage of selection process to a governmental entity?**

Response: See response to Question #28.

- 37. Please confirm that the tax rate study will form a subsequent phase of work, and should not be included in the cost statement for this proposal.**

Response: This statement is incorrect. At the conclusion of the study, the Township should have all studies completed (including a tax rate study) to allow an incorporation election to move forward, if so desired by the Township Board of Directors. As stated on page 6 of the Request for Qualifications and Proposals, "At the conclusion of this analysis, if the Board determines that it will move forward with placing the incorporation matter before voters, the consultant will provide a tax rate study to determine the tax rate limit to be included in the ballot language."

- 38. Can you please provide copies of any prior studies on related governance and incorporation?**

Response: All reports from the 2011-2012 study are retained as an archive of the process, along with other historically significant documents, on the Township website <http://www.thewoodlandstownship-tx.gov/177/Historical-Governance-Resources>.

- 39. Further to comments at the pre-proposal conference, please confirm that The Woodlands intends this study to be structured as a "time and materials" based engagement. We would be pleased to provide an estimated budget, however given the significant interaction and direction anticipated from the Township Board in refining the scope and number/ type of alternatives for analysis, submission of a more fixed price scope at this stage appears challenging.**

Response: An estimate of the total cost of the project is requested based upon the teams' proposed plan to meet the scope of work to give context to the plan proposed. Upon selection, the Township anticipates negotiating with the selected project lead firm.

- 40. We note from the most recent available CAFR (December 2015) that The Woodlands has existing GO and sales tax/ hotel occupancy tax bond debt – we**

would appreciate if the Township could confirm the current balance for each outstanding instrument.

Response: The Sales Tax and Occupancy Tax bonds have an outstanding balance as of January 1, 2018 of \$36,105,000. The Unlimited Tax Bonds (GO) have an outstanding balance as of January 1, 2018 of \$36,630,000.

41. Does the Township intend to publicly attribute work products and outputs to the Consultant, or will they be branded as Woodlands Township outputs?

Response: Typically, this has been handled as a Township report prepared by the selected consultant(s).

42. Can the Township provide any further details of the requested online tax calculator which the Consultant is to produce? For example, is the intention that it would approximate the tax impact for individual homeowners, or more broadly the fiscal impact on the township in totality?

Response: The tax calculator would provide the tax impact for individual homeowners.

43. In the pre-bid conference, mention was made that one of the driving forces behind the timing of this incorporation study was the need for the residents of the Woodlands to have a “seat at the table” when major regional issues are considered and decided. Can you provide more specific information on recent instances where the lack of such representation worked to the detriment of the Township?

Response: The Township is a major transportation provider through its Park and Ride service, but is unable to attain a seat on the Houston-Galveston Area Council (MPO) Transportation Policy Council because it is not a city; however, smaller cities that do not have transportation services serve on this council. During adoption of a thoroughfare plan, the Township was not given equal opportunity with local cities to provide comment or input on the proposed plan.

44. Does the Woodlands anticipate changing the boundaries of the Township for any reason? Incorporation or no incorporation?

Response: The only potential change to the current Township boundaries would be to take in small "out tracts" that are completely surrounded by the Township boundaries. The Woodlands is surrounded by the ETJ of other cities, primarily Houston and Conroe. Annexation of the out tracts would require approval from the City of Houston.

45. Are all areas within the boundaries of the Township covered by a MUD? HOA?

Response: All areas within the boundaries of the Township are covered by a MUD.

Nearly all of the properties within the Township are encumbered with the Community Association Covenants (depending on the location, either The Woodlands Community Association, The Woodlands Association or The Woodlands Commercial Owners Association Covenants); however, through a Transition Agreement and the Township's enabling legislation, the Township became the successor entity to these three master community associations and is responsible for covenant enforcement.

46. There is not mention in the RFQ/RFP of HOAs, yet there is mention of title covenants, are the HOAs synonymous with the MUDs? How does that work?

Response: No, the HOAs are not synonymous with the MUDs.

Prior to 2010, three large community associations provided most municipal types of services through a service corporation and the collection of an ad valorem property assessment. In the fall of 2007, The Woodlands voters approved expanding Town Center Improvement District (TCID) to cover all of The Woodlands, to change the makeup of its Board of Directors, and to authorize the governmental entity to collect an ad valorem property tax. TCID changed its name to The Woodlands Township, and the Community Associations entered into an agreement that would transfer services and operations to the Township to consolidate governmental services provided to residents of The Woodlands in a single, community-wide governmental organization. On January 1, 2010, services and operations of the Community Associations of The Woodlands transitioned to The Woodlands Township.

