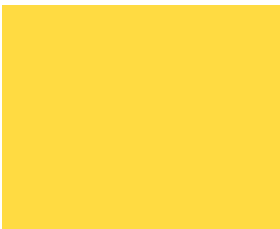


2017-2018
CITY OF PEARLAND, TEXAS
FISCAL YEAR
BUDGET

PURPOSE.



CITY OF PEARLAND

Fiscal Year 2017-2018

Budget Cover Page

This budget will raise less revenue from property taxes than last year's budget by an amount of \$-11,367,107, which is a -18.89 percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$2,060,470.

The members of the governing body voted on the budget as follows:

FOR: Carbone, Moore, Reed, Ordeneaux, Perez, Owens

AGAINST: N/A

PRESENT and not voting: N/A

ABSENT: Little

Property Tax Rate Comparison

| | 2017-2018 | 2016-2017 |
|--|------------------|------------------|
| Property Tax Rate: | \$0.685059/100 | \$0.681200/100 |
| Effective Tax Rate: | \$0.667060/100 | \$0.639151/100 |
| Effective Maintenance & Operations Tax Rate: | \$0.236166/100 | \$0.200592/100 |
| Rollback Tax Rate: | \$0.685059/100 | \$0.656639/100 |
| Debt Rate: | \$0.430000/100 | \$0.440000/100 |

Total debt obligation for CITY OF PEARLAND secured by property taxes:
\$27,950,862



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Pearland
Texas**

For the Fiscal Year Beginning

October 1, 2016

A handwritten signature in black ink, appearing to read 'Jeffrey R. Emswiler'.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a distinguished Budget Presentation Award to the City of Pearland, Texas for its annual budget for the fiscal year beginning October 1 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Mayor & City Council



Adopted Budget Fiscal Year October 1, 2017—September 30, 2018



Tom Reid
Mayor



Tony Carbone
Position 1



Derek Reed
Position 2
Mayor Pro Tem



Gary Moore
Position 3



Keith Ordeneaux
Position 4



J. David Little
Position 5



Trent Perez
Position 6



Woody Owens
Position 7

City Manager's Office



Clay Pearson
City Manager



Jon Branson
Deputy City Manager



Trent Epperson
Assistant City Manager

**CITY OF PEARLAND
ADOPTED BUDGET FY 2018
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July 31, 2017 (Original)

October 3, 2017 (Update)

Honorable Mayor Reid and City Council members,

Our Driving Force: What is the purpose of our City of Pearland local government?

This summer all of our part-time staff and nearly 700 full-time employees were all invited to a series of Employee 'Road Shows' where we explored the **purpose** of the City of Pearland local government and provided updates on other topics. In a prior years' edition of the Road Show, we talked about Service, the Pearland Way. Another year, we shared information on public service and expectations on operating ethically. Those sessions helped build to the 2017 Road Show's discussion of purpose and working to build a Culture of Distinction in our big, diverse, complex City of Pearland organization. Our staff members submitted ideas on what our purpose means to them, below are some of their comments:

To ensure the protection of property and persons in the community, provide vital products & services for their life and health, and community amenities that enhance the quality of family life. In addition, the role of local government is to provide oversight in bringing attractive and desired commerce to the lucrative Pearland market. **In short, we help people build and live their lives.**

To **create an attractive and safe community** where citizens and businesses will realize value in establishing roots.

The purpose of the organization is to **build trust with the citizens of this City by providing consistent and effective services**, no matter the division, with an emphasis on enacting the City's core values of being responsive, results-oriented, trust-builders and accountable.



The purpose of the City of Pearland government is to **provide quality services to Pearland residents** utilizing tax collected funds and to develop the future of Pearland as a quality city to live, work and play.

To serve the citizens of Pearland and create an environment in which people WANT to live, work and play.

I believe that as a whole it is our responsibility to **provide the necessary services to the community that foster growth, stability, and safety.**

To work as a team to provide a safe community, efficient city services and sustainable infrastructure while being good stewards of tax dollars.

Serve our citizens responsively, responsibly, and positively by considering our strategic priorities and core values in all of our efforts and decisions.

Provide citizens and businesses alike, with growth management infrastructure, as well as public goods and services to **achieve and sustain “world class” municipality status as a premier suburban community.**

These are the words and beliefs of our City employees. They see their purpose as providing opportunity and betterment for others. The comments are *outward* looking and striking for the holistic ‘big picture’ that our team understands by making the connection between resources, safe community, value, sustainability, and service to build a place that people choose to live, work, invest, play, and visit. There have been many seeds of success planted. My colleagues are filled with a spirit of public service: the noble calling to work in local government.

We are steadily gaining momentum to better “provide citizens and businesses with the growth management infrastructure, public goods and services to achieve and sustain ‘world class’ municipality status as a premier suburban community.”

People

It is often said and is very true: We are a people organization. Our purpose is only accomplished thanks to the talents and dedication of my colleagues. These are the people we trust with life and death decisions, with maintenance and operations of essential systems, with making Pearland a place we all want to live, work and play.

The budget numbers validate this. For the upcoming Fiscal Year, **71% of the General Fund expenditure budget is dedicated to employee wages and benefits.** The category is up from the 63% estimate for FY 17, even after a round of mid-year additions which included many capital outlay items. The increase reflects the added positions necessary to keep pace with service volume in our growing city. The resources to people as part of the whole General Fund is in line with places like McKinney (67%) and Plano (65%).

| Expense Annual Budget by Account Classification Report | | | | | | | | |
|--|------------------------|-----|------------------------|-----|------------------------|-----|------------------------|-----|
| Summary | 2015 Actual | | 2016 Actual | | 2017 Amended | | 2018 Adopted | |
| Fund: 100 General Fund | | | | | | | | |
| Expenditures | | | | | | | | |
| Salaries & Wages | \$42,793,250.25 | 67% | \$47,855,166.37 | 65% | \$52,260,893.00 | 63% | \$55,529,052.00 | 71% |
| Materials & Supplies | \$1,801,034.25 | 3% | \$2,410,214.06 | 3% | \$2,813,051.00 | 3% | \$2,495,582.00 | 3% |
| Building & Grounds | \$1,514,047.43 | 2% | \$2,372,391.42 | 3% | \$4,417,942.00 | 5% | \$2,814,437.00 | 4% |
| Repair & Maintenance | \$2,388,119.76 | 4% | \$3,215,367.39 | 4% | \$3,299,071.00 | 4% | \$3,009,006.00 | 4% |
| Miscellaneous Services | \$9,808,490.50 | 15% | \$10,957,623.83 | 15% | \$11,770,983.00 | 14% | \$10,172,410.00 | 13% |
| Other | \$16,628.29 | 0% | \$23,046.73 | 0% | \$265,581.00 | 0% | \$249,986.00 | 0% |
| Inventory | \$331,716.41 | 1% | \$714,907.72 | 1% | \$715,432.00 | 1% | \$492,370.00 | 1% |
| Capital Outlay | \$3,852,063.77 | 6% | \$3,103,620.91 | 4% | \$5,894,737.00 | 7% | \$2,316,639.00 | 3% |
| Principal Payment | \$174,935.27 | 0% | \$443,251.61 | 1% | \$547,305.00 | 1% | \$564,303.00 | 1% |
| Interest Expense | \$27,021.61 | 0% | \$36,930.50 | 0% | \$44,294.00 | 0% | \$34,922.00 | 0% |
| Intergovernmental | \$0.00 | 0% | \$0.00 | 0% | \$0.00 | 0% | \$0.00 | 0% |
| Transfers Out | \$1,332,134.00 | 2% | \$2,573,817.00 | 3% | \$1,578,964.00 | 2% | \$1,036,811.00 | 1% |
| Expenditure Grand Totals: | \$64,039,441.54 | | \$73,706,337.54 | | \$83,608,253.00 | | \$78,715,518.00 | |

Salaries are what our people obviously see every other week. For FY 18, the Adopted Budget includes a 2% across-the-board increase. The fact is that due to our large numbers of employees, that pay rate increase effective in October, translates to \$1.05 million for the year in all funds, with \$912,526 coming from the General Fund.

In working to keep up our competitiveness for the attraction and retention of talented employees, in FY 17 we commissioned an **organization-wide classification and compensation study**. Even after the proposed 2% increase to employee salaries in FY 18, there are gaps, in what we ideally target for comparable pay. That gap brings significant financial implications in bringing our pay scale closer to competitive market levels, as well as moving employees appropriately within those ranges, as shown in the presentation on July 24, 2017. The classification and compensation report affects large swaths of positions, including many fire department positions. While some departmental impacts are calculated to result in a less than 1% increase to payroll, the recommendations from the study resulted in approximately a 20% increase in the Fire department payroll. In addition to targeting new ranges there are also currently compression issues. In HR language, from a Society of Human Resource Management explanation, "pay compression occurs when less experienced people earn as much as or more than longer-term employees due to rising starting salaries." Pay compression can also occur when someone earns overtime and makes as much or more than their exempt supervisor. The majority of the cost implications (about 62%) are correlated to bringing existing personnel to new suggested minimums for their positions. The other 38% assists in moving longer term employees to appropriate places within the range.

Bringing pay up for long-serving staff as a retention tool is a key goal for us. A key to having a compensation structure that allows an organization to attract and retain high level employees in the market of relevant peer and competitor organizations is having sound compensation policy. Compensation policy is the expression of where the City will place its compensation structure in relation to the prevailing rates, expressed as a percentage of the external prevailing rates (i.e. 100%, 5% below/above). As our consultant shared, we can aspire to a percentage target as a target and work to move within a range for the compensation structure over time. **In this Adopted Budget, supported by available revenues of capping property tax revenue at the 8% rollback rate, is 100% of the study recommendations going into effect at mid-year, April 1, 2018. There are overall recurring costs of \$1,263,130 across all funds that will keep our pay scales moving towards the comparable entities that the study identified.**

For **employee health insurance** in the upcoming year, we have been collectively successful with our plan management. The City continues to offer, as part of our overall compensation package, a competitive and positive employment benefit. **For health care covering only the employee, under the standard Kelsey-Seybold managed plan, that cost is covered 100% by the City. That single plan is about 287 (49%) of our employees.** For the balance of employees, there are choices of another Kelsey-Seybold plan or a Health Care Savings Account. The managed care from Kelsey, a company headquartered in Pearland and our largest private sector employer, has been performing well. In fact, for 2017 we were able to transfer from our self-insurance fund back to the General Fund as we have hit our targeted minimum fund balance. Our plans are providing a benefit that is financially serving the City and its employees well -- Of 22 surveyed agencies, mainly within our region, we are one of only three reporting *no increase* while others are reporting, at a low, 2% increase and a high of as much as 36% increase. We already have budgeted for upcoming FY 18 medical rates that continue the City contribution to cover 100% Employee-only coverage and result in **a reduction of rates for other plans, in part thanks to a remaining fund balance from the prior year.** While there are no guarantees for health care costs beyond our current contracts, our track record does reflect well and offer tangible benefits for our people and their pay package.

Budgeting process

We again conducted an informative and useful Saturday session in February to share our series of White papers that staff generated. Staff completed the Comprehensive Annual Financial Report for FY 16 and independent auditors again found our processes and reporting of the financials meets standards, with no negative findings. Our credit rating for debt issuances, described later, again from independent reviewers, confirmed our stable outlook and sound management and financial systems. Department leaders and their staff have continued to be diligent throughout the year in balancing many needs and demands. Department heads met independently as a group and reviewed all the supplemental requests, rank-ordering them based on overall City needs and priorities. That material is provided to the City Council as the index to the supplemental items. The recommended budget here is based upon certified property tax rolls from County officials (in past years we have proceeded earlier with the preliminary roll and made adjustments afterward during the budget review). Directors are asked to look at Council financial policies and consensus from the February early budget input meeting. They review commissioned plans and studies. We are committed to growing the regular operations and maintenance investment, recapitalization of asset bases as much as possible, and developing systems to make our work effective and efficient. We do have gaps continuing in our recapitalization. Most obvious is the City facility needs. While we are building new facilities, the existing buildings and their systems such as HVAC and roofs and other mechanicals are not as we desire.

Looking holistically at the budget, there are a few things worth noting. First and foremost is that this is a balanced budget, with revenues exceeding expenditures by \$354,917. In last year's budget and at mid-year, we planned drawdowns in fund balance to invest in mostly one-time opportunities. In this Budget, we were able to continue making those critical one-time investments, along with the essential recurring investments in our people. Taking a step back we can see these critical investments taking place across all funds, with \$284,877,088 in revenues across all funds with \$288,037,174 in expenditures for FY18.

General Fund Revenue and Expenditures Overview

Supplemental items are included in the FY 18 expenditure plan. The recommended items are considered essential to the effective and efficient delivery of services providing Public Safety and Improved Mobility to our citizens, factors of high importance identified by our Citizen Survey. Highlights and rationale for the public safety side are described in the next section.

The requests and needs are obviously more than revenues will support. **During FY 17, we made significant additions during the mid-year with the City Council reviewing and approving a variety of General Fund supplemental items in May 2017.** By being able to move forward with those items through accumulated savings from prior years, we were able to get a jump start on acquiring additional take-home police cars, a shade structure at Shadow Creek Ranch park, technology to complete cameras on officers and in squad cars, duplicate personal protection equipment for firefighters and several other items totaling a net General Fund impact of \$2.95 million.

Public safety

The largest percentage of our people and resources dedicated in the General Fund remain in public safety.

| Expense Annual Budget by Function Report | | | | | | | | |
|---|------------------------|-----|------------------------|-----|------------------------|-----|------------------------|-----|
| Summary | 2015 Actual | | 2016 Actual | | 2017 Amended | | 2018 Adopted | |
| Fund: 100 - General Fund | | | | | | | | |
| Expenditures | | | | | | | | |
| General Government | \$10,160,692.30 | 16% | \$13,219,949.77 | 18% | \$13,672,037.00 | 16% | \$12,236,188.00 | 16% |
| Public Safety | \$33,692,251.83 | 53% | \$38,516,992.41 | 52% | \$44,181,561.00 | 53% | \$42,582,371.00 | 54% |
| Public Works | \$10,592,609.82 | 17% | \$11,717,302.86 | 16% | \$14,732,949.00 | 18% | \$13,457,097.00 | 17% |
| Community Services | \$3,886,965.62 | 6% | \$3,869,498.61 | 5% | \$4,159,589.00 | 5% | \$4,281,761.00 | 5% |
| Parks & Recreation | \$5,706,921.97 | 9% | \$6,382,593.89 | 9% | \$6,862,117.00 | 8% | \$6,158,101.00 | 8% |
| Expenditure Grand Totals: | \$64,039,441.54 | | \$73,706,337.54 | | \$83,608,253.00 | | \$78,715,518.00 | |

Our Fire Department responds to over 27 incidents per day. At least 15 of these incidents are for emergency medical services and 12 of these incidents for reported fires or other emergency incidents. In FY 17 we completed the Citygate Standards of Cover and Staffing Utilization Study. The study used 3 years of incident data along with traffic congestion historical data and analysis of emergency response, training, prevention, education and code enforcement operations to make best practices recommendations. The study found that our Fire Department deployment is significantly under resourced (termed as “weight” in the study) and unable to reach emergency incidents timely (speed) for a city of our size, density and complexity. Improvements can be made over time with a plan and dedicating resources as available. The study recommended planning for the addition of two more fire stations, consistent with prior planning, several fire apparatus and accompanying personnel (70 to 80 FT) to cover within the city limits alone. With additional stations and personnel necessary as the city annexes developing portions of the ETJ.

The Fire Department response to the study is a recommended 5+ year program of adding personnel, fire stations and emergency vehicles to catch us up to where we need to be today. The Citygate planning includes the addition of 2 more fire stations in 5 years and a program of ideally continuous onboarding of personnel (3 new full-time added every 90 days for the next 5+ years). This FD plan and response to the study recognizes the need for steady, manageable growth with affordability. Since the City Council's acceptance of the Citygate Study findings and recommendations along with FD response and continuous onboarding plan, an additional area of our ETJ has been annexed (Massey Oaks). This new area will eventually require an additional fire station and personnel (not mentioned above) before the subdivision for that area is built out. In addition, MUDs 21 and 22 have requested improved response to their area of our ETJ through an existing agreement. The City is in discussion with representatives of those MUDs to determine best plan and cost sharing to improve the response to their area.

For police, we completed an operations and management study with the Berkshire Advisor's Group and are already realizing successes by the implementation of some of the plan's recommendations.

In January of this year, the Police Department leadership made changes to its patrol districts and added beats, the first major change in districting in over 20 years. The purpose of this change was to spread out responding personnel based on travel times and space and followed an extensive evaluation of response times by location and time of day. The new districts/beats spread the officers out over a wider range of areas within the City. A new 10am-10pm shift was also created to help provide extra coverage during the busiest time of the day. The department has removed routine roll calls, they are now done in

ad hoc locations and only on an as needed basis. Officers with take-home cars are able to respond directly to their assigned beats, without a need to come to the station. The automatic vehicle location system ensures personnel are where they need to be at the start of their shift. In addition, the department evaluated priority classifications to ensure that there is consistency and accuracy in dispatching and record input. The primary driving force behind these changes was to bring down the response times to Priority 1 calls for service (calls where there is imminent threat to life, a robbery, an officer assist, or a call involving hazard or injury where timely response may mitigate injury).

Moreover, Police have worked with IT to provide remote video upload locations. The first successful upload location has been set up at the Pearland Parks & Recreation Natatorium and Recreation Center. The location has worked well and is serving as a blue print for additional locations. The officers' presence has also led to additional benefits to direct safety and welfare at this City facility. **Overall, our objective is to maximize police presence visibility throughout the community in the best possible locations. The combination of technology, pre-planning, dedication of line staff, and daily management is achieving that objective.** An analysis compared the first six months of response times from 2017 to the first six months of response times in 2016, prior to the changes in districts and shift times. The results have been initially impressive, especially given there were fewer patrol officers on the street this year than the same time period last year due to turn over. The 90th percentile response time for Priority 1 calls decreased nearly 20% from the prior year's six months, down to 6:34 minutes. The 90th percentile measure is more aggressive and complete than a mean or median.

Requests for FY 18 are focused on continuing to keep our resources mobile and active, in the right places with the best information, technology, and support. Recommendations follow the Berkshire report's emphasis and build upon successes and continuing strong safety results.

Pride and care in our streets and sidewalks; mobility improvements

In FY17 we completed 6.9 lane miles of street paving, often in partnership with Brazoria County, located in the Sleepy Hollow subdivision, Old Town area, Hatfield and Jasper Rds. In FY18, another 6.0 miles of reinvestment is planned in and around existing neighborhoods. In FY 17, 4.3 miles of sidewalks were repaired in the Kensington and Southdown subdivisions.

| Neighborhood street and sidewalk repair & maintenance | FY 17 Current Estimate | FY 18 Budget |
|--|------------------------|-----------------|
| Streets | | |
| Dollars | \$1,906,009 | \$1,100,000 |
| Lane Miles | 6.91 | 6.0 |
| Estimated regular need | \$3,840,000 | \$3,840,000 |
| Unmet annual maintenance target funding need/unmet lane miles | \$1,933,991/5.8 | \$2,740,000/8.2 |
| Sidewalks | | |
| Dollars | \$728,760 | \$ 628,760 |
| Sidewalk Miles /feet of work | 4.3/ 22,874 | 3.5/ 18,650 |
| Estimated regular need | \$1,704,828 | \$1,704,828 |
| Unmet annual maintenance target funding need/unmet need sidewalks | \$976,068/5.75 | \$1,076,068/6.5 |

The investment for streets and sidewalks in this budget continues to allocate resources toward operations and maintenance of existing public assets as much as possible. We've also dedicated resources to technological improvements that help improve traffic flow through traffic maintenance systems. This helps to reduce site visits to signal locations for repairs by making adjustments remotely from our Traffic Operations Center at Hillhouse. More traditionally, the intersection improvements such as we completed at Pearland Parkway and Broadway for improved turning movements represent a high benefit, low-cost physical improvement. In the FY 18 Capital Improvement Plan, another intersection improvement at Dixie Farm Road and Broadway is set to be evaluated for improvements with dual left turn lanes in all directions. More generally, the turn signal improvements with permissive yellow arrow turns allowed are another example of improving mobility at intersections.

Our corridors are being improved along Main Street with design work thanks to the leadership and vision of the Pearland Economic Development Corporation Board and staff. Discussion about the year ahead would be incomplete without recognizing the major impact of the forthcoming SH288 work. The TxDOT improvements from Clear Creek north to the Texas Medical Center will provide additional toll-managed lanes while improving the existing freeway. The Brazoria County Toll Road Authority takes the work on to complete a major corridor that will continue improving our area's attractiveness, and future development. Just as significantly, there are substantial mobility improvements with the series of direct connects to Beltway 8 that the Harris County Toll Authority has steadily improved over the last two years. One of those direct connects improves access to our Lower Kirby District. Investment in the District from the private side is being facilitated by investments in public infrastructure through the management district, extending South Spectrum Drive, for instance.

Debt Service

The City received positive ratings from Moody's Investor Services and Fitch Ratings, Inc. in July for its 2017 bond issuances. The Permanent Improvement and Refunding Bonds Series 2017 for \$54.9 million and the Certificates of Obligation Series 2017 for \$5.8 million were assigned a rating of "AA" by Fitch and 'Aa2' by Moody's. Separately, our enterprise fund Water and Sewer System Revenue and Refunding Bonds-Series 2017C for \$60.4 million were assigned 'AA-' by Fitch and 'Aa3' by Moody's. These ratings demonstrate strong creditworthiness relative to other U.S. municipal or tax-exempt issuers or issues.

| Fiscal Year Ending 9/30 | Prior Year/ Estimated Taxable Valuation Net of TIRZ | Assessed Growth Valuation Rate (%) | Debt Service Tax Rate per \$100 of Assessed Value | Tax Collections 99.00% | Other Revenue Sources (a) |
|--|--|---|--|-------------------------------|----------------------------------|
| 2017 Proj. (b) | \$7,512,514,453 | 18.6% | 0.4400 | 32,686,979 | \$1,754,742 |
| 2018 Budget | 8,104,683,070 | 7.9% | 0.4300 | 34,791,636 | 1,443,407 |
| 2019 | 8,753,057,716 | 8.0% | 0.4300 | 37,261,767 | 1,810,486 |
| 2020 | 9,278,241,179 | 6.0% | 0.4500 | 41,334,564 | 1,812,112 |
| 2021 | 9,742,153,237 | 5.0% | 0.4800 | 46,294,712 | 1,838,444 |
| 2022 | 10,131,839,367 | 4.0% | 0.4850 | 48,648,027 | 1,868,429 |
| 2023 | 10,435,794,548 | 3.0% | 0.4850 | 50,107,468 | 1,867,673 |
| (a) Includes estimated Delinquent Tax Collections, Penalties and Interest, University of Houston-Clear Lake Lease Payment, Interest Income, and Transfers for Fund 100 and 600. | | | | | |
| (b) FY17 Projected amounts are inclusive of the most recent information provided by the City's Financial Advisor. | | | | | |

The City's growth allows debt service payments to be spread over a larger tax base, steadying the debt service rate while continuing moderate new debt issuances for capital investment projects. The debt service rate small reduction is atop the reduction we had in 2017, to 0.4400 from .4828 in FY 2016. The significantly reduced debt service rate for two years is even as new projects are being financed (general obligation and certificates of obligation). The City has refinanced existing debt for long-term savings and has also dedicated fund balance from the debt service fund for reducing the rate in 2018 which is scheduled to increase as shown in the projection for 2019 and 2020, using conservative assumptions.

As discussed later, the debt service rate over a larger base allow for the City to consider continuing to balance its operating rate. A healthy operating rate allows for more pay-as-you go work, regular maintenance and investment, and continued regular service delivery. Comparison cities show clearly the Pearland challenge as we are in the early stages of our maturation as a city, remaining leveraged to build out the public roads, parks, drainage, and facilities for our residents and businesses:

| | FY 16 | | | | FY '17 | | | | Operating Rate as % of total |
|-------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|------------------------------|
| | Operating Rate | Debt Service Rate | Total Tax Rate | Taxable Value | Operating Rate | Debt Service Rate | Total Tax Rate | Taxable Value | |
| Pearland | 0.2225 | 0.4828 | 0.7053 | \$ 8,464,775,289 | 0.2412 | 0.4400 | 0.6812 | \$ 9,771,727,706 | 35% |
| McKinney | 0.4100 | 0.1730 | 0.5830 | \$ 15,327,566,890 | 0.4018 | 0.1712 | 0.5730 | \$ 17,108,814,646 | 70% |
| Plano | 0.3556 | 0.1230 | 0.4786 | \$ 34,352,527,039 | 0.3500 | 0.1186 | 0.4686 | \$ 39,066,059,755 | 75% |
| Frisco | 0.2971 | 0.1629 | 0.4600 | \$ 20,795,469,000 | 0.2941 | 0.1559 | 0.4500 | \$ 24,283,000,000 | 65% |
| League City | 0.4010 | 0.1725 | 0.5735 | \$ 6,082,479,421 | 0.4105 | 0.1595 | 0.5700 | \$ 7,015,000,000 | 72% |

A \$7.3 million General Obligation bond financing has been scheduled for FY 18 to complete the southeast quadrant of Old Townsite Drainage, Mykawa Road widening match, Hughes Ranch Road match, and Smith Ranch Road match. The 2018 projects slated for funding through Certificates of Obligation include streets to complete Old Alvin Road widening, Max Road expansion, and intersection improvements. Also included is design for new Fire Station #8 and new Fire Station #7. CO funding for 2018 has been budgeted and anticipated for \$8.6 million.

Nearing completion of the 2007 General Obligations bond issue projects

Pearland residents determined in May 2007 to set out to authorize with bond debt financing \$162 million in road, drainage, parks, and facility capital improvements. At this writing, all of the park projects have been completed or are at least in bidding. We enjoyed opening the Sports Complex at Shadow Creek, and the Centennial Park expansion is under construction with two lighted/irrigated softball fields, picnic pavilion and parking. Next up is the Independence Park Phase I, which will include a new Pearland Parkway entry, a stage with dressing areas and a new playground. Soon dirt will be moving for the new Delores Fenwick Nature Center at our John Hargrove Environmental Complex.

Although not as quickly delivered as all would like, the improvements have been delivered and have actually gone much further on the road mobility side than originally anticipated. Thanks to Pearland elected officials and staff preparation, the road projects have grown considerably thanks to funding through the HGAC Transportation Improvement Program being secured, providing 80% outside Federal money for City projects to match our 20%.

To round out bond projects, the expansion and renovation of the Tom Reid Library is now underway. The drainage projects identified to date are completed or headed towards construction award.

It should be noted too that we continue to issue Certificates of Obligation, another form of debt financing, for a variety of capital projects that arise. Certificates of Obligation have been issued primarily for facilities, drainage, and mobility projects. Such debt is also repaid as an obligation through the debt service property tax rate.

The success of planning and coordinating local resources for a determined purpose are being shown now in the Old Alvin Road and East Orange St. areas. From the 2007 Bond Issue, Old Alvin Rd. was scheduled to be widened. New projects on E. Orange St and Linwood paving and drainage and Town Ditch pedestrian path projects were designed, bid and will be constructed as a multi-phase project reducing the construction duration and achieving lower construction costs. With the coordination and additional funding, the expanded scope improves road, drainage, utilities, and pedestrian facilities in an established neighborhood, on a collector street, and adjacent to our public facilities.

As discussed at the early budget input session, a future bond issue consideration is anticipated now that the City is approaching \$9 billion in taxable valuation. The City Council has asked for an issue to be designed that is of scale to achieve the projects within a shorter time frame than what was advanced since 2007. The potential May 2019 question to voters includes \$70.8 million in projects, including continuation of park improvements and neighborhood street reconstruction programs. There is also envisioned a possible new Shadow Creek Ranch Library on land the City already owns. Additionally, a new animal services shelter facility is also envisioned.

Water and Sewer Enterprise Fund

Our water and sanitary sewer utility systems are business enterprises that operate as a self-sustaining business, supported by the water and sanitary sewer rate payments of those who use, and have available, these critical resources all the time. We have been proactive with building out the system to meet our needs of today and tomorrow ensuring the continued reliability of the systems. Prior leadership has secured water supply from multiple sources – ground and surface of our own taking and through contracts with the City of Houston system. The last year has seen significant progress with awarding contracts to design a new surface water treatment plant that will take some of the water previously contracted with the Gulf Coast Water Authority from the American Canal. Financing for the work associated with the surface plant and the expansion/upgrades of the Reflection Bay Water Reclamation Facility have been secured through the Texas Water Development Board. That financing is advantageous to the City and its ratepayers with very low interest.

The water and sanitary sewer utilities are seeing substantial growth and additions. In addition to the ongoing routine and emergency repairs to both systems a more proactive approach to maintenance and cost effective measures to increase infrastructure's useful life are being implemented. It is significant to recognize that records show our water and sanitary sewer systems did not have rate increases for five consecutive years, from 2010 to 2014, despite inevitable increases in the cost of goods and services. In some ways, the system is catching up on those deferments. Moreover, the City has bond covenants that we are required to meet for bond coverage with cash (1.4 rate) and for cash reserves (25%). Those sound financial ratios are established by the bond covenants and the City's financial policy.

In 2016, the City was presented, and adopted, a new rate model. The rate model approach is commonly used in large systems like ours. The model being used by the City is a base rate for water and sanitary sewer services with escalating blocks being charged for those requiring a higher service level. For water accounts up to 2,000 gallons/month, for instance, the base rate in FY 17 is \$13.78/month for water and \$20.86/month for sanitary sewer, inclusive of availability charge and the first 2,000 gallons. **Based upon the rate model update, recognizing the additional costs for labor, and chemicals, in addition to the system upgrades, expansion, and maintenance, the total revenue increase necessary for FY 18 is 10.0%.** That revenue requirement is lower than anticipated during the FY 17 budget process, but still indicative of the system needs and growth (total revenue does not translate to exactly equivalent individual rate change). For FY 18, the same small residential 2,000 gallon user of water, will have a base rate of \$15.30 for water and \$22.74 for sewer; the change for FY 18 is \$3.40/month. For the residential user with a 5/8" meter, the vast majority of our accounts, the monthly bill inclusive of water and sewer goes from \$67.20/month to \$73.20/month, a change of \$6.60.

Through various infrastructure recapitalization programs, Public Works is working to extend the useful life of vital infrastructure, such as water storage tanks, water distribution, sanitary sewer collection system, and water reclamation facilities (wastewater treatment plants).

While all of these programs are important, the ones most visible to residents are the waterline replacement program and the sanitary sewer inflow and infiltration programs. These programs are both paramount in minimizing service interruptions for the residents resulting from emergency system failures.

While not as visible to residents, the production and reclamation facility programs have a much larger impact by minimizing unplanned outages which can result in an impact to a much larger group of residents. Our preventative work there includes routine inspection of equipment by various methods such as heat signatures, energy consumption and vibration testing. When these indicators start to change on a piece of equipment, that is typically a signal that something is deteriorating within a piece of equipment, thus allowing repair or replacement to be initiated prior to failure which could lead to a large scale service interruption.

Moving into the future, staff is also looking at opportunities to operate systems in the most efficient manner possible, by implementing technologies that will allow the optimization of the available equipment to be used at its upmost efficiency. Ongoing upgrades to the City's supervisory control and data acquisition (SCADA) system will allow for better integration of existing system infrastructure. Additionally, through the use of advanced analytics staff will be able to react to system changes in a more rapid manner. Example: the system detects a water pressure drop in an area resulting in staff being notified. This would allow staff to look for a waterline break prior to the public calling the break in to Public Works.

The implementation of advanced metering infrastructure (AMI) will also provide both financial and operational benefits to the City. From a revenue perspective this technology, which will be solid state (no moving parts), will allow for more accurate recording of consumption levels. The technology currently being used by the City, positive displacement type, records consumption to a 1/10 gallon per minute level. The solid state meters will record to a 1/100th level. The conversion to AMI will result in an increase in recorded consumption resulting in more revenue, accurately reflecting consumption. The amount of revenue from the improved accuracy will be over time and not predictable, so future rates should be moderated to a degree. The operational advantages of AMI will be a more flexible data set, meaning that since the data is constantly being acquired an analysis of consumption, patterns can be detected on an almost real time basis. We can evaluate water produced, leaving production facilities, versus water consumed by customers on a true month-over-month basis, midnight on the first day of the month to midnight on the first day of the next month. Accurate information will give an idea of a true water loss rate resulting from leaks, flushing, or theft; water loss is an issue for our system and will be improved through these efforts.

The Legislative Cloud

In Austin, apart from the major strategic issues of future annexation, the talk has been of additional caps on property tax revenue, irrespective of a city's growth or unique challenges. The Special Session has also brought discussion of hard revenue caps. With the timing and uncertainty of the session, we can monitor and trust that changes would be for future budgets, not looking back on future plans. Although in flux, even the State Senate's Bill 1 is said to be effective in FY 19. If there are revenue reductions from current planning, then some items will have to be reviewed with eyes toward the usual unfortunate balancing of street and sidewalk repair/maintenance with staffing at future fire stations.

School districts serving Pearland have adopted their budgets and are applying a tax rate for their upcoming FY 18 equal to the prior year.

The range of bills called by the Governor to restrict and confine local governments from Austin are numerous. We continue to plan, while facing uncertainty, but realizing there is a possibility that some of the changes may result in potentially creating significant limitations to true home rule. We do not know if

there will be mandated changes to live within and what, if anything, will be included. We cannot be sure if, or when, something is imposed by our Legislators.

The value of growth

\$890 million. According to the various county appraisal district officials, within our city limits, in 2016 there was added taxable value of \$890 million, *including* the Tax Increment Reinvestment Zone (TIRZ).

Added tax base provides 6.8% more value, getting us to \$8.2 billion *excluding* the TIRZ, on which we apply our property tax debt service and operations rates.

Where does that growth come from? The majority of value growth is from increases in valuation of *existing* properties. The changes in valuation as of January 1, 2017 from the County Appraisal Districts reflect continuing strong retention of value, albeit at a slower growth rate. In Brazoria County, for instance, 35.8% of the homestead parcels grew between 0.1% and 5%. Homeowners saw bigger jumps in the appraised values the year prior. Between 2016 and 2015, a significant 60% of parcels increased more than 10%. So, property owners will often see smaller value growth to which the various taxing entities such as the City apply their rates.

Homestead Values: Change in Preliminary 2017 vs. 2016



| Homestead Values: Preliminary 2017 vs 2016 | BCAD | | HCAD | | FBCAD | |
|---|-------|---------|-------|---------|-------|---------|
| | COUNT | PERCENT | COUNT | PERCENT | COUNT | PERCENT |
| Over 10.1% increase | 3,396 | 15.3% | 19 | 1.0% | 8 | 0.7% |
| 5.1% - 10% increase | 3,583 | 16.1% | 1,317 | 71.4% | 38 | 3.4% |
| 0.1% - 5% increase | 7,947 | 35.8% | 399 | 21.6% | 73 | 6.5% |
| No increase/decrease | 4,890 | 22.0% | 92 | 5.0% | 0 | 0.0% |
| 0.1% - 5% decrease | 2,122 | 9.5% | 10 | 0.5% | 992 | 87.9% |
| 5.1% - 10% decrease | 158 | 0.7% | 7 | 0.4% | 3 | 0.3% |
| Over 10.1% decrease | 125 | 0.6% | 0 | 0.0% | 15 | 1.3% |

Growth and opportunity

The City's sales tax revenue is expected in this budget to continue strongly, providing \$20 million in FY 18 with 4% growth. Sales tax revenue actually provides substantially to General Fund operations in addition to being the funding source for our Pearland Economic Development Corporation for another \$10 million in FY 18. The combination of rooftops and retailers in Pearland helps the local economy with jobs and investment and obviously provides tremendous value to our local government operations.

With many homestead value growth moderating and this further reduction in the rate, coupled with our continuing needs for ramping up services and systems to support our people and the population they serve, the City Council can select from several positive options. The budget is built around a total City property tax rate that is slightly more than the year prior, at the allowable rollback rate of 8% revenue growth.

Following Budget Discussion #2, Staff developed seven scenarios outlining potential tax rates and implementation levels for the Compensation and Classification Study. At the First Public Hearing, Council narrowed those choices to the two scenario outlined in the table to the right; Scenario 1C, at Proposed Tax Rate, and Scenario 3, at the Rollback Rate. Both scenarios included 100% implementation of the Compensation and Classification study in FY18, which is an additional investment of \$613,245 above the 95%

| Comparison of Potential Property Tax Rate and Revenue | | | |
|--|-----------------------------|--------------------------|------------------------------------|
| General Fund and Debt Service Property Tax Rates | FY 2017 Actual Rates & Levy | FY 2018* | |
| | | (1C) Proposed Tax Rate | (3) Rollback Rate (8% revenue cap) |
| O&M | 0.2412 | 0.250000 | 0.255059 |
| Debt service | 0.4400 | 0.430000 | 0.430000 |
| Total | 0.6812 | 0.680000 | 0.685059 |
| G.F. Property Tax Revenue + TIRZ Administrative Fee (in millions) | \$17.7 + \$9.4 = \$27.1 | \$20.1 + \$10.5 = \$30.5 | \$20.5 + \$10.6 = \$31.0 |
| *For FY 2018, the proposed rate in purple is used in the adopted budget revenue. | | | |

implementation that was included in the original Proposed Budget. For an overview of the funded items included in each of these scenarios, see the chart on the following page.

Each one of these scenarios mean different things in terms of resources for the FY18 Budget. Scenario 1C would maintain the proposed tax rate of \$0.6800 per \$100 in valuation, however in order to fund 100% of the Compensation and Classification Study, several Supplementals Requests would need to be delayed and the fund balance over policy would drop \$62,116, from \$290,700 in the original Proposed Budget to \$228,584. Scenario 3, which was eventually adopt by Council, also resulted in the delay of several supplemental requests, however this scenario added \$237,944 to the fund balance over policy, bringing it up to \$528,644. This over policy amount will likely prove to be critical as the city recovers from Hurricane Harvey.