47. To what extent do the MUDs provide drainage services? Is the Township compliant with Federal Storm-water Permitting and Monitoring requirements?

Response: The Township is a special purpose district and is limited to those authorities provided through its enabling legislation. The Township does not have authority or responsibility for drainage services, permitting or monitoring. These matters are handled through a number of entities in The Woodlands including, but not limited to, the MUDs, the San Jacinto River Authority, the Harris County Flood Control District, Montgomery County, Harris County and the City of Houston.

48. Does the Township have an engineer of record?

Response: No. The Township recently solicited for a drainage engineer, and consideration of selection of a firm, if desired by the Board of Directors, is slated for the November 29, 2017 agenda.

49. Who is the person who will be the engagement manager for the Township?

Response: The President/General Manager's Office will be the primary point of contact for the selected consultant. The consultant will be responsible for implementation of a public engagement process as defined in the Request for Qualifications and Proposals.

50. Does the Township have a list of comparable communities or is the Township open to recommendations from the consultant?

Response: For this study, the Township Board of Directors has not developed a list of comparable communities; the Township will rely on the selected consultant to provide recommendations.

51. The RFQ/FRP states “The consultant should propose a qualified firm for the analysis of pavement conditions”, does the Township wish to participate in the selection process? Can the firm be a member of the consulting team?

Response: It is the Township's intent to select the best qualified consulting team to perform the complete study. The lead consultant will make the determination on selected partner organizations that will be part of their team.

52. Considerable emphasis on the need to have reliable pavement condition data and projections of expected street maintenance and repair obligations and costs going forward. Is the Township equally concerned about the condition of the infrastructure owned and managed by the various MUDs, or is it your sense that these do not represent the same kinds of risks to a future incorporated city?

Response: The Municipal Utility Districts located within the Township boundaries currently operate as independent government units and have planning in place for future infrastructure replacement needs. These future infrastructure needs are expected to be funded through the MUD tax levy or user fees. The selected consulting team is expected to review the financial impacts regarding the merger of MUD operations into a new city government, versus MUDs continuing to operate as independent government units, and provide a recommendation and options to the Township Board of Directors.

In regard to the cost of maintaining and rebuilding Township streets, the new city would immediately become responsible for operation, maintenance and replacement of streets at incorporation. The Township does not have adequate information on street conditions to make the determination on the future costs of street maintenance and replacement. This information (along with the resulting financial impact and amount of tax rate needed to care for streets) is expected to be developed by the consulting team as provided in the RFQ&P.

53. Should the cost of the tax rate calculator be included in the consultant fee?

Response: Yes.

54. At what point does the tax rate study of the maximum rate to be placed on the ballot occur? Are there two analyses? One for Board policy decisions and another for validation of the rate to be placed on the ballot?

Response: A recommendation on the process to be submitted by the selected consulting firm for the Township Board consideration.

55. Is UCR data for the township available or the situation regarding MCSO data similar to that described in the August 2011 Township's "Public Safety Report"?

Response: While the data provided by MCSO has improved since the 2011 report, no UCR data is available for the Township.

56. Will MCSO calls for service, UCR and other data for be available to consulting team or will it need to rely on the "Woodlands Monthly Public Safety Reports"?

Response: Any information available to the Township would be made available to the consulting team. This includes number and types of calls for service and numbers and types of criminal reports filed, but would not include UCR data for the Township.

57. Are all necessary data in the MCSO report or is additional Township crime and call for service data only available from Harris County Precinct 4 Constable?

Response: Each jurisdiction is responsible for and provides only their own data.

58. Is the Township expecting a comprehensive study of public safety needs or is the 2011 study widely accepted by the Township, and should serve as a good base-line, just in need of an update?

Response: The 2011 study should not be considered as widely accepted / The consulting team should provide a recommended process as to the scope of the proposed work effort in their proposal.

59. Will Montgomery County Precinct 3 JP court data be made available to consulting team?

Response: The Township can request that any publicly available information is provided to the consulting team.

60. Does the Township have a comprehensive land use plan? If yes, will that be provided to the selected consultant? If no, might that be deliverable product of this engagement?

Response: The Woodlands was designed and built as a master-planned community with a single developer. While the ownership of the development company has changed over time, the implementation of the design continues. There are no undesignated lands.