Comparison of Scenarios 1C and 3 to Original Proposed Budget

| Original Proposed Budget | | (1C) Proposed Tax Rate 100% Comp | | (3) Rollback Rate (Adopted) | |
|---------------------------------|------------------|----------------------------------|------------------|---------------------------------|------------------|
| Expenses | Net Impact | Expenses | Net Impact | Expenses | Net Impact |
| 2% COLA | 912,526 | 2% COLA | 912,526 | 2% COLA | 912,526 |
| 95% Comp & Class | 464,000 | 95% Comp & Class | 1,077,245 | 95% Comp & Class | 1,077,245 |
| Infrastructure Architect | 49,997 | Infrastructure Architect | 49,997 | Infrastructure Architect | 49,997 |
| Senior Planner | 46,455 | Senior Planner | 46,455 | Senior Planner | 46,455 |
| Toro Mowers | 42,351 | Toro Mowers | 42,351 | Toro Mowers | 42,351 |
| Installation of Benchmarks | 102,000 | Installation of Benchmarks | 102,000 | Installation of Benchmarks | 102,000 |
| Logistics Cargo Van | 23,056 | Logistics Cargo Van | 23,056 | Logistics Cargo Van | 23,056 |
| Power Load for Ambulance | 24,540 | Power Load for Ambulance | 24,540 | Power Load for Ambulance | 24,540 |
| Continuous Onboarding | 400,000 | Continuous Onboarding | 400,000 | Continuous Onboarding | 200,000 |
| Two (2) Dispatchers | 63,777 | Two (2) Dispatchers | 63,777 | Two (2) Dispatchers | 63,777 |
| Jailer | 29,299 | Jailer | 29,299 | Jailer | 29,299 |
| Two (2) Officers | 167,994 | Two (2) Officers | 127,994 | Two (2) Officers | 127,994 |
| PSB Chiller | 165,691 | PSB Chiller | 165,691 | PSB Chiller | 165,691 |
| Two (2) Mechanics* | - | Two (2) Mechanics* | - | Two (2) Mechanics* | - |
| Vehicle Replacements** | 1,450,094 | Vehicle Replacements** | 1,130,794 | Vehicle Replacements** | 1,130,794 |
| TOTAL | 3,941,780 | TOTAL | 2,491,686 | TOTAL | 2,491,686 |
| Fund Balance Over Policy | 290,700 | Fund Balance Over Policy | 288,584 | Fund Balance Over Policy | 528,644 |

*Mechanics are offset by reductions in contracted costs

**Reductions include 4 Police vehicles and one vehicles from Parks, Community Development and Public Works

Those items highlighted in yellow have been reduced, those in green have increased

So, what do these options mean for a homestead property tax bill? Several sample bills are shown in the table below for the City portion of those tax bills. It should be noted that all of these examples accurately show a 10% growth in valuation, the maximum for a given year, even though not all property owners experience that maximum. Accumulated unrecognized value from prior years' that had higher growth can still be taxed when growth falls below 10%. The City remains about ¼ of the total property tax bill.

**Summary of Homestead Property Tax Bills Projected for 2017 Tax Year (for FY 2018 Budget Cycle)
Pearland, Texas**

| | | Zero Growth | | Homestead Example 1 | | Homestead Example 2 | | Homestead Example 3 | | Homestead Example 4 | | Homestead Example 5 | |
|----------------------------|---------------|-----------------|-------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|
| TY16 Actual COP Tax Bill | | \$ | 1,240 | \$ | 1,793 | \$ | 986 | \$ | 957 | \$ | 1,654 | \$ | 833 |
| TY16 Taxable Value | | \$ | 187,000 | \$ | 270,000 | \$ | 149,810 | \$ | 145,530 | \$ | 249,000 | \$ | 127,244 |
| % Increase (Decrease) | | | 0.0% | | 10.0% | | 10.0% | | 10.0% | | 10.0% | | 10.0% |
| TY17 Taxable Value | | \$ | 187,000 | \$ | 297,000 | \$ | 164,791 | \$ | 160,083 | \$ | 273,900 | \$ | 139,968 |
| Scenario | City Rate | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual |
| No New Rev. TR (Effective) | 0.6671 | \$ 1,214 | \$ (26) | \$ 1,932 | \$ 139 | \$ 1,066 | \$ 80 | \$ 1,035 | \$ 78 | \$ 1,782 | \$ 128 | \$ 900 | \$ 67 |
| Proposed TR | 0.6800 | \$ 1,238 | \$ (2) | \$ 1,969 | \$ 176 | \$ 1,087 | \$ 101 | \$ 1,055 | \$ 98 | \$ 1,816 | \$ 162 | \$ 918 | \$ 85 |
| TY16 Total Rate | 0.6812 | \$ 1,240 | \$ (0) | \$ 1,973 | \$ 180 | \$ 1,088 | \$ 102 | \$ 1,056 | \$ 99 | \$ 1,819 | \$ 165 | \$ 919 | \$ 86 |
| Rollback TR | 0.6851 | \$ 1,247 | \$ 7 | \$ 1,984 | \$ 191 | \$ 1,095 | \$ 109 | \$ 1,062 | \$ 105 | \$ 1,829 | \$ 175 | \$ 925 | \$ 92 |

| | | Homestead Example 6 | | Homestead Example 7 | | Homestead Example 8 | | Homestead Example 9 | | Homestead Example 10 | | Senior Example | |
|--------------------------|---------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|----------------------|-------------------------------|----------------|-------------------------------|
| TY16 Actual COP Tax Bill | | \$ | 1,176 | \$ | 1,894 | \$ | 2,003 | \$ | 1,667 | \$ | 1,975 | \$ | 206 |
| TY16 Taxable Value | | \$ | 177,595 | \$ | 285,152 | \$ | 301,630 | \$ | 251,000 | \$ | 297,341 | \$ | 126,620 |
| % Increase (Decrease) | | | 10.0% | | 7.0% | | 10.0% | | 6.8% | | 8.3% | | 10.0% |
| TY17 Taxable Value | | \$ | 195,355 | \$ | 305,124 | \$ | 331,790 | \$ | 268,000 | \$ | 322,080 | \$ | 139,282 |
| Scenario | City Rate | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual | TY 2017 Amount | Change from Prior Year Actual |
| No New Rev (Effective) | 0.6671 | \$ 1,270 | \$ 94 | \$ 1,985 | \$ 91 | \$ 2,158 | \$ 155 | \$ 1,754 | \$ 87 | \$ 2,095 | \$ 120 | \$ 206 | \$ - |
| Proposed TR | 0.6800 | \$ 1,294 | \$ 118 | \$ 2,023 | \$ 129 | \$ 2,200 | \$ 197 | \$ 1,788 | \$ 121 | \$ 2,135 | \$ 160 | \$ 206 | \$ - |
| TY16 Total Rate | 0.6812 | \$ 1,297 | \$ 121 | \$ 2,027 | \$ 133 | \$ 2,204 | \$ 201 | \$ 1,792 | \$ 124 | \$ 2,139 | \$ 164 | \$ 206 | \$ - |
| Rollback Rate | 0.6851 | \$ 1,304 | \$ 128 | \$ 2,038 | \$ 144 | \$ 2,216 | \$ 213 | \$ 1,802 | \$ 135 | \$ 2,151 | \$ 176 | \$ 206 | \$ - |

In Example 1, the City portion is \$1,984 for the year with a \$191 increase from the prior year.

| Homestead Tax Bill Example 1 | | | | | | | |
|--|-------------------|--------------|-------------------|---------------------------------|--------------|-------------------|------------------|
| Address: XXXX Seabrough | | | | Subdivision: Shadow Creek Ranch | | | |
| Characteristics: | | | | | | | |
| Did not exceed Homestead Cap in 2016 but is expected to exceed the homestead cap in 2017 | | | | | | | |
| Within MUD boundaries (MUD 26) | | | | | | | |
| Taxable Value Summary | | | | | | | |
| | Tax Year 2016 | | | Tax Year 2017 | | | Annual \$ Change |
| Appraised Value | 270,000 | | | 300,620 | | | 30,620 |
| Homestead Cap Loss | - | | | 3,620 | | | 3,620 |
| Taxable Value | \$ 270,000 | | | \$ 297,000 | | | 27,000 |
| Year-to-Year Comparison at COP 8% Revenue Increase | | | | | | | |
| Taxing Entity | Tax Year 2016 | | | Tax Year 2017 | | | Annual \$ Change |
| | Rate | Amount | % of Total Amount | Rate** | Amount | % of Total Amount | |
| Alvin Independent School District | 1.4500 | 3,553 | 41.0% | 1.4500 | 3,944 | 41.5% | 392 |
| City of Pearland | 0.6812 | 1,793 | 20.7% | 0.685059 | 1,984 | 20.9% | 191 |
| MUD #26 | 0.6900 | 1,490 | 17.2% | 0.6900 | 1,639 | 17.3% | 149 |
| Brazoria County | 0.3974 | 858 | 9.9% | 0.3802 | 903 | 9.5% | 45 |
| Alvin Community College | 0.1917 | 518 | 6.0% | 0.18075 | 537 | 5.7% | 19 |
| Brazoria County Drainage District #4 | 0.1460 | 315 | 3.6% | 0.1460 | 347 | 3.7% | 32 |
| Road & Bridge Fund (Brazoria County) ² | 0.0600 | 128 | 1.5% | 0.0600 | 141 | 1.5% | 13 |
| Total | 3.6163 | 8,655 | | 3.5920 | 9,495 | | 840 |
| % of Appraised Value | | 3.2% | | | 3.2% | | |
| <small>²Road & Bridge Fund is assessed by Brazoria County and included in their overall assessed tax rate of 0.440234 for TY17. * Certified Tax Year numbers are not shared until October. These are based on preliminary numbers on Brazoria, Harris and Fort Bend County Tax Assessor's websites. ** 2017 tax rates are not certified. Based either on advertised rates or 2016 rate.</small> | | | | | | | |

In addition to homestead exemptions, there are exemptions for over 65 and veterans/disabled that are significant. An example for one of those properties is below, which has a **City annual tax bill of only \$206, unchanged for 2017.**

| Homestead Senior Tax Bill Example | | | | | | | |
|--|-------------------|-------------|-------------------|-----------------------|-------------|-------------------|------------------|
| Address: XXXX Churchill | | | | Subdivision: Sherwood | | | |
| Taxable Value Summary | | | | | | | |
| | Tax Year 2016 | | | Tax Year 2017 | | | Annual \$ Change |
| Appraised Value | 126,620 | | | 149,870 | | | 23,250 |
| Homestead Cap Loss | - | | | 10,588 | | | 10,588 |
| Taxable Value | \$ 126,620 | | | \$ 139,282 | | | 12,662 |
| Year-to-Year Comparison at COP 8% Revenue Increase | | | | | | | |
| Taxing Entity | Tax Year 2016 | | | Tax Year 2017 | | | Annual \$ Change |
| | Rate | Amount | % of Total Amount | Rate** | Amount | % of Total Amount | |
| Pearland Independent School District | 1.4156 | 414 | 62.3% | 1.4156 | 414 | 61.5% | - |
| City of Pearland | 0.6812 | 206 | 31.1% | 0.685059 | 206 | 30.7% | - |
| Brazoria County Drainage District #4 | 0.1460 | 38 | 5.8% | 0.1460 | 40 | 6.0% | 2 |
| Brazoria County | 0.3974 | 5 | 0.8% | 0.3802 | 10 | 1.5% | 5 |
| Road & Bridge Fund (Brazoria County) ² | 0.0600 | 1 | 0.1% | 0.0600 | 2 | 0.3% | 1 |
| Total | 2.7002 | 664 | | 2.6869 | 672 | | 8 |
| % of Appraised Value | | 0.5% | | | 0.4% | | |
| <small>²Road & Bridge Fund is assessed by Brazoria County and included in their overall assessed tax rate of 0.440234 for TY17. * Certified Tax Year numbers are not shared until October. These are based on preliminary numbers on Brazoria, Harris and Fort Bend County Tax Assessor's websites. ** 2017 tax rates are not certified. Based either on advertised rates or 2016 rate.</small> | | | | | | | |

Conclusion

I want to close with a few contributions on the meaning of the many staff comments about purpose from the Road Shows:

I think our purpose is to ensure that Pearland remains a dynamic, safe, prosperous and desirable community to live, work, and play. As I see it, the purpose is to deliver a beautiful, safe and affordable community to the residents.



Make the lives better for our citizens.

Community building, providing vital public services to all fairly and equitably.

Our purpose, our driving force, as expressed by my staff colleagues, is a strong draw that fuels us every day. We are committed to continuing to improve the environment for high quality of life in Pearland. The budget here is another work plan that supports that effort.

Respectfully submitted,

Clay J. Pearson
City Manager

Post Script: Hurricane Harvey Recovery (10/10/2017)

On August 25, 2017 Hurricane Harvey made landfall in Rockport, TX. After days preparing, on August 26th, the City of Pearland formally activated our full Emergency Operations Center. Over the next week, City Staff worked around-the-clock to ensure the safety of our community as the storm dropped record rainfall in our area. Staff performed exceptionally and the community rallied together.

As of this writing, we are still evaluating the extent of the damage caused by the storm and the total investment that will be needed to fully recover. **In order to keep the Emergency Operations Center and operations fully functional throughout the emergency period, an additional expense of just**

under \$2 million in payroll expenses alone; \$1.7 of which came out of the General Fund. These payroll expenses *should* be 100% reimbursable within FY18. Staff is currently estimating that debris removal will cost \$1.6 million, 90% of which is reimbursable. There will also be out-of-pocket costs such as professional services and facilities, fleet and equipment repairs. To date, the City has spent \$587K on items exclusive of salaries, wages and debris removal, with an additional \$440K encumbered. That number is expected to grow.

On September 18th, Staff published a memo outlining our path forward to ensure that we are able to absorb additional costs. Although much of the costs are reimbursable, the staff has planned to have adequate cash on hand in the short term and to adjust the Budget for the non-reimbursable expenses in the long-term. In the short-term staff is planning to charge the full \$1.6 million for debris removal out of the Solid Waste Fund and will facilitate a temporary cash transfer to the General Fund, if possible. Staff has also delayed the purchase of all supplemental requests and \$526K worth of vehicle purchases. Staff will bring a formal recommendation on additional measures needed in November, when FY17 Carry-overs are brought for consideration.

At this point, it's important to underline that **we are still very much in the evaluation phase** of this long recovery process, with assessments of much of our critical infrastructure still ongoing. Staff is committed to working on the long road to recovery while ensuring that we keep providing Service the Pearland Way.



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FY 2018 ADOPTED BUDGET READER'S GUIDE TO THE BUDGET

The Fiscal Year 2017-2018 budget document has been prepared and presented in an effort to comply with the guidelines and recommendations of the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Awards Program. In order to be considered for the budget award, the following four areas must be included in the budget presentation: (1) the budget as a policy document, (2) the budget as a financial plan, (3) the budget as an operations guide, and (4) the budget as a communications device. A brief explanation of these criteria is presented below.

The budget as a policy document. This involves including a statement (or statements) of budgetary policies, goals, objectives, and strategies for the year and also an explanation of the budgeting process to the reader. Goals, objectives, and strategies are an integral part of this document, which we believe satisfy this requirement.

The budget as a financial plan. This criterion involves including an explanation of the financial structure and operations of the City. The City's major revenue sources and fund structures are defined and amplified. The budget contains an all-inclusive financial plan for all funds and resources of the City, and also includes a multi-year financial forecast. Included are projections of financial condition at the end of the fiscal year, projections of financial activity, and historical comparisons. The budget also presents a consolidated picture of all operations and financing activities in a condensed format. An explanation of the budgetary accounting basis (cash basis, modified accrual basis, or other acceptable method) was employed in the development of the budget. The budget summary section, as well as the various fund and department summaries, satisfies this requirement.

The budget as an operations guide. This criterion involves explaining the relationship between organizational units (departments) and programs. An organizational chart, description of the departmental organizational structure, services, and staffing levels, with historical comparisons, are also included. Explanations of how capital-spending decisions will affect operations are offered. These issues are addressed throughout the document.

The budget as a communications device. The budget document is available to the public at the City Secretary's Office in City Hall and at the Pearland Branch Libraries, as well as on the City's website. As much as possible, we have avoided the use of complex technical language and terminology, and included charts, graphs, and glossary for understandability and usability. Efforts are made to explain the basic units of the budget, including funds, departments or activities, and disclosing sources of revenues and explanations of revenue estimates and assumptions. This information is contained in the transmittal letter and budget summary sections.

In summary, each of the above four criteria is recognized by the GFOA as an integral part of any budget document in order to convey to the reader the goals and objectives the City will address during the year and how those goals and objectives will be met and measured. We have attempted to present these goals and objectives to the reader in such a manner that any reader, regardless of the reader's financial background or knowledge, will be able to gain a basic understanding of them.

Organization of the Budget Document

Tab One: Transmittal Letter is meant to outline the highlights of this Budget and some of the objectives the City hopes to accomplish this Fiscal Year. This section includes the City Manager's budget message to City Council.

Tab Two: Budget Overview is meant to provide readers with a concise overview of some of the most important pieces of this year's Budget. This section includes a list of funded supplemental requests, summaries for All Funds-Revenues and Expenditures, Summary All Funds Balances and Cash Equivalents, new positions and staffing levels. Plus an introduction to Pearland, City demographics and statistics, an area map, the City's Organization Chart, list of City Management, City Council Strategic Priorities, a Reader's Guide to the Budget, Fund Structure, a matrix of department relationships to funds, budget objectives and philosophy, and the fiscal year 2018 Budget Calendar. An overview of the City's property taxes, levy and collections for fiscal year 2018. Historical Assessed Valuation, Taxes Levied and Taxes Collected, along with Tax Rate Distribution and Principal Taxpayers information are in this section.

READER'S GUIDE TO THE BUDGET

Tab Three: Multi-Year Forecast provides a financial forecast for the next two Fiscal Years for the City's major funds. This section includes the financial forecast for the City of Pearland's major funds over a three-year timeframe, and is a comprehensive, integrated forecast of the City's Debt Service (DS) Fund, General (GF) Fund, Water and Sewer (W&S) Fund, and Pearland Economic Development Corporation (PEDC).

Tab Four: Debt Service Fund Section includes an overview of the General Obligation Debt Service Fund, with revenue and expenditure summaries. Governmental and General Debt Schedules are included, with graphs.

Tab Five: General Fund Section includes an overview comprised of revenue, expenditure and fund balance information. An expenditure summary for all general fund departments by function. Each functional area begins with an organizational chart followed by a summary of expenditures by department/function and by category, a staffing summary and an overview with key budget items, accomplishments, goals and objectives for this Fiscal Year, and performance measures.

Tab Six: Enterprise Fund Section includes an overview of the Water & Sewer Fund that includes a revenue and expense summary and beginning and ending cash equivalents. An organizational chart and staffing summary by department is followed by department overviews with key budget items, accomplishments, goals and objectives for this Fiscal Year, and performance measures. This section also includes revenue debt schedules and graphs, as well as an overview of the Solid Waste Fund with revenues and expenses, accomplishments, goals and objectives for this Fiscal Year and performance measures.

Tab Seven: Capital Project Funds Section includes an overview, a summary schedule of revenues and expenditures by Capital Project Fund followed by a brief description of each project with annual operating impacts.

Tab Eight: Special Revenue Funds Section includes information on the Special Revenue Funds. Each fund includes operating revenues and expenditures with beginning and ending fund balances.

Tab Nine: Internal Service Funds Section includes an overview describing each Internal Service Fund – Property/Liability Insurance and Medical Self-Insurance. The revenue and expense summaries are also included.

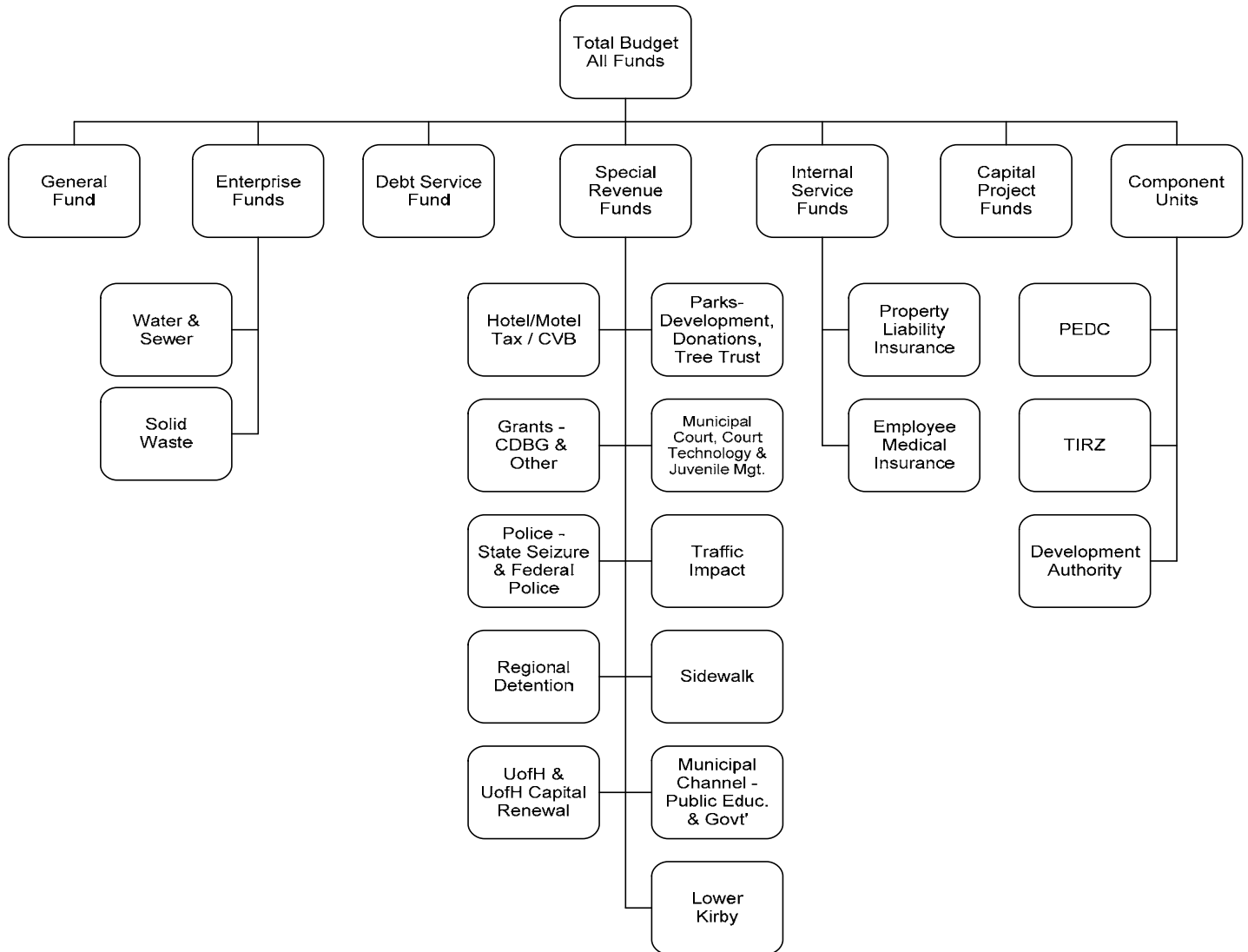
Tab Ten: Component Units Section includes a description of Component Units, an organization chart, an overview of the Pearland Economic Development Corporation (PEDC), a revenue and expenditure summary with fund balance with staffing summary, accomplishments, goals and objectives for this Fiscal Year and performance measures, followed by debt to maturity schedules and graph.

Tab Eleven: Appendix includes the City's Charter, Article 8, Municipal Finance; the adopted Tax and Budget Ordinances; the adopted General Staff, Police and Fire Pay Plans; the adopted Usage and Service Fees Ordinance; and Developmental Fees Ordinance. Includes statements assembling all of the City's financial policies into one document. These statements are the tools used to ensure that the City is financially able to meet its current and future service needs. The individual statements contained within serve as guidelines for both the financial planning and internal financial management of the City

Tab Twelve: Glossary Section includes the glossary and acronyms.

CITY OF PEARLAND FUND STRUCTURE

The City accounts for revenues and expenditures based on the Fund, an accounting system used by nonprofit organizations and agencies, particularly governments. Because there is no profit motive, accountability is measured instead of profitability. The main purpose of the Fund system is stewardship of financial resources to ensure funds are received and expended in compliance with legal requirements. Funds are established to ensure accountability and expenditure for designated purposes. Revenues must be raised and expended in accordance with special regulations and restrictions. The budget is adopted and recorded in the accounts of the related fund.



DEPARTMENT AND FUND RELATIONSHIP

| | Police | Fire | Public Works | Parks & Recreation | Community Development | Community Services | Finance | General Government |
|------------------------------------|--------|------|--------------|--------------------|-----------------------|--------------------|---------|--------------------|
| General Fund | X | X | X | X | | X | X | X |
| Enterprise Funds | | | | | | | | |
| Public Works Administration | | | X | | | | | |
| Water/Sewer Grounds | | | X | | | | | |
| Lift Stations | | | X | | | | | |
| Water Reclamation | | | X | | | | | |
| Water Production | | | X | | | | | |
| Distribution & Collection | | | X | | | | | |
| Construction | | | X | | | | | |
| Water Meter Services | | | X | | | | | |
| Utility Customer Service (Billing) | | | | | | | X | |
| Information Technology | | | | | | | | X |
| Other Requirements/City-Wide | | | | | | | X | |
| Solid Waste | | | | | | | | X |
| Special Revenue Funds | | | | | | | | |
| Hotel/Motel Occupancy Tax | | | | | X | | | |
| Court Security | | | | | | X | | |
| City-Wide Donations | X | X | | | | X | | |
| Court Technology | | | | | | X | | |
| Park Donations | | | | X | | | | |
| Tree Trust | | | | X | | | | |
| Police State Seizure | X | | | | | | | |
| Police Federal | X | | | | | | | |
| Parks Development | | | | X | | | | |
| Sidewalk | | | X | | | | | |
| Grants | | | | | | | | X |
| Community Development Block Grant | | | | | | | | X |
| Court Juvenile Management | | | | | | X | | |
| Municipal Channel | | | | | | | | X |

**CITY OF PEARLAND
LIST OF FUNDS**

| Fund | Title | Fund | Title |
|-------------|--|-------------|-----------------------------------|
| 100 | General Fund | 502 | General Obligation 2001 |
| 200 | Debt Service Fund | 503 | Certificates of Obligation 2006 |
| 305 | Hotel/Motel Occupancy Tax | 504 | Certificates of Obligation 2007 |
| 310 | Municipal Court Security | 505 | General Obligation 2008 |
| 315 | City Wide Donation Fund | 506 | General Obligation |
| 320 | Court Technology | 510 | Lower Kirby Urban Center |
| 325 | Street Assessment | 550 | W/S Impact Fee Fund |
| 330 | Park Donations | 555 | Shadow Creek Impact Fee |
| 331 | Tree Trust Fund | 560 | Certificates of Obligation 1998 |
| 335 | Police State Seizure Fund | 565 | Revenue Bonds - 1999 & 2003 |
| 336 | Federal Police Fund | 570 | Water/Sewer Pay As You Go |
| 340 | Park & Rec Development Fund | 575 | MUD 4 Capital Program |
| 345 | Sidewalk Fund | 600 | Water Sewer Fund |
| 350 | Grant Fund | 610 | Solid Waste Fund |
| 351 | Community Development Block Grant (CDBG) | 700 | Property Liability Insurance Fund |
| 360 | Traffic Impact Improvement | 701 | Employee Benefits Fund |
| 365 | Court Juvenile Management Fund | 702 | Medical Self Insurance Fund |
| 370 | Municipal Channel (Peg) | 800 | Long Term Debt |
| 375 | U of H Fund | 810-812 | Fixed Assets |
| 376 | U of H Capital Renewal Fund | 820-830 | Long Term Debt - DAP & PEDC |
| 380 | Regional Detention Fund | 900 | Economic Development Fund (PEDC) |
| 500 | Capital Projects - Pay as You Go | 920 | Development Authority Fund (DAP) |
| 501 | Certificates of Obligation | 930 | TIRZ #2 Shadow Creek |

BUDGET OBJECTIVES AND PHILOSOPHY

BUDGET OBJECTIVES

The FY 2018 budget has been prepared in an effort to clearly communicate to the citizens and staff of the City the overall policies and goals of the City Council and City Management and who we are and what we do, thereby enabling the reader to gain valuable information about the City without requiring detailed accounting or budgetary knowledge. The budget document includes descriptions of various activities and programs (departments) of the City and comparative performance indicators for each program or activity, where available.

BUDGET PHILOSOPHY

Budget philosophy varies from organization to organization, depending upon the local needs and concerns of the citizens. Other factors also affect budget philosophy, such as the state of the local economy, the needs of the organization, the demands of the public for increased services, unfunded mandates and requirements of federal and state regulatory agencies. The budget prepared by the City takes a conservative perspective with regard to both revenues and expenditures. Although historical comparison and trends are very useful, current data and trends will sometimes take precedence over prior year trends. This means budgeting from a “conservative” perspective in that revenues are often anticipated either at or slightly above prior levels, unless there are other known factors that will significantly affect anticipated revenues. In addition, expenditures are also estimated conservatively (i.e., allowances are projected regarding cost increases or anticipated expenditures, such as annexation of ETJ into the City). As a result, over the years this method has resulted in substantial increases in actual fund reserves when compared to budgeted or projected fund reserves. The City continues to use this method of budgeting rather than use unreasonable projections, which could have an adverse impact on the City’s reserves.

BASIS OF BUDGETING AND ACCOUNTING

The financial information presented in the FY 2018 budget is similar to information presented in previous budget documents. The accounting and financial treatment that applies to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus.

BASIS OF BUDGETING

GOVERNMENTAL FUNDS

The governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are budgeted when they are measurable and available and expenditures are budgeted in the period in which the liability is incurred, which is in accordance with Generally Accepted Accounting Principles. “Measurable” means the amount of the transaction can be determined and “available” means the collectible period. The City considers the majority of its major revenues as available when collected. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as liabilities when due.

Those revenues susceptible to accrual under the modified accrual method are property taxes and other taxes, intergovernmental revenue, and interest revenue. Licenses and permits, including fines and forfeitures revenues, are not susceptible to accrual because generally they are not measurable until received in cash.

The fund balance approach of governmental funds or working capital approach can be identified as current assets less current liabilities. Governmental funds budget capital outlays as expenditures, but do not budget for non-cash expenditures such as accruals for sick and vacation liabilities and depreciation.

PROPRIETARY AND INTERNAL SERVICE FUNDS

The Water and Sewer Enterprise Fund, Solid Waste Fund, and Property Insurance Fund are budgeted using a flow of economic resources, which is similar to the accrual basis of accounting, with exceptions listed below. Available balances are determined using the cash equivalent approach: cash + investments + accounts receivable + prepaid expenses – accounts payable = cash equivalent available.

BASIS OF BUDGETING AND ACCOUNTING

- Revenues are budgeted in the period they are earned and measurable,
- Expenses are budgeted in the period in which the liability was incurred,
- Depreciation of assets is not budgeted,
- Capital outlay is budgeted as an expense in the year purchased,
- Principal payments are budgeted as an expense rather than a reduction to the liability,
- Proceeds from bond sales are budgeted as revenue, and
- Transfer of bond proceeds to the Capital Projects Fund is budgeted as an expense.

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental and fiduciary funds are accounted for using the modified accrual basis. Revenues are recognized in the accounting period when they are measurable and available. Revenues subject to accrual include interest income and charges for services. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. Capital outlays are recorded as additions to fixed assets at fiscal year-end and the cost of those assets are depreciated over their estimated useful lives for the government-wide financial statements.

All proprietary funds are accounted for on an accrual basis. Revenues are recognized in the period in which they are earned and become measurable and expenses in the period in which they are incurred and measurable. Proprietary funds also record depreciation and amortization. Payment of principal is recorded as a reduction to the long-term liability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GASB 34)

The City of Pearland fully implemented government-wide financial statements with the year ended September 30, 2007. The government-wide statements present information about the City in a manner similar to those used by private sector companies. These statements, which can be found in the City's Annual Comprehensive Finance Report, include all assets and liabilities on an accrual basis of accounting, which is similar to the basis of accounting used by most private sector entities. The City has realized no impact to the annual budget based on the new reporting model.

BUDGET PROCEDURES

The budget process begins with the distribution of budget instructions to the department heads. Each department receives instructions for its respective operations, personnel requirements, and capital outlay. The budget worksheets used in the budgeting process contain: 2-prior year actuals, current year original budget, current year amended budget, current year actuals to date, current year projected expenditures, next fiscal year base budget, and next fiscal year supplemental request, for a next year total request. This financial information is to be used by the department heads as a guide to complete the proposed budget. It is assumed that the prior year's financial needs are responsible indicators of future base financial needs and the budget is projected on this basis.

For FY 2018, departments' base operating budgets were calculated by the Budget Office and were based off of FY 2016 actual expenditures, less non-recurring expenditures, plus known impacts, such as operating costs from completed capital projects. Departments then allocated their base budget amount to their individual line items. Supplemental requests for capital, annexation, growth and development or other items that do not fit within normal operating budgets are requested and justified separately. Upon completion of the proposed budget, department heads submit their budget request to the Budget Office for review, after which the budget is submitted to the City Manager for review and approval. The City Manager meets with his direct reports to discuss and make adjustments where needed.

The Budget Office prepares the revenue budget, with review by appropriate departments, Director of Finance and City Manager. Property tax revenue is budgeted using data provided in the preliminary or certified tax rolls received from the Brazoria, Fort Bend and Harris County Appraisal Districts. All other revenues are budgeted with the use of comparative financial information provided by the prior year's actual revenue, current year estimated revenue, and known factors that may affect receipt of revenue.

The City Manager and Director of Finance then submit a balanced budget of expenditures and revenues to the City Council for review through a series of budget workshop sessions.

BUDGET PROCEDURES

The following procedures are followed for formal adoption of the budget:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1, which must be adopted by the last regularly scheduled Council meeting in September. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices and hearings are conducted pursuant to state law.
3. The budget is legally enacted through passage of an ordinance.
4. The legal level of control is the total approved budget for each fund.
5. All funds are included in the budget development process and submitted to the Council for adoption each year and are monitored by department administrators and budget analysts during the year. These funds include the General Fund, Capital Improvement Fund(s), Special Revenue Funds, Debt Service Funds, Water and Sewer Fund, Solid Waste Fund, Internal Service Funds, and the Economic Development Corporation Fund.
6. Operating fund appropriations lapse at year-end.
7. See the Pearland City Charter, Article 8, in the Appendix section for further budget procedures and rules for the adoption of the budget.

PROCEDURE TO AMENDING THE BUDGET

EMERGENCY APPROPRIATIONS:

At any time in any fiscal year, the Council may make emergency appropriations to meet a pressing need for public expenditure, for other than regular or recurring requirements, to protect the public health, safety or welfare. Such appropriations shall be by ordinance adopted by the majority vote of the Council members at one special or regular meeting.

TRANSFER OF APPROPRIATIONS:

At any time during the fiscal year, the City Manager may approve an amendment to the budget that transfers part or all of any unencumbered appropriation balance among programs within a department, division, or office, upon written request by department heads. The City Council must approve any budget amendments that increase or decrease the appropriation for any fund.

Please see Appendix for additional information regarding the City's Financial Policies

**CITY OF PEARLAND
FY 2018 FUNDED SUPPLEMENTAL REQUESTS BY
STRATEGIC PRIORITY**

| Strategic Priority / Division | Supplemental Request Funded | General Fund | W/S Fund | Other Funds | Total |
|---------------------------------------|---|------------------|------------------|----------------|------------------|
| Healthy Economy | | | | | |
| PEDC | Development Manager - (3 months) | | | 30,657 | 30,657 |
| Community Development | Senior Planner - Novak Study recommendation - Offset with reductions to Contracted Services | 46,455 | | | 46,455 |
| | Sub-Total | 46,455 | - | 30,657 | 77,112 |
| Engaged Community | | | | | |
| | Sub-Total | - | - | - | - |
| Safe Community | | | | | |
| Fire | Continuous On-Boarding (Starting Q2) - 3 new FF every 90 days for FY 18, Citygate recommended | 400,000 | | | 400,000 |
| Fire | Logistics Cargo Van - replace 2004 Tahoe with 100,000 + miles | 23,056 | | | 23,056 |
| Fire | Power Load for Ambulance - lifts stretcher and patient | 24,540 | | | 24,540 |
| Police | 2 Police Officers - Patrol (includes vehicle and equipment) (3 months) - to meet benchmark of 6 min response times, Berkshire recommend | 127,994 | | | 127,994 |
| Police | Jailer (6 months) - currently minimum staffed, requiring OT | 29,299 | | | 29,299 |
| Police | 2 Telecommunications Officers (6 months) - currently understaffed per The National Emergency Number Association (NENA) and call volume | 63,777 | | | 63,777 |
| | Sub-Total | 668,666 | - | - | 668,666 |
| Sustainable Infrastructure | | | | | |
| Information Technology | Infrastructure Architect - Utility SCADA (9 months) | | 72,778 | | 72,778 |
| Information Technology | Infrastructure Architect - Traffic (6 months) | 50,097 | | | 50,097 |
| Engineering & Capital Projects | Installation of Survey Benchmarks - 18 permanent - no grant eligibility | 102,000 | | | 102,000 |
| Public Works | Asset Management Solution - would provide ERP Solution for Water & Sewer Assets | | 350,000 | | 350,000 |
| Public Works | Grounds Maintenance for Water Production & Reclamation Facilities -- increase current service level, provide staff necessary to sustain the division's rapid growth, with no additional personnel | | 226,740 | | 226,740 |
| Public Works | Surface Water Plant Manager (6 months) -- would bring on staff in time for pilot testing and Preliminary Engineering Design of new plant | | 58,231 | | 58,231 |
| Public Works | Professional Contractual Services -- engineering services associated with new waterline and sewer line replacement programs | | 50,000 | | 50,000 |
| Public Works | Peterbilt Concrete Mixer - equipment will significantly increase efficiency of sidewalk replacement and utility cuts | | 157,849 | | 157,849 |
| Public Works | Maintenance Worker - Distribution and Collections - efficiently complete a monthly average of 27 utility cut work orders | | 48,802 | | 48,802 |
| Public Works | Heavy Equipment Operator - current concrete crew structure does not include a Heavy Equipment Operator; work load is beyond the current crew size | | 54,200 | | 54,200 |
| Public Works | 2 Mechanics - reduce outsourcing and minimize turn around times; offset with reduction in contracts, with improved responsiveness | 85,092 | | | 85,092 |
| Public Works | PSB Chiller Replacement - failure in coils and signs of premature failing gin compressors, only source of AC and heat | 165,691 | | | 165,691 |
| | Sub-Total | 402,880 | 1,018,600 | - | 1,421,480 |
| Fiscally Responsible | | | | | |
| Human Resources | Risk Management Vehicle - Currently staff are utilizing personal vehicles with mileage paid by City | | | 31,100 | 31,100 |
| City-Wide | Compensation & Classification Study Implementation - 100% of Market at Mid-Year | 1,078,231 | 181,198 | 3,702 | 1,263,131 |
| | Sub-Total | 1,078,231 | 181,198 | 34,802 | 1,294,231 |
| Parks, Recreation & Events | | | | | |
| Parks & Recreation | Toro Mowers - replace failed equipment, without 7 day rotation becomes 14 | 42,351 | | | 42,351 |
| Parks & Recreation | Knapp Senior Center A/C Replacement -- Grant Funded | | | 19,582 | 19,582 |
| | Sub-Total | 42,351 | - | 19,582 | 61,933 |
| | Total | 2,238,583 | 1,199,798 | 85,041 | 3,523,422 |

Note - A full list of supplemental requests is located in the appendix section

*Two Mechanics are 100% offset by reductions in Fleet expense line items from contractual savings

**CITY OF PEARLAND
 FY 2018 FUNDED NEW POSITIONS BY
 FUND / DIVISION**

| Fund / Division | Position Title | Net FTE Change |
|------------------------|---|---------------------------|
| General Fund | | |
| Fire | Continuous Onboarding (Starting Q2) | 9.0 |
| Police | Two (2) Police Officers (Includes Vehicle & Equipment) (3 Months) | 2.0 |
| Police | Jailer (6 Months) | 1.0 |
| Police | Two (2) Telecommunications Officers (6 Months) | 2.0 |
| Community Development | Senior Planner (6 Months) | 1.0 |
| Information Technology | Infrastructure Architect (6 Months) | 1.0 |
| Public Works | Two (2) Mechanics (9 Months) | 2.0 |
| | Sub-Total | 18.0 |
| Enterprise Fund | | |
| Public Works | Surface Water Plant Manager (6 Months) | 1.0 |
| Public Works | Maintenance Worker (12 Months) | 1.0 |
| Public Works | Heavy Equipment Operator (12 Months) | 1.0 |
| Information Technology | Infrastructure Architect (9 Months) | 1.0 |
| | Sub-Total | 4.0 |
| PEDC | | |
| PEDC | Development Manager (3 Months) | 1.0 |
| | Sub-Total | 1.0 |
| | Total | 23.0 |

**CITY OF PEARLAND
FISCAL YEAR 2018 BUDGETED
POSITIONS BY DEPARTMENT**

| Function/Department | FULL-TIME POSITIONS | | | | PART-TIME POSITIONS | | | | FY 2018 |
|---------------------------------------|---------------------|--------------|-------------|--------------|---------------------|-------------|------------|-------------|--------------|
| | FY 2016 | FY 2017 | FY 2018 | | FY 2016 | FY 2017 | FY 2018 | | Total |
| | AMENDED | AMENDED | CHANGE | BUDGETED | AMENDED | AMENDED | CHANGE | BUDGETED | FTE |
| General Government | | | | | | | | | |
| City Manager | 5.0 | 5.0 | 0.0 | 5.0 | 2.0 | 2.0 | 0.0 | 2.0 | 6.0 |
| City Secretary | 4.0 | 4.0 | 0.0 | 4.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4.0 |
| Finance | 18.0 | 18.0 | (2.0) | 16.0 | 1.0 | 1.0 | 0.0 | 1.0 | 16.5 |
| Utility Customer Services | 11.0 | 13.0 | 2.0 | 15.0 | 4.0 | 2.0 | 0.0 | 2.0 | 16.0 |
| Human Resources - GF | 8.0 | 8.5 | 0.0 | 8.5 | 0.0 | 0.0 | 0.0 | 0.0 | 8.5 |
| Human Resources - Prop/Liab Ins | 0.0 | 0.5 | 0.0 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| Information Technology - GF | 8.0 | 9.0 | 1.0 | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.0 |
| Information Technology - W&S | 4.00 | 4.0 | 1.0 | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.0 |
| Legal | 5.0 | 5.0 | 0.0 | 5.0 | 1.0 | 1.0 | 0.0 | 1.0 | 5.5 |
| General Government Total | 63.0 | 67.0 | 2.0 | 69.0 | 8.0 | 6.0 | 0.0 | 6.0 | 72.0 |
| Public Safety | | | | | | | | | |
| Fire Dept. Administration | 9.0 | 10.0 | 0.0 | 10.0 | 3.0 | 2.0 | 0.0 | 2.0 | 11.0 |
| Fire Operations* | 87.0 | 93.0 | 9.0 | 102.0 | 34.0 | 34.0 | 0.0 | 34.0 | 119.0 |
| Fire Marshal | 8.0 | 8.0 | (1.0) | 7.0 | 1.0 | 1.0 | 0.0 | 1.0 | 7.5 |
| Fire Emergency Management | | 1.0 | 1.0 | 2.0 | | 0.0 | 0.0 | 0.0 | 2.0 |
| Fire Health & Code Enforcement | 8.0 | 8.0 | 0.0 | 8.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8.0 |
| Police Department | 211.0 | 218.0 | 5.0 | 223.0 | 7.0 | 7.0 | 0.0 | 7.0 | 226.5 |
| Animal Services | 10.0 | 10.0 | 0.0 | 10.0 | 1.0 | 1.0 | 0.0 | 1.0 | 10.5 |
| Public Safety Total | 333.0 | 348.0 | 14.0 | 362.0 | 46.0 | 45.0 | 0.0 | 45.0 | 384.5 |
| Public Works | | | | | | | | | |
| Engineering & Capital Projects Admin. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Engineering | 13.0 | 14.0 | 0.0 | 14.0 | 0.0 | 0.0 | 0.0 | 0.0 | 14.0 |
| Capital Projects | 9.0 | 12.0 | 0.0 | 12.0 | 0.0 | 0.0 | 0.0 | 0.0 | 12.0 |
| Public Works Administration - GF | 2.0 | 2.0 | 0.0 | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 |
| Public Works Administration - W&S | 7.3 | 8.3 | 0.0 | 8.3 | 0.0 | 0.0 | 0.0 | 0.0 | 8.3 |
| Facilities Maintenance | 5.7 | 5.7 | 0.0 | 5.7 | 0.0 | 0.0 | 0.0 | 0.0 | 5.7 |
| Custodial Services | 3.0 | 3.0 | 0.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 |
| Fleet Maintenance | 4.0 | 4.0 | 2.0 | 6.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.0 |
| Streets & Drainage | 16.0 | 16.0 | 0.0 | 16.0 | 0.0 | 0.0 | 0.0 | 0.0 | 16.0 |
| Grounds Maintenance - GF | 2.6 | 2.6 | 2.0 | 4.5 | 0.0 | 0.0 | 0.0 | 0.0 | 4.5 |
| Grounds Maintenance - W&S | 6.4 | 6.4 | (2.0) | 4.5 | 0.0 | 0.0 | 0.0 | 0.0 | 4.5 |
| Traffic Operations | 6.0 | 6.0 | 0.0 | 6.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.0 |
| Lift Stations | 7.0 | 7.0 | 0.0 | 7.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7.0 |
| Wastewater Treatment | 15.0 | 15.0 | 0.0 | 15.0 | 0.0 | 0.0 | 0.0 | 0.0 | 15.0 |
| Water Production | 15.0 | 15.0 | 1.0 | 16.0 | 0.0 | 0.0 | 0.0 | 0.0 | 16.0 |
| Distribution & Collection | 24.0 | 24.0 | 0.0 | 24.0 | 0.0 | 0.0 | 0.0 | 0.0 | 24.0 |
| W&S Construction | 8.0 | 8.0 | 2.0 | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.0 |
| Meter Services | 7.0 | 7.0 | 0.0 | 7.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7.0 |
| Public Works Total | 151.0 | 156.0 | 5.0 | 161.0 | 0.0 | 0.0 | 0.0 | 0.0 | 161.0 |

**CITY OF PEARLAND
FISCAL YEAR 2018 BUDGETED
POSITIONS BY DEPARTMENT**

| Function/Department | FULL-TIME POSITIONS | | | | PART-TIME POSITIONS | | | | FY 2018 |
|-------------------------------------|---------------------|--------------|-------------|--------------|---------------------|--------------|--------------|--------------|--------------|
| | FY 2016 | FY 2017 | FY 2018 | | FY 2016 | FY 2017 | FY 2018 | | Total |
| | AMENDED | AMENDED | CHANGE | BUDGETED | AMENDED | AMENDED | CHANGE | BUDGETED | FTE |
| Community Services | | | | | | | | | |
| Municipal Court - GF | 11.5 | 11.5 | 0.0 | 11.5 | 1.0 | 1.0 | 0.0 | 1.0 | 12.0 |
| Municipal Court Special Funds | 1.5 | 1.5 | 0.0 | 1.5 | 1.0 | 1.0 | 0.0 | 1.0 | 2.0 |
| Communications | 4.0 | 4.0 | 0.0 | 4.0 | 0.0 | 1.0 | 0.0 | 1.0 | 4.5 |
| Community Services | | | | | | | | | |
| Community Develop. Admin. | 4.0 | 4.0 | 0.0 | 4.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4.0 |
| Planning | 5.0 | 6.0 | 1.0 | 7.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7.0 |
| Permits & Inspections | 15.0 | 18.0 | 0.0 | 18.0 | 2.0 | 0.0 | 0.0 | 0.0 | 18.0 |
| Community Services Total | 41.0 | 45.0 | 1.0 | 46.0 | 4.0 | 3.0 | 0.0 | 3.0 | 47.5 |
| Parks & Recreation | | | | | | | | | |
| Parks Administration | 7.0 | 6.0 | 2.0 | 8.0 | 1.0 | 0.0 | 0.0 | 0.0 | 8.0 |
| Parks & Rec. Resource Development | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Parks | 25.0 | 25.0 | (1.0) | 24.0 | 0.0 | 0.0 | 0.0 | 0.0 | 24.0 |
| Recreation | 9.0 | 11.0 | (8.0) | 3.0 | 56.0 | 56.0 | (56.0) | 0.0 | 3.0 |
| Natural Resources | 3.0 | 3.0 | 0.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 |
| Athletics | 2.0 | 2.0 | 1.0 | 3.0 | 4.0 | 4.0 | 0.0 | 4.0 | 5.0 |
| Aquatics** | 0.0 | 0.0 | 2.0 | 2.0 | 0.0 | 0.0 | 28.0 | 28.0 | 16.0 |
| Special Events | 2.0 | 2.0 | 0.0 | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 |
| Senior Programs | 3.0 | 3.0 | 0.0 | 3.0 | 3.0 | 3.0 | 0.0 | 3.0 | 4.5 |
| Recreation Operations** | | 0.0 | 4.0 | 4.0 | | 0.0 | 27.0 | 27.0 | 17.5 |
| Recycling | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Parks & Recreation Total | 51.0 | 52.0 | 0.0 | 52.0 | 64.0 | 63.0 | (1.0) | 62.0 | 83.0 |
| Other Funds | | | | | | | | | |
| Economic Development | 5.0 | 5.0 | 1.0 | 6.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.0 |
| Convention & Visitors' Bureau | 3.0 | 3.0 | 0.0 | 3.0 | 2.0 | 1.0 | 0.0 | 1.0 | 3.5 |
| U. of Houston-Pearland | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Funds | 8.0 | 8.0 | 1.0 | 9.0 | 2.0 | 1.0 | 0.0 | 1.0 | 9.5 |
| ALL FUNDS | | | | | | | | | |
| General Fund | 532.7 | 558.2 | 18.0 | 576.2 | 117.0 | 114.0 | (1.0) | 113.0 | 632.7 |
| Water & Sewer Fund | 104.8 | 107.8 | 4.0 | 111.8 | 4.0 | 2.0 | 0.0 | 2.0 | 112.8 |
| Total Other Funds | 9.5 | 10.0 | 1.0 | 11.0 | 3.0 | 2.0 | 0.0 | 2.0 | 12.0 |
| Grand Total | 647.0 | 676.0 | 23.0 | 699.0 | 124.0 | 118.0 | (1.0) | 117.0 | 757.5 |

Change from FY 2017 to FY 2018

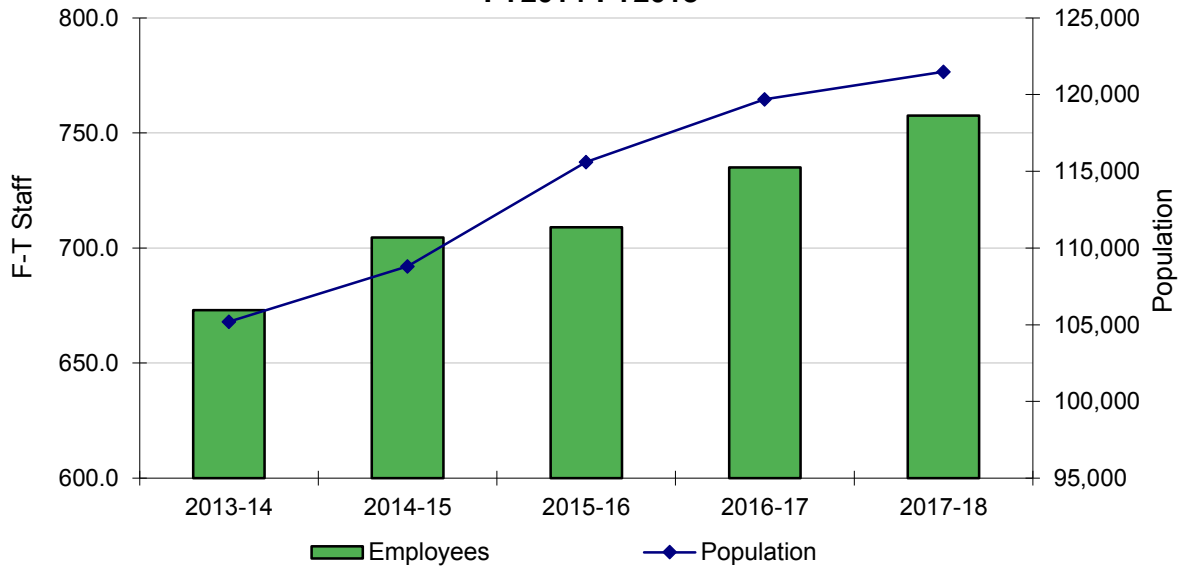
22.5

*Fire Operations - PT Firefighters & Paid Volunteer Firefighters are pooled positions based on number of hours, not positions.

**Parks Aquatics and Recreation Operations - PT Lifeguards & Rec Attendants are pooled positions based on number of hours, not positions.

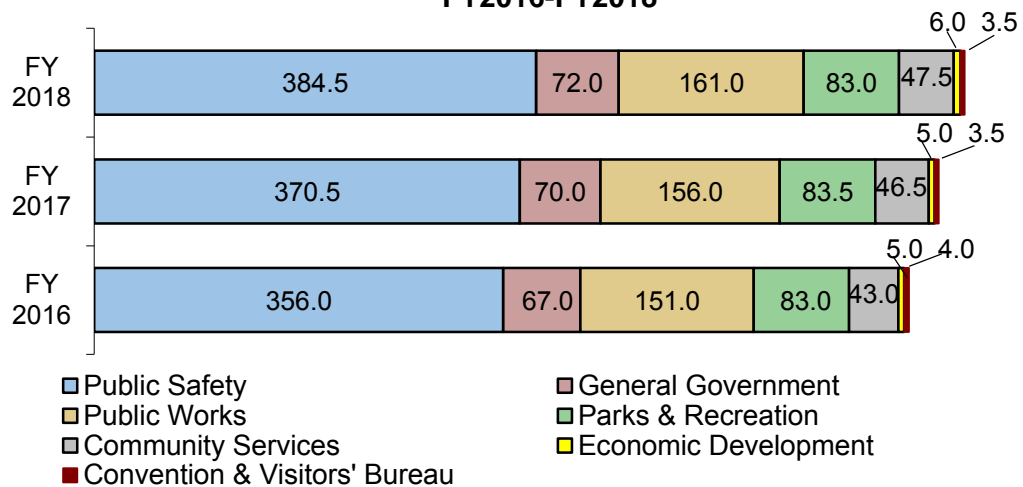
Note: Seasonal positions are not included.

**City of Pearland
Full-Time Equivalent Staff to Population
FY2014-FY2018**



| Fiscal Year | FTE | Population | No. of Positions Per 1,000 Population |
|-------------|-------|------------|---------------------------------------|
| 2013-14 | 673.0 | 105,200 | 6.40 |
| 2014-15 | 704.5 | 108,800 | 6.48 |
| 2015-16 | 709.0 | 115,600 | 6.13 |
| 2016-17 | 735.0 | 119,700 | 6.14 |
| 2017-18 | 757.5 | 121,500 | 6.23 |

**City of Pearland
Service (FTEs) by Service Area
FY2016-FY2018**



**CITY OF PEARLAND
FY 2018 ADOPTED BUDGET
SUMMARY ALL FUNDS
REVENUES AND EXPENDITURES**

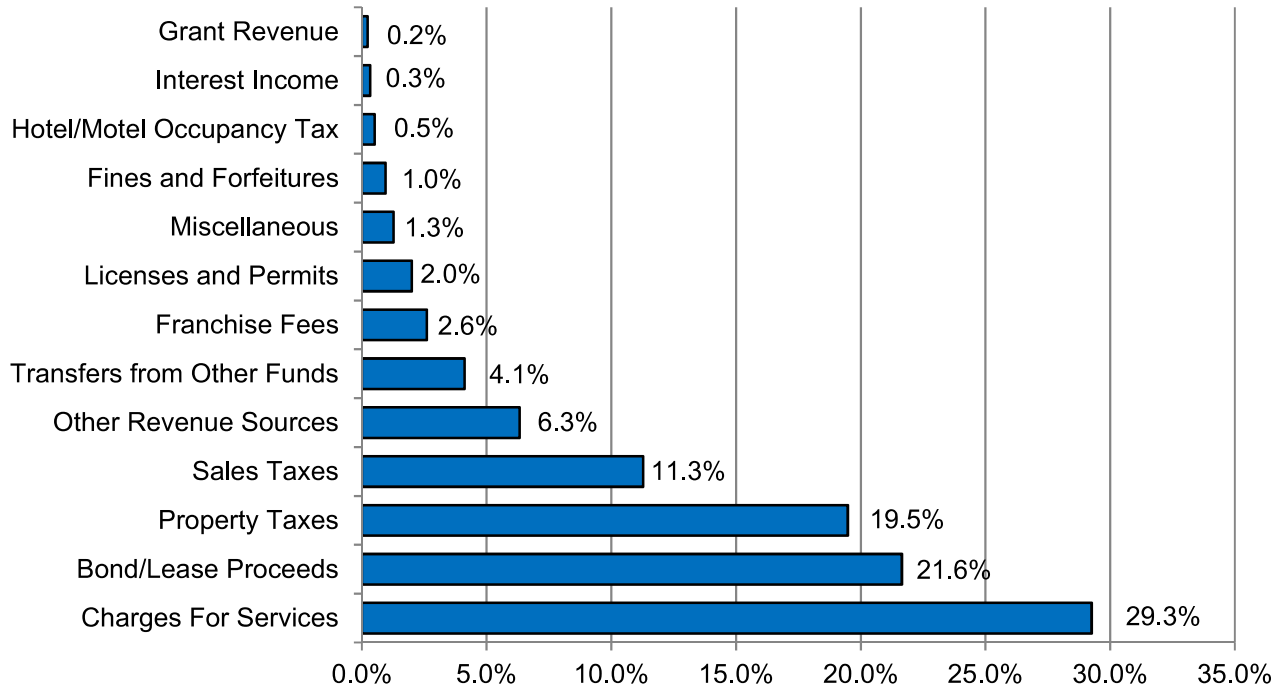
| REVENUES | FY2016 ACTUAL | FY2017 ORIGINAL BUDGET | FY2017 YEAR END AMENDED | FY2018 ADOPTED BUDGET |
|--|----------------------|------------------------------|-------------------------------|-----------------------------|
| Property Taxes | \$45,974,565 | \$52,034,876 | \$50,861,468 | \$55,496,643 |
| Sales Taxes | \$29,887,170 | \$30,770,444 | \$30,790,444 | \$32,124,462 |
| Franchise Fees | \$7,228,365 | \$7,237,000 | \$7,316,768 | \$7,420,000 |
| Licenses and Permits | \$5,851,964 | \$5,233,830 | \$6,027,255 | \$5,710,150 |
| Fines and Forfeitures | \$2,931,162 | \$3,100,500 | \$2,798,400 | \$2,710,950 |
| Charges For Services | \$73,595,288 | \$75,575,928 | \$82,382,791 | \$83,344,757 |
| Interest Income | \$1,009,498 | \$542,579 | \$1,086,373 | \$947,360 |
| Hotel/Motel Occupancy Tax | \$1,409,044 | \$1,550,000 | \$1,400,000 | \$1,450,000 |
| Bond/Lease Proceeds | \$143,619,570 | \$59,716,415 | \$103,123,850 | \$61,664,823 |
| Grant Revenue | \$187,454 | \$522,357 | \$1,556,368 | \$654,071 |
| Miscellaneous | \$3,741,393 | \$6,729,609 | \$3,025,508 | \$3,607,929 |
| Other Revenue Sources | \$17,173,651 | \$8,062,134 | \$40,859,428 | \$18,019,982 |
| TOTAL REVENUES | \$332,609,126 | \$251,075,672 | \$331,228,653 | \$273,151,127 |
| Transfers from Other Funds | \$20,259,547 | \$10,494,399 | \$19,734,381 | \$11,725,961 |
| TOTAL AVAILABLE RESOURCES | \$352,868,673 | \$261,570,071 | \$350,963,034 | \$284,877,088 |
| EXPENDITURES | | | | |
| General Government | \$10,879,609 | \$12,772,720 | \$13,145,768 | \$12,427,472 |
| Public Safety | \$38,607,762 | \$40,504,805 | \$44,210,724 | \$42,619,571 |
| Community Services | \$4,227,605 | \$3,812,616 | \$4,008,475 | \$4,130,991 |
| Public Works | \$40,002,153 | \$43,932,398 | \$46,769,437 | \$43,934,670 |
| Parks & Recreation | \$6,519,890 | \$6,784,578 | \$6,967,111 | \$6,305,101 |
| Utility Billing | \$1,184,464 | \$1,283,371 | \$1,200,995 | \$1,366,734 |
| Debt Service | \$82,815,266 | \$47,957,064 | \$81,700,823 | \$47,962,111 |
| Construction ¹ | \$40,141,410 | \$98,425,962 | \$103,417,182 | \$84,917,146 |
| Insurance Coverage | \$7,348,856 | \$8,825,077 | \$8,155,849 | \$8,936,912 |
| Economic Development Corporation | \$4,001,235 | \$5,945,583 | \$3,726,276 | \$8,248,524 |
| Other ² | \$8,562,467 | \$9,063,295 | \$11,793,887 | \$9,724,299 |
| TOTAL EXPENDITURES | \$244,290,716 | \$279,307,469 | \$325,096,527 | \$270,573,531 |
| Transfers to Other Funds | \$15,210,247 | \$18,065,399 | \$20,751,883 | \$17,072,729 |
| TOTAL EXPENDITURES AND OTHER USES | \$259,500,962 | \$297,372,868 | \$345,848,410 | \$287,646,260 |
| Revenues Over/(Under) Expenditures | 93,367,710 | (35,802,797) | 5,114,624 | (2,769,172) |

¹Capital projects are budgeted for project length. Construction is based on annual funding and not dollars spent.

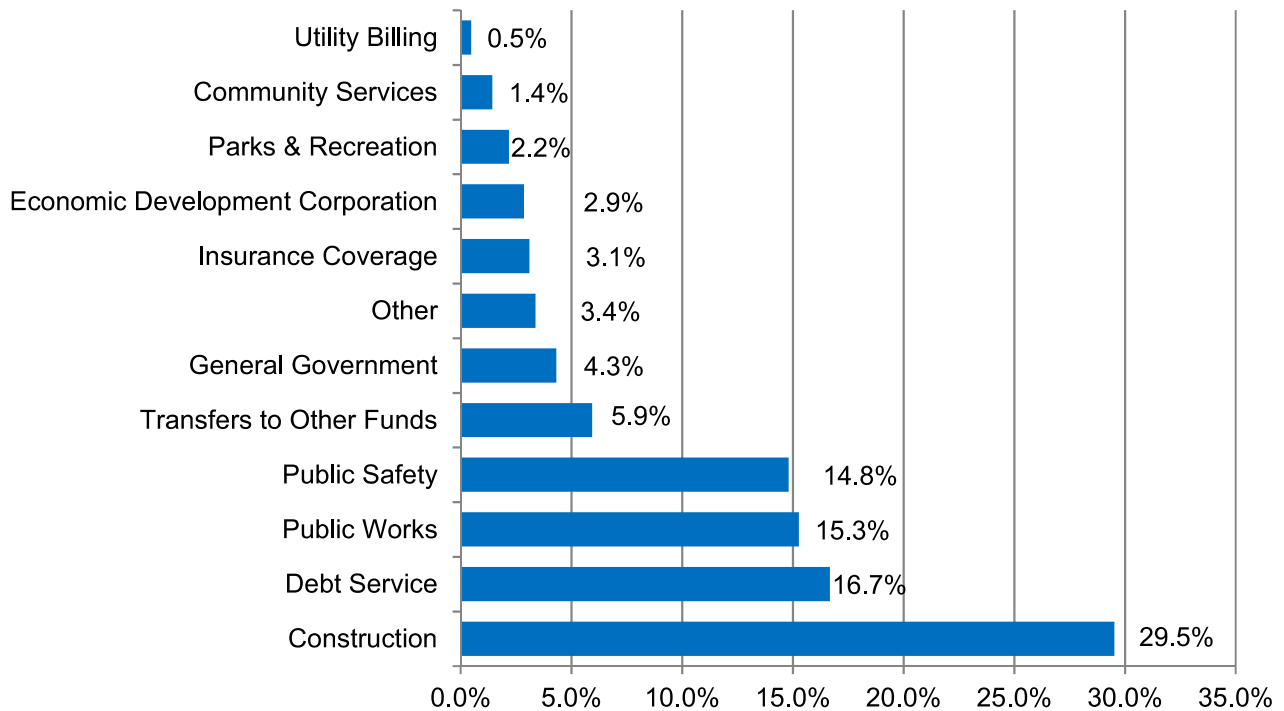
²Other includes expenditures for Special Revenue Funds, excluding transfers.

**CITY OF PEARLAND
 FY 2018 ADOPTED BUDGET
 SUMMARY ALL FUNDS
 REVENUES AND EXPENDITURES**

**Revenue Summary All Funds
 Adopted FY 2018 Budget**



**Expenditure Summary All Funds
 Adopted FY 2018 Budget**



**CITY OF PEARLAND
FY 2018 ADOPTED BUDGET
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

SUMMARY ALL FUNDS

| FUND | FY 2018 ADOPTED BEG BALANCE | FY 2018 ADOPTED REVENUES | FY 2018 ADOPTED EXPENDITURES | FY 2018 ADOPTED END BALANCE |
|------------------------|--|---|---|--|
| General Fund | \$ 12,096,765 | \$ 79,070,435 | \$ 78,715,518 | \$ 12,451,682 |
| Debt Service Fund | 5,756,659 | 36,235,043 | 35,752,862 | 6,238,840 |
| Special Revenue Funds | 7,347,778 | 2,864,256 | 2,694,825 | 7,517,209 |
| Proprietary Funds | 12,111,247 | 56,888,471 | 56,203,571 | 12,796,147 * |
| Capital Project Funds | 22,292,281 | 89,904,046 | 90,267,044 | 21,929,283 |
| Internal Service Funds | 3,091,656 | 8,564,865 | 9,027,012 | 2,629,509 |
| PEDC Fund | 20,365,619 | 11,349,972 | 14,985,428 | 16,730,163 |
| TOTAL | \$ 83,062,005 | \$ 284,877,088 | \$ 287,646,260 | \$ 80,292,833 |

*Exclusive of \$4,999,751 reserved for debt service pursuant to bond covenants.

SPECIAL REVENUE FUNDS

| FUND | FY 2018 ADOPTED BEG BALANCE | FY 2018 ADOPTED REVENUES | FY 2018 ADOPTED EXPENDITURES | FY 2018 ADOPTED END BALANCE |
|---------------------------------------|--|---|---|--|
| 305 Hotel/Motel Occupancy Tax | \$ 4,536,668 | \$ 1,460,800 | \$ 1,453,009 | \$ 4,544,459 |
| 310 Court Building Security | 27,307 | 48,530 | 55,529 | 20,308 |
| 315 Citywide Donation | 77,678 | 31,900 | 96,152 | 13,426 |
| 320 Court Technology | 5,220 | 60,010 | 61,777 | 3,453 |
| 325 Street Assessment* | | | | |
| 330 Park Donations | 141,613 | 126,200 | 135,000 | 132,813 |
| 331 Tree Trust | 74,095 | 40 | 12,000 | 62,135 |
| 335 Police State Seizure | 219,640 | 240 | 37,200 | 182,680 |
| 336 Federal Police | 7 | 10 | | 17 |
| 340 Park Development | 740,171 | 123,420 | | 863,591 |
| 345 Sidewalk | 5,997 | 5,005 | | 11,002 |
| 350 Grant Fund | 51,340 | 315,537 | 315,537 | 51,340 |
| 351 Community Development Block Grant | | 338,534 | 338,534 | |
| 360 Traffic Improvement | 553,241 | 1,000 | | 554,241 |
| 365 Court Juvenile Management | 18,586 | 52,030 | 58,806 | 11,810 |
| 370 Municipal Channel | 616,698 | 301,000 | 131,281 | 786,417 |
| 380 Regional Detention* | | | | |
| 510 Lower Kirby* | 279,517 | | | 279,517 |
| TOTAL | \$ 7,347,778 | \$ 2,864,256 | \$ 2,694,825 | \$ 7,517,209 |

* These Funds have no budgeted activity for FY 2018

**CITY OF PEARLAND
FY 2018 ADOPTED BUDGET
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

PROPRIETARY FUNDS

| FUND | FY 2018 ADOPTED BEG BALANCE | FY 2018 ADOPTED REVENUES | FY 2018 ADOPTED EXPENDITURES | FY 2018* ADOPTED END BALANCE |
|------------------------|-----------------------------------|--------------------------------|------------------------------------|------------------------------------|
| 600 Water & Sewer Fund | \$ 11,672,149 | \$ 49,499,057 | \$ 48,819,332 | \$ 12,351,874 * |
| 610 Solid Waste Fund | 439,098 | 7,389,414 | 7,384,239 | 444,273 |
| TOTAL | \$ 12,111,247 | \$ 56,888,471 | \$ 56,203,571 | \$ 12,796,147 |

*Net of any reserve requirements.

CAPITAL PROJECT FUNDS

| FUND | FY 2018 ADOPTED BEG BALANCE | FY 2018 ADOPTED REVENUES | FY 2018 ADOPTED EXPENDITURES | FY 2018 ADOPTED END BALANCE |
|--|-----------------------------------|--------------------------------|------------------------------------|-----------------------------------|
| 500 Capital Projects General | \$ 378,987 | \$ 205,000 | \$ 413,721 | \$ 170,266 |
| 501 Capital Projects-CO | 2,971,637 | 12,367,216 | 15,192,251 | 146,602 |
| 503 Certificates of Obligation Series 2006 | 29,045 | | | 29,045 |
| 506 Capital Projects-GO | (1,681,339) | 22,682,000 | 20,618,350 | 382,311 |
| 550 Utility Impact Fee Fund | 17,885,110 | 36,205,000 | 35,422,732 | 18,667,378 |
| 555 Shadow Creek Impact Fee | 2,072,676 | 915,000 | 700,000 | 2,287,676 |
| 560 Certificates of Obligation 1998 | 28,021 | | | 28,021 |
| 565 W & S Revenue Bonds | 365,805 | 15,392,120 | 15,644,720 | 113,205 |
| 570 Water/Sewer Pay As You Go CIP | 242,151 | 2,137,710 | 2,275,270 | 104,591 |
| 575 MUD 4 Capital Program | 188 | | | 188 |
| TOTAL | \$ 22,292,281 | \$ 89,904,046 | \$ 90,267,044 | \$ 21,929,283 |

INTERNAL SERVICE FUNDS

| FUND | FY 2018 ADOPTED BEG BALANCE | FY 2018 ADOPTED REVENUES | FY 2018 ADOPTED EXPENDITURES | FY 2018 ADOPTED END BALANCE |
|----------------------------------|-----------------------------------|--------------------------------|------------------------------------|-----------------------------------|
| 700 Property Liability Insurance | \$ 434,095 | \$ 984,331 | \$ 1,268,332 | \$ 150,094 |
| 702 Medical Self-Insurance | 2,657,561 | 7,580,534 | 7,758,680 | 2,479,415 |
| TOTAL | \$ 3,091,656 | \$ 8,564,865 | \$ 9,027,012 | \$ 2,629,509 |

PEARLAND ECONOMIC DEVELOPMENT CORPORATION (PEDC)

| FUND | FY 2018 ADOPTED BEG BALANCE | FY 2018 ADOPTED REVENUES | FY 2018 ADOPTED EXPENDITURES | FY 2018 ADOPTED END BALANCE |
|-------------------------------|-----------------------------------|--------------------------------|------------------------------------|-----------------------------------|
| 900 Economic Development Fund | \$ 20,365,619 | \$ 11,349,972 | \$ 14,985,428 | \$ 16,730,163 |
| TOTAL | \$ 20,365,619 | \$ 11,349,972 | \$ 14,985,428 | \$ 16,730,163 |

Pearland, Texas

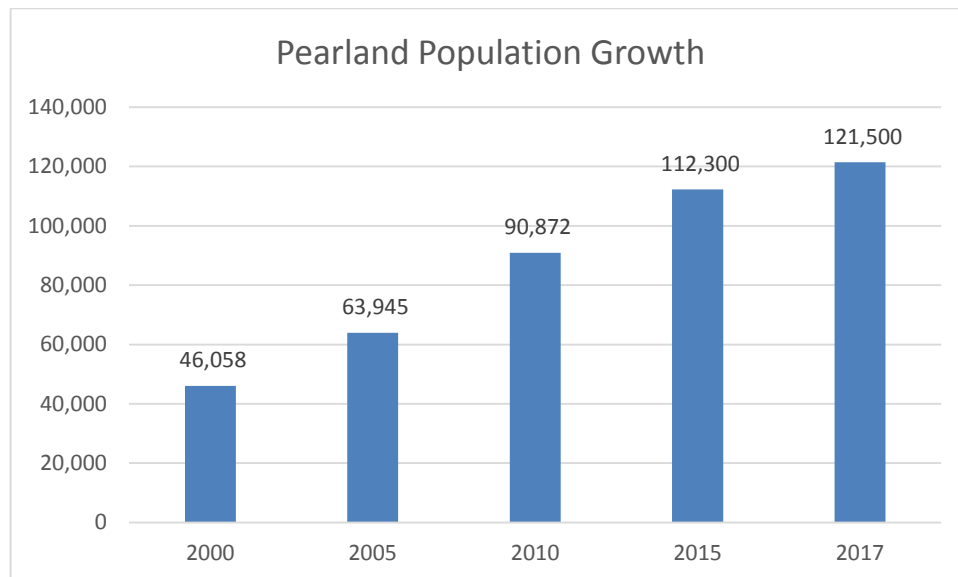
Where Town and Country Meet

The City of Pearland, Texas was incorporated in December 1959 and adopted a Home Rule Charter on February 6, 1971, and is a home-rule City operating under a Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council consisting of the mayor and 7 other members. The Mayor and Council members are elected at-large, and each of them hold office for a period of three consecutive years. Council members are limited to two full consecutive terms in office, and there is no term limitation on the office held by the Mayor. The City Manager is appointed by Council and is responsible for implementation of Council priorities and day-to-day management of all City operations.

The City provides a full range of municipal services, including public safety, wastewater treatment, street maintenance and repairs, road construction and improvements, and two libraries through a cooperative effort between the City of Pearland and Brazoria County.

Located across the northern end of Brazoria County, and sharing a common border with Houston, Texas to the north, Pearland is the fastest growing City in Brazoria County. From 2000 to 2017, based on U.S. Census population and the City of Pearland Planning Department statistics, Pearland's population increased from 46,058 to 121,500, making it consistently one of the fastest growing cities in Texas each year. The total area of the City is 68.93 square miles, 48.31 within City limits, and 20.62 in the Extra-Territorial Jurisdiction (ETJ).

Pearland's location, coupled with its expressed goals of long-term planned growth, is propelling the City's rapid economic growth and development, from \$6.3 billion net taxable property valuation in 2010 to \$10.5 billion in 2017, a 68.2% increase. Based on economic data from the U.S. Bureau of Labor Statistics, Pearland ranked 7th in the nation for fastest growing cities.



CITY OF PEARLAND

DEMOGRAPHICS

INCOME

64%

OF HOUSEHOLDS
HAVE INCOMES
OVER \$75,000

POPULATION

121,500

ESTIMATED 2018 PEARLAND
POPULATION

AGE DISTRIBUTION

| | | | | |
|------|-------|-------|-------|-----|
| 0-14 | 15-24 | 25-44 | 45-64 | 65+ |
| 25% | 11% | 32% | 23% | 9% |

MEDIAN AGE: 36.1

UNEMPLOYMENT RATE

4.0%

UNEMPLOYMENT

EDUCATION

46%

BACHELOR'S DEGREE
OR HIGHER

INCOME

\$95,972

MEDIAN HOUSEHOLD INCOME

HOMEOWNERS

76.7%

OF RESIDENTS ARE
HOMEOWNERS

HOME VALUE

\$185,400

MEDIAN HOME VALUE

TOP EMPLOYERS

PEARLAND INDEPENDENT SCHOOL DISTRICT
KELSEY-SEYBOLD
CITY OF PEARLAND
ALVIN ISD
MEMORIAL HERMANN
MERIT MEDICAL
KEMLON
PEARLAND MEDICAL CENTER
DOVER ENERGY
TURBOCARE

WORKFORCE

30%

EDUCATION, HEALTHCARE
& SOCIAL ASSISTANCE

12%

MANUFACTURING

City of Pearland Comparison City Demographics for Benchmarking

| Statistical Category | Dallas-Fort Worth MSA | | Houston MSA | | | | Austin MSA |
|--|-----------------------|------------|-------------|------------|-------------|------------|------------|
| | Frisco | McKinney | Pearland | Sugar Land | League City | Baytown | Round Rock |
| City Size (square miles) | 68.20 | 68.00 | 48.31 | 36.50 | 53.00 | 36.00 | 35.90 |
| Population Density | 2,345 | 2,476 | 2,515 | 2,404 | 1,925 | 2,200 | 2,842 |
| POPULATION (US CENSUS) | | | | | | | |
| 2017 Estimate | 159,920 | 168,358 | 121,500 | 87,733 | 102,010 | 79,215 | 102,010 |
| % Change (10-13) | 36.7% | 28.4% | 33.1% | 11.3% | 22.1% | 10.3% | 2.1% |
| 2010 Census | 116,989 | 131,117 | 91,252 | 78,817 | 83,560 | 71,802 | 99,887 |
| % Change (00-10) | 246.0% | 140.5% | 99.8% | 20.0% | 83.6% | 9.9% | 62.5% |
| 2000 Census | 33,808 | 54,518 | 45,681 | 65,697 | 45,517 | 65,332 | 61,484 |
| FINANCIAL CHARACTERISTICS (FY16 CAFR, UNLESS OTHERWISE NOTED) | | | | | | | |
| Credit Rating (Moody's) | Aa1 | Aa1 | Aa2 | AAA | Aa2 | Aa2 | Aa1 |
| Credit Rating (S&P) | AA+ | AAA | AA | AAA | AA | AA | AA+ |
| Total Net Position (in thousands) | \$ 1,484,234 | \$ 923,172 | \$ 720,888 | \$ 649,000 | \$ 467,023 | \$ 286,841 | \$ 791,198 |
| Operating Rate* | 0.2904 | 0.3756 | 0.2551 | 0.1804 | 0.3910 | 0.4701 | 0.2200 |
| Debt Tax Rate* | 0.1562 | 0.1646 | 0.4300 | 0.1356 | 0.1507 | 0.3520 | 0.2100 |
| Total Property Tax Rate* | 0.4466 | 0.5402 | 0.6851 | 0.3160 | 0.5418 | 0.8220 | 0.4300 |
| Total Sales Tax Revenue (in thousands) | \$ 37,826 | \$ 25,360 | \$ 31,293 | \$ 45,967 | \$ 16,540 | \$ 22,791 | \$ 67,340 |
| Sales Tax Revenue Per Resident | \$ 237 | \$ 151 | \$ 258 | \$ 524 | \$ 162 | \$ 288 | \$ 660 |
| DEMOGRAPHICS (2010 Census) | | | | | | | |
| Senior Citizens (x>65) | 6.6% | 8.5% | 8.9% | 12.2% | 8.7% | 11.1% | 6.8% |
| Juveniles (x<18) | 34.6% | 32.8% | 30.4% | 26.3% | 29.4% | 32.2% | 32.8% |
| Foreign Born Persons | 17.0% | 13.0% | 16.5% | 34.4% | 9.0% | 18.2% | 13.8% |
| Language Other Than English Spoken at Home | 23.9% | 19.9% | 28.6% | 44.3% | 17.4% | 39.2% | 28.3% |
| Race -- White | 72.4% | 79.1% | 62.3% | 50.6% | 80.8% | 65.9% | 77.3% |
| Race -- African American | 7.2% | 11.4% | 17.1% | 7.4% | 7.6% | 18.4% | 10.1% |
| Race -- Asian | 13.7% | 4.9% | 13.4% | 37.6% | 5.6% | 1.6% | 6.0% |
| Race -- Hispanic** | 12.6% | 19.2% | 21.5% | 10.3% | 18.5% | 43.7% | 30.2% |
| HOUSING AND EDUCATION (2010 Census / 2012 American Community Survey) | | | | | | | |
| Homeownership Rate | 74.9% | 67.1% | 76.7% | 82.2% | 72.9% | 58.6% | 61.0% |
| Persons Per Household | 3.03 | 2.94 | 2.91 | 3.02 | 2.78 | 2.80 | 3.07 |
| Median Household Income | \$ 114,098 | \$ 81,459 | \$ 95,972 | \$ 104,939 | \$ 93,675 | \$ 48,103 | \$ 72,412 |
| Median Home Value | \$ 277,600 | \$ 205,400 | \$ 185,400 | \$ 267,700 | \$ 189,800 | \$ 95,800 | \$ 179,900 |
| % Below Poverty Rate | 2.9% | 6.1% | 2.8% | 4.3% | 3.8% | 17.0% | 7.1% |
| % of Housing Stock Built After 1980 | 96.0% | 89.7% | 84.0% | 81.6% | 85.7% | 44.2% | 87.2% |
| % Housing Units in Multi-unit Structures (2008-2012) | 17.7% | 22.0% | 15.7% | 8.9% | 18.4% | 30.3% | 28.1% |
| % Bachelor's Degree or Higher | 59.2% | 45.1% | 46.2% | 55.5% | 43.0% | 14.7% | 37.1% |
| EMPLOYMENT BREAKDOWN BY INDUSTRY (2012 AMERICAN COMMUNITY SURVEY) | | | | | | | |
| Mean Travel Time to Work (min) | 29.4 | 29.1 | 31.6 | 29.6 | 30.3 | 23.7 | 25.2 |
| Agriculture, forestry, fishing and hunting, and mining | 1.0% | 90.0% | 2.5% | 5.1% | 1.8% | 1.5% | 0.5% |
| Construction | 3.9% | 4.6% | 3.7% | 4.5% | 6.6% | 17.1% | 6.6% |
| Manufacturing | 8.7% | 9.7% | 12.3% | 9.3% | 12.8% | 13.5% | 11.2% |
| Wholesale trade | 3.4% | 2.7% | 2.9% | 4.2% | 2.4% | 2.1% | 3.4% |
| Retail trade | 12.2% | 13.3% | 9.8% | 11.7% | 8.9% | 10.6% | 11.8% |
| Transportation and warehousing, and utilities | 3.2% | 2.8% | 5.0% | 3.9% | 5.9% | 6.6% | 3.6% |
| Information | 4.3% | 3.2% | 1.7% | 2.5% | 1.2% | 6.0% | 3.0% |
| Finance and insurance, and real estate and rental and leasing | 14.0% | 11.4% | 6.1% | 8.1% | 5.9% | 3.1% | 6.6% |
| Professional, scientific, and management, and administrative and waste management services | 17.3% | 14.2% | 12.0% | 16.1% | 12.6% | 9.6% | 14.3% |
| Educational services, and health care and social assistance | 19.0% | 22.2% | 30.0% | 22.8% | 25.6% | 18.7% | 20.0% |
| Arts, entertainment, and recreation, and accommodation and food services | 7.1% | 7.9% | 5.1% | 5.9% | 6.0% | 9.0% | 8.4% |
| Other services, except public administration | 3.8% | 3.9% | 3.7% | 4.0% | 4.3% | 5.2% | 4.8% |
| Public administration | 2.0% | 3.4% | 5.2% | 2.1% | 6.2% | 2.3% | 5.9% |

Tax Rate Information is from Posted Adopted FY18 Tax Rate Notice or, if posted rate is unavailable, FY18 Proposed Budget

* "Hispanic" may be of any race, so also are included in applicable race categories



General Areas

- Downtown: 17 minutes
- Energy Corridor: 27 minutes
- Galleria / Uptown Park: 18 minutes
- Galveston: 32 minutes
- Medical Center: 13 minutes
- Museum District: 12 minutes

Transportation

- George Bush Intercontinental (IAH): 33 minutes
- Ellington Field (EFD): 6 minutes
- Metro Light Rail: 9 minutes
- Pearland Regional (LVJ): in Pearland
- Port of Freeport: 58 minutes
- Port of Houston Authority: 20 minutes
- Port of Houston: 29 minutes
- William P. Hobby (HOU): 11 minutes

Attractions

1. Battleship Texas: 23 minutes
2. BBVA Compass Stadium: 14 minutes
3. George R. Brown Convention Center: 14 minutes
4. Kemah Boardwalk: 26 minutes
5. Minute Maid Park: 14 minutes
6. Moody Gardens: 37 minutes

7. NASA Johnson Space Center: 16 minutes
8. NRG Stadium: 9 minutes
9. San Jacinto Monument: 22 minutes
10. Toyota Center: 13 minutes

Universities

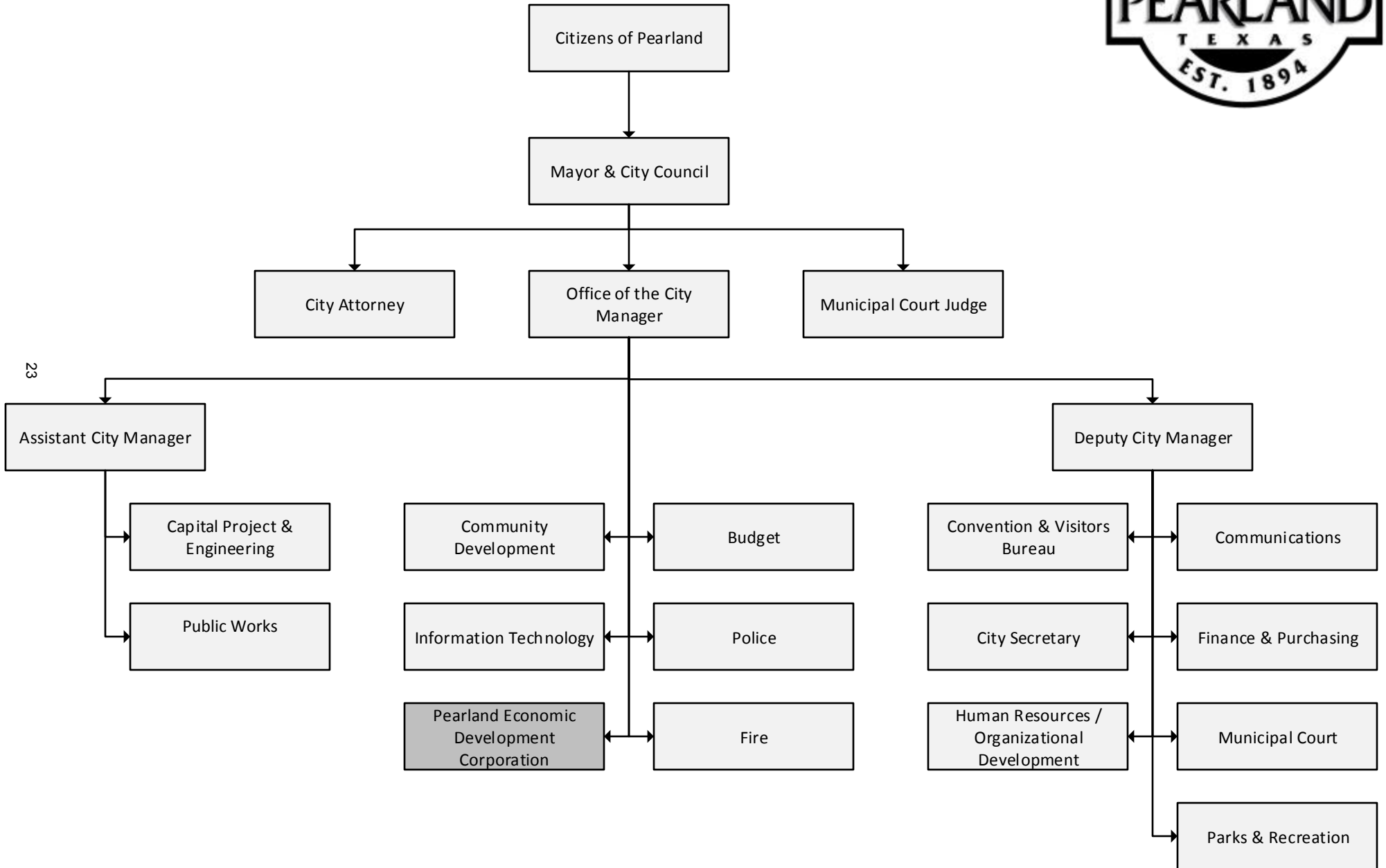
11. Rice University: 20 minutes
12. University of Houston: 13 minutes
13. University of Houston Clear Lake - Main Campus: 17 minutes



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City of Pearland

City-wide Organizational Chart



**CITY OF PEARLAND, TEXAS
CITY MANAGEMENT**

Elected Officials

Tom Reid
Tony Carbone
Derrick Reed
Gary Moore
Keith Ordeneaux
J. David Little
Trent Perez
Woody Owens

Position

Mayor
Councilmember, Position One
Councilmember, Position Two (Mayor Pro Tem)
Councilmember, Position Three
Councilmember, Position Four
Councilmember, Position Five
Councilmember, Position Six
Councilmember, Position Seven

Appointed Officials

Clay Pearson
Darrin Coker
Letitia Farnie

City Manager
City Attorney
Municipal Court Judge, Presiding

City Management

Jon Branson
Trent Epperson
Matthew Buchanan
Young Lorfing
Johnny Spires
Vance Riley
Eric Wilson
Cynthia Pearson
Michelle Graham
Robert Upton
John McDonald
Chris Orlea
Kim Sinistore

Deputy City Manager
Assistant City Manager
President, PEDC
City Secretary
Police Chief
Fire Chief
Director of Public Works
Director of Finance
Director of Human Resources
Director of Capital Projects & Engineering
Director of Community Development
Director of Parks & Recreation
Executive Director of Convention
and Visitors' Bureau
Head Librarian*
Director of Communications
Municipal Court Administrator
Chief Information Officer

*Andrew Fearn
Sparkle Anderson
Jennifer Huhn
Daniel McGhinnis

**Employee of Brazoria County serving in cooperation with the City of Pearland*

CITY OF PEARLAND, TEXAS STRATEGIC PRIORITIES

In March 2015, based upon prior feedback and citizen perception survey information, staff presented to Council a set of Strategic Priorities to guide organizational development, budgeting and performance measurement. In May 2015, the City Council voted on the **City of Pearland Strategic Priorities** shown to the right. The 2015 Comprehensive Plan adopted by the City Council in September 2015 and the Pearland 20/20 Economic Development Plan developed by and adopted by the Pearland Economic Development Board in 2013 reflect elements of these Strategic Priorities as well.

The **2015 Comprehensive Plan** encompasses the growth capacity of the City, infrastructure to support the growth, mobility issues, housing and neighborhood planning, economic development, parks and tourism, and land use and character. The Pearland 20/20 Strategic Plan includes economic development, City beautification and aesthetics, mobility, recreation and culture, and educational and work opportunities in Pearland.

These six Strategic Priorities are designed to guide Pearland to the next level of success, as an economically, financially and structurally sustainable city.



1. **Fiscally Responsible Government**

Operating a fiscally responsible government entity involves the embodiment of general principles of accountability and transparency into a system of decision-making. The sense of “public trust” prevails over the individual interests of a system’s professionals, executives or elected officials. The amalgamation of checks, balances and controls provides the expectations for public stewardship and reinforces the City’s commitment to continuous improvement.

Local government officials are custodians of the public trust in ways that should maximize the benefit of taxpayer dollars to its residents and visitors as well as the corporate and small business partners that make up the commercial entities that reside in our City.

The Comprehensive Plan and 20/20 Plan encompass this Council Strategic Priority via patterns of development that support the City’s long-term financial health; a commitment to sustained budget support for reinvesting in infrastructure maintenance; for public safety to maintain levels of service and responsiveness commensurate with projected growth and resident expectations; and to identify sustainable funding sources to support the landscape maintenance protocol.

2. **Sustainable Infrastructure**

Public infrastructure provides the foundation upon which our community is built. Street overlays, sidewalk installations, ditch-cleaning, water-production and purchases and new project completions are some of the main functions provided by the City to ensure effective growth, support and maintenance of public infrastructure. These items are somewhat the unsung heroes of a community. When they are working great, they are seldom noticed. A growing city like Pearland is still strengthening its “bones” of roads and utilities and must balance the immediate maintenance needs with the importance of looking ahead.

The Comprehensive Plan includes a system that safely accommodates all modes of travel including vehicular, pedestrian and bicycle. And the 20/20 Plan includes the continued planning, design and construction of priority road and highway projects.

3. Quality Parks, Recreation and Events

The City of Pearland strives to be a regional destination by providing exceptional recreation and cultural programming and quality facilities for residents and visitors alike. The City is also committed to enriching the quality of life of our community by maintaining community parks, trails and green space, promoting recreational activities through creative programming for people of all ages and abilities, while protecting open space and natural resources for future generations.

Priorities within the Comprehensive Plan include providing greater focus on early land acquisition to address future parkland needs in prime growth areas of the community, plus immediate developer provision of park facilities in new subdivisions versus land dedication; ongoing Trail Master Plan implementation with a particular focus on connectivity improvements around residential neighborhoods; and expanded recreation/cultural/entertainment amenities to enhance residents' quality of life, reduce the "leakage" of such economic activity to destinations outside the City, and draw more visitors and tourism dollars to Pearland. The 20/20 Plan includes the pursuit of a multi-purpose events venue in Pearland, with related lodging and hospitality uses, as well as locating and securing parcels for development of additional athletic fields for use by residents and competitive tournaments.

4. Safe Community

The City works every day to maintain a high quality of life by providing a safe and peaceful environment within the City of Pearland for all residents and visitors. Police professionals work to analyze patterns and work with residents and businesses for preventing crimes and deter behaviors that lead to vehicle crashes that injure people and cause property damage. Our growing ranks of Fire staff work to educate residents about home safety and ensure compliant workspaces that are safe. The team looks at patterns to be in the best places for response to fires and medical emergencies.

Safe Community is more than Police and Fire, it also encompasses Animal Services, Health/Code Enforcement, Building Inspections – infrastructure and fire, and Public Works, with the maintenance of streets, sidewalks, water quality, etc.

The Comprehensive Plan addresses development of a mobility system with adequate connectivity to provide multiple travel options, accommodate cross-town trips, and ensure effective emergency response; sidewalk network upgrades; and pedestrian/bicycle accommodation on commercial sites. The 20/20 plan prioritizes the development of congestion management strategies.

5. Engaged Community

The City is committed to keeping its citizens informed by various means. The City website posts the latest news, City Council and Boards and Commissions meetings, financial and other reports of interest, methods of payment for City services, the ability to sign up for Parks Recreation classes, the ability to volunteer at the Animal Shelter or apply for adoption, and report issues, such as street light outages, etc. In addition, the City distributes publications annually and posts information and live and taped Council meetings via a City public educational government (PEG) television station, as well as on the website.

Supporting events and outreach to bring Pearland citizens together as one community is one of the priorities of the Comprehensive Plan. The 20/20 Plan includes identifying the optimal location for a multi-use events center for performing arts, civic gatherings, special events, and touring acts; and organizing task forces of citizens and businesses to create a unified arts organization as well as providing advice on City services and City gateway identifying markers.

6. Healthy Local Economy

The local and regional economies have been the driving forces behind much of the growth in Pearland over the last decade. The City continuously strives to build and support the local economy. Revenues from property taxes and that result from development incentives and sales and hotel occupancy tax revenue are some of the items that are considered in determining the health and vibrancy of our local economy. Economic growth and quality development are critical aspects of our City's ability to serve citizens with the quality of life, mobility and access to services they require.

The Comprehensive Plan priorities include a system that supports local economic development and tax base growth through the City's own investments in transportation infrastructure, plus those it gains through advocacy with other agencies and levels of government that administer transportation funding. The 20/20 Plan includes developing a method to ensure that relocation prospects are efficiently and effectively supported and managed; enhancing efforts to attract key segments of the health care sector to Pearland; optimizing a program to retain and expand existing Pearland employers; and ensuring Pearland's retail sector remains vibrant. The Pearland Economic Development Corporation (PEDC) has adopted a multi-year plan to enhance the main entrances to the City.

FY18 Budget & CIP Calendar

| DATE | ACTION |
|------------------|---|
| January | CIP Workshop – Five-Year CIP worksheets and instructions distributed to all departments |
| | Budget Staff begin process of setting up Financial System in anticipation of upcoming Budget Cycle |
| February | Engineering & Capital Projects reviews CIP projects for scope, timing and costs, and submits updates to Finance Department |
| | Fee updates due from Departments |
| | February 18 th : Conduct Early Budget Input Session with City Council |
| March | Finance Department reviews CIP projects with Engineering & Capital Projects Department and City Managers |
| | Fee review by Management |
| April | April 3 rd : City-wide Budget Kick-off – Departments given access to Financial System |
| | P&Z Board reviews CIP list |
| | April 28 th : Department Budgets and Supplemental Requests due |
| May | Department Meetings with Budget Office and Management |
| | P&Z second review of CIP list and recommendation to the City Manager |
| | May 23 rd : Department Head Supplemental Request Review Meeting |
| June | Finalize CIP projects, prepares fund statements and review with the City Manager |
| | Preliminary Budget Submitted to City Manager's Office for Review |
| July | July 28 th : Final Appraisal received from Assessor's Office |
| | Finalize Proposed Budget and Multi-Year Plan |
| August | August 1 st : Submit Proposed Five-Year CIP and Proposed Budget to City Council. |
| | August 12 th : Budget Discussion #1 |
| | August 21 st : Budget Discussion #2 |
| | August 31 st (Rescheduled): Budget Discussion #3 |
| September | September 5 th : Public Hearing on Tax Rate and Budget |
| | September 11 th : Public Hearing on Tax Rate |
| | September 18 th : Record Vote on <ul style="list-style-type: none"> • Tax Rate Ordinance • Budget Ordinance • Non-Development Fee Ordinance • Development Fees Ordinance |
| | September 25 th : Record Vote on <ul style="list-style-type: none"> • Tax Rate Ordinance • Budget Ordinance • Non-Development Fee Ordinance • Development Fees Ordinance • CIP Resolution |
| | |
| October | Fiscal Year 2018 Begins |

**CITY OF PEARLAND
TAX COLLECTIONS**

| | FY 2017 BUDGETED LEVY | FY 2017 ADJUSTED LEVY | FY 2017 YEAR END PROJECTION | FY 2018 CERTIFIED ROLL |
|-----------------|--------------------------------------|--------------------------------------|--|---------------------------------------|
| REVENUES | | | | |
| City Levy | 51,932,495 | 50,826,539 | 50,353,536 | 55,516,309 |
| TIRZ | 14,370,863 | 14,178,343 | 14,893,304 | 17,303,551 |
| TOTAL | 66,303,358 | 65,004,882 | 65,246,840 | 72,819,860 |

City Collection Rate 99.0%

ALLOCATION:

| | | | | |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | 18,222,817 | 17,996,713 | 17,666,557 | 20,465,007 |
| Debt Service Fund | 33,242,286 | 32,829,826 | 32,686,979 | 34,501,636 |
| TIRZ | 14,241,525 | 14,178,343 | 14,893,304 | 17,130,516 |
| TOTAL ALLOCATION | 65,706,628 | 65,004,882 | 65,246,840 | 72,097,159 |

| <u>Tax Year</u> | <u>Budgeted 2017</u> | <u>Adjusted 2017</u> | <u>Certified 2018</u> |
|------------------------------|--------------------------|--------------------------|---------------------------|
| Total Taxable Value | 9,733,317,309 | 9,726,179,119 | 10,589,233,296 |
| Less: TIRZ Added Value | 2,109,639,316 | 2,081,377,447 | 2,484,550,226 |
| Taxable Value to City | 7,623,677,993 | 7,644,801,672 | 8,104,683,070 |

Tax Rate per \$100

| | | |
|-----------------------|---------------|-----------------|
| General Fund | 0.2412 | 0.255059 |
| Debt Service Fund | 0.4400 | 0.430000 |
| Total Tax Rate | 0.6812 | 0.685059 |

Tax Rate Split

| | | |
|-------------------|----------------|----------------|
| General Fund | 35.41% | 37.23% |
| Debt Service Fund | 64.59% | 62.77% |
| Total | 100.00% | 100.00% |

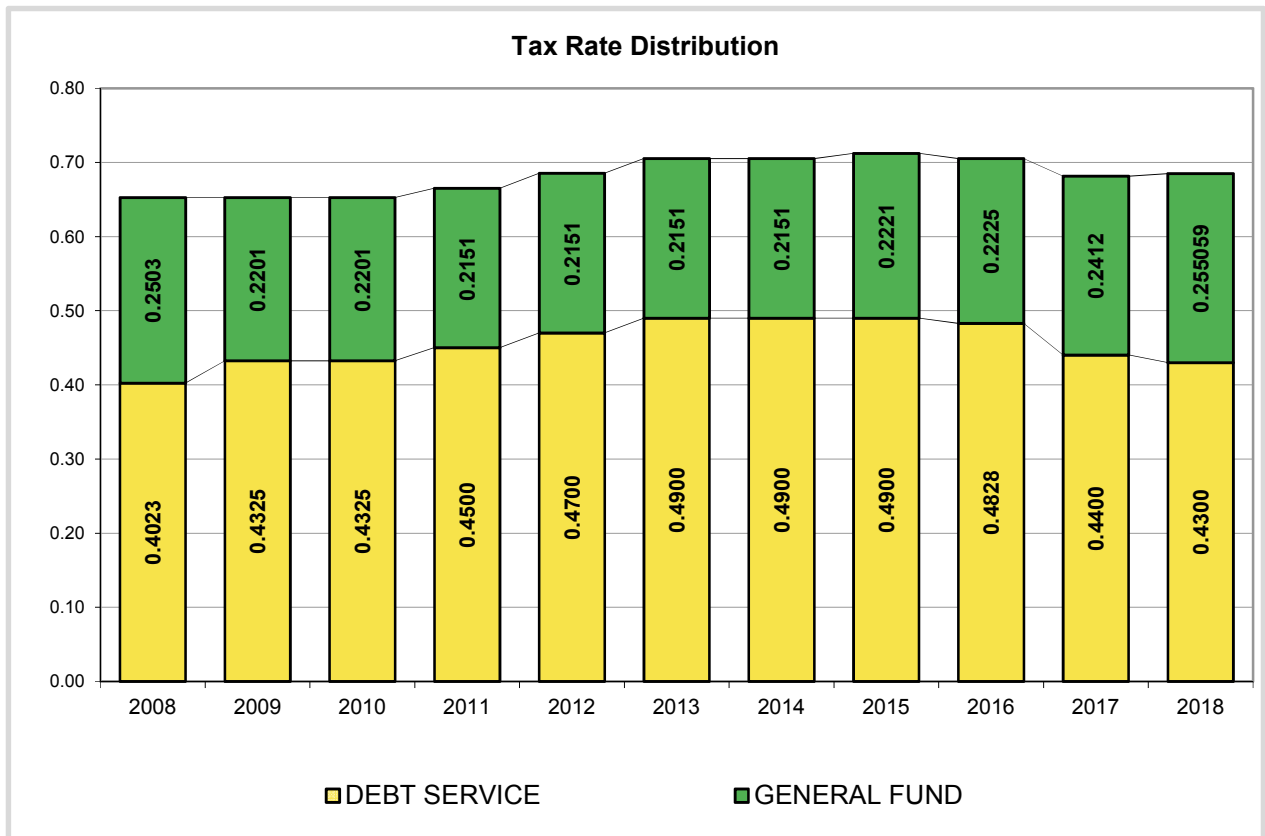
TAX RATE DISTRIBUTION

**CURRENT FOR FISCAL YEAR 2016-2017
PROPOSED FOR FISCAL YEAR 2017-2018**

| <u>FISCAL YEAR</u> | <u>GENERAL FUND</u> | <u>DEBT SERVICE</u> | <u>TOTAL TAX RATE</u> |
|--------------------|---------------------|---------------------|-----------------------|
| 2008 | 0.2503 | 0.4023 | 0.6526 |
| 2009 | 0.2201 | 0.4325 | 0.6526 |
| 2010 | 0.2201 | 0.4325 | 0.6526 |
| 2011 | 0.2151 | 0.4500 | 0.6651 |
| 2012 | 0.2151 | 0.4700 | 0.6851 |
| 2013 | 0.2151 | 0.4900 | 0.7051 |
| 2014 | 0.2151 | 0.4900 | 0.7051 |
| 2015 | 0.2221 | 0.4900 | 0.7121 |
| 2016 | 0.2225 | 0.4828 | 0.7053 |
| 2017 | 0.2412 | 0.4400 | 0.6812 |
| 2018 | 0.255059 | 0.4300 | 0.685059 |

Notes:

1. The maximum tax rate for the City of Pearland is \$2.50 per \$100 assessed valuation. Within this \$2.50 maximum there is no legal limit upon the amount of taxes, which may be levied for debt.
2. The City does not have legal debt margin as the law does not mandate any debt limit on the City.



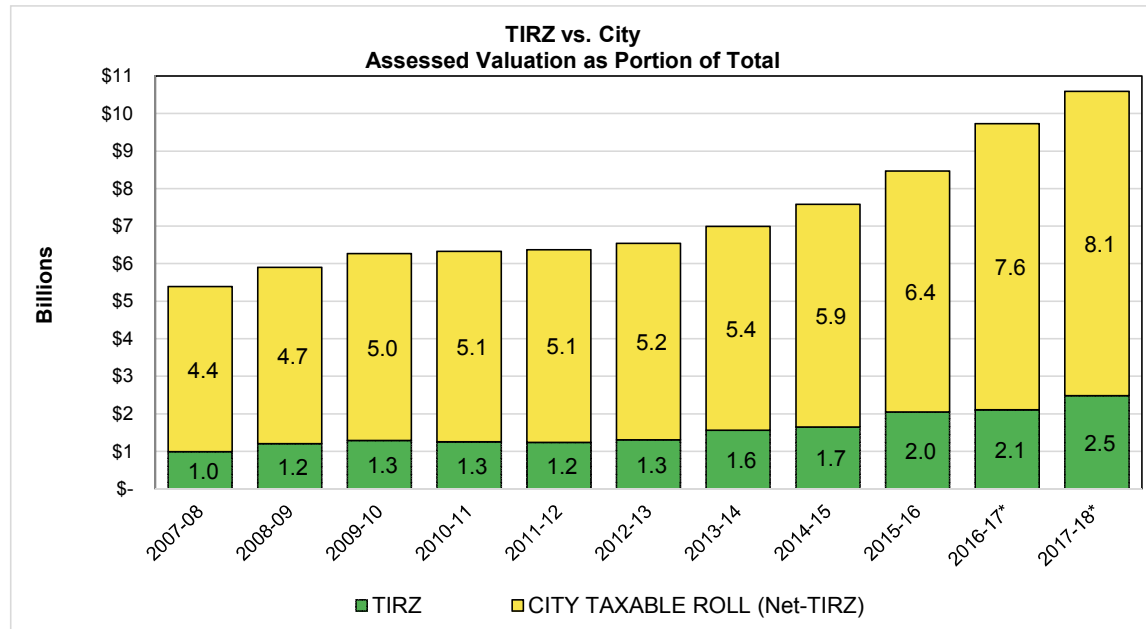
ASSESSED VALUATION, TAX LEVIED AND TAXES COLLECTED

PROJECTED FOR FISCAL YEAR 2016-2017
AND PROPOSED FOR FISCAL YEAR 2017-2018

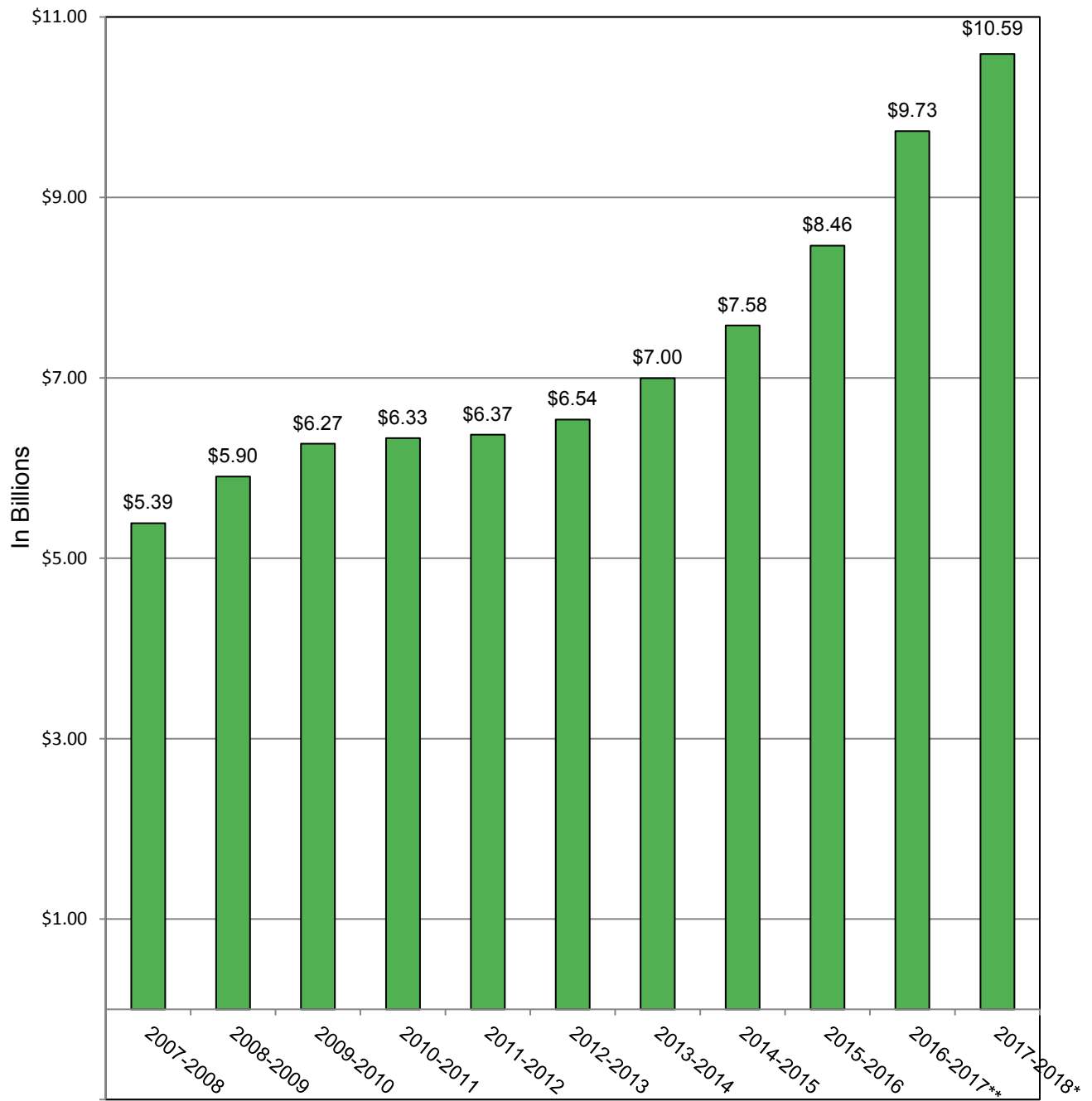
| FISCAL YEAR | TAX YEAR | TIRZ | NET ASSESSED VALUATION | % Change | CITY TAXABLE ROLL (Net-TIRZ) | % Change | Operations and Maint. Rate | Debt Service Rate | TOTAL CITY PROPERTY TAX RATE | TOTAL TAX LEVY | CURRENT TAX COLLECTIONS | % OF CURRENT TAXES COLLECTED | DELINQUENT TAX COLLECTION |
|--------------------|-------------|-------------------------|--------------------------|--------------|------------------------------|--------------|----------------------------|-------------------|------------------------------|----------------------|-------------------------|------------------------------|---------------------------|
| 2006-2007 | 2006 | \$ 643,473,510 | \$ 4,412,821,949 | 23.4% | \$ 3,769,348,439 | 21.8% | 0.2990 | 0.3537 | 0.6527 | \$ 28,819,229 | \$ 28,235,276 | 98.0% | \$ 276,124 |
| 2007-2008 | 2007 | \$ 992,132,281 | \$ 5,389,790,165 | 22.1% | \$ 4,397,657,884 | 16.7% | 0.2503 | 0.4023 | 0.6526 | \$ 35,035,569 | \$ 34,461,652 | 98.4% | \$ 310,112 |
| 2008-2009 | 2008 | \$ 1,208,429,744 | \$ 5,904,826,560 | 9.6% | \$ 4,696,396,816 | 6.8% | 0.2201 | 0.4325 | 0.6526 | \$ 38,368,354 | \$ 37,820,603 | 98.6% | \$ 592,199 |
| 2009-2010 | 2009 | \$ 1,288,879,780 | \$ 6,269,047,937 | 6.2% | \$ 4,980,168,157 | 6.0% | 0.2201 | 0.4325 | 0.6526 | \$ 41,081,407 | \$ 40,590,543 | 98.8% | \$ 274,230 |
| 2010-2011 | 2010 | \$ 1,257,526,416 | \$ 6,331,723,029 | 1.0% | \$ 5,074,196,613 | 1.9% | 0.2151 | 0.4500 | 0.6651 | \$ 41,968,046 | \$ 41,594,389 | 99.1% | \$ 318,250 |
| 2011-2012 | 2011 | \$ 1,242,672,175 | \$ 6,369,626,981 | 0.6% | \$ 5,126,954,806 | 1.0% | 0.2151 | 0.4700 | 0.6851 | \$ 43,441,792 | \$ 43,110,373 | 99.2% | \$ 201,453 |
| 2012-2013 | 2012 | \$ 1,306,088,463 | \$ 6,537,976,038 | 2.6% | \$ 5,231,887,575 | 2.0% | 0.2151 | 0.4900 | 0.7051 | \$ 45,850,625 | \$ 45,509,522 | 99.3% | \$ 362,129 |
| 2013-2014 | 2013 | \$ 1,562,848,106 | \$ 6,996,973,518 | 7.0% | \$ 5,434,125,412 | 3.9% | 0.2151 | 0.4900 | 0.7051 | \$ 49,096,473 | \$ 48,802,720 | 99.4% | \$ 262,967 |
| 2014-2015 | 2014 | \$ 1,651,897,101 | \$ 7,580,556,989 | 8.3% | \$ 5,928,659,888 | 9.1% | 0.2221 | 0.4900 | 0.7121 | \$ 53,463,919 | \$ 52,744,990 | 98.7% | \$ 187,075 |
| 2015-2016 | 2015 | \$ 2,048,031,760 | \$ 8,464,775,289 | 11.7% | \$ 6,416,743,529 | 8.2% | 0.2225 | 0.4828 | 0.7053 | \$ 60,290,271 | \$ 58,985,648 | 97.8% | \$ 267,000 |
| 2016-2017** | 2016 | \$ 2,109,639,316 | \$ 9,733,317,309 | 15.0% | \$ 7,623,677,993 | 18.8% | 0.2412 | 0.4400 | 0.6812 | \$ 65,004,882 | \$ 64,119,668 | 98.6% | \$ 162,000 |
| 2017-2018* | 2017 | \$ 2,484,550,226 | \$ 10,589,233,296 | 8.8% | \$ 8,104,683,070 | 6.3% | 0.255059 | 0.4300 | 