61. The RFP says, “information will be provided to the public through public forums and the feedback received at public forums should be provided to the Township Board of Directors”. How many public forums does the Township anticipate are warranted?

Response: A recommendation on the process to be used should part of the consultant's submitted proposal.

62. The RFP mentions public forums as the primary means of obtaining public feedback. In our response, should we limit our scope in the community analysis/resident feedback portion of the work to public forums, or is the Township open to additional ways of reaching out to the public?

Response: A recommendation on the process to be used should part of the consultant's submitted proposal. Any effective form of public involvement could be considered as part of the public involvement process.

63. Does the Township have a regular practice of conducting resident and/or business surveys? If so, may we receive a copy of the most recent and relevant survey results? If no recent, reliable survey is available, would the Township entertain such a survey within this scope of work?

Response: The Township contracts for a resident survey approximately every two years, the most recent performed in 2016. This and the previous survey reports are available on the Township website, <http://www.thewoodlandstownship-tx.gov/74/Reports-and-Surveys>.

64. Does the Township have specific goals for public involvement and citizen participation?

Response: The goal is to assure that the public is well-informed throughout the study and to have an educated public if an incorporation election is called.

65. Given the complexity of this assignment and the relatively short turnaround time allowed between the release of answers to these and other questions and the

proposal due date, would the Township consider an extension of at least one week to ensure thorough responses?

Response: The timeline for the submission of proposals was established by the Township Board of Directors. The current timeline will not be extended.

66. Does the Township have a budget for this project? If so, are you able to share it?

Response: See response to Question #31.

67. Are there any major developments in the pipeline that could significantly impact total assessed value?

Response: No known projects.

68. If all 14 Municipal Utility Districts (MUD) were assumed by the new city, will all MUD employees transition to city employment?

Response: This is unknown and would likely be determined as part of the study or through future negotiations.

69. The RFQ&P does not specify the number of hard copies required with proposal submission, or the format of the hard copies. Does the Township have a preference for either? Related to this, if proposals are submitted via email, does the Township also require hard copies?

Response: Eight hard copies with at least one unbound copy and electronic file is preferred.

70. Has the Township resolved the question as to whether the request for engineering services to conduct the street condition analysis/pavement index services can be included in this RFP or must be requested in a separate request for professional engineering services?

Response: See response to Question #28.

71. What are the tools the Township currently uses – ranging from community meeting to print and electronic media -- to communicate with residents?

Response: Monthly Community Magazine / Web site / Print media (newspapers) / Social media (Facebook / blogs).

72. Will the Township make available to the consultants, without limitation, all financial reports, auditors' management letters and other external assessments and analyses not available on the Township website?

Response: The Township will make requested public documents available to the consultants including financial and operational information.

73. Has the Township established performance standards for any of the services it provides and, if so, does the Township have records of performance against those standards that will be made available to the consultants?

Response: The Township will provide annual operating budget information and budget initiative information / organizational performance statistics can also be provided.

74. Has the Township in the last five years conducted surveys or other assessments regarding resident views on community issues and, if so, will the consultant have access to the result of those surveys?

Response: See response to Question #63.

75. Has the Township previously developed a strategic plan or other visioning document and, if so, will the consultants have access to that information?

Response: Yes.

76. Does the Township envision a maximum build-out of commercial and retail activity similar to the maximum build-out currently envisioned for residential development?

Response: An estimate of commercial build out value is available through The Woodlands Development Company(TWDLC). Township staff can provide a copy of the materials.

77. Does the Township have any studies regarding growth projections for the larger geographic area within which the Township is located? If so, will those projections be made available to the consultants?

Response: Population growth projection information for areas outside the Woodlands has typically been provided through the Houston-Galveston Area Council (H-GAC). Staff can assist the consultant in obtaining the requested information.

78. If a referendum is held on incorporation, will the stated tax rate represent the rate to be implemented, or the maximum rate that could be implemented?

Response: The tax rate on the ballot will be a maximum initial tax rate. See also response to Question #6.

79. If a referendum is held on incorporation, will the stated tax rate – whether it is what to be charged or the maximum that could be charged – be in effect permanently, or could it be adjusted in the future? If so, what would be the mechanism for adjustment?

Response: See response to Question #6.

80. Will the Township make available to the consultants any contracts that might currently exist regarding the provision of services?

Response: Yes.

81. Does the Township have an outer limit on how long the entire process -- from commencement to referendum, if any – should take?

Response: No. The process and timeline will be determined by the Township Board of Directors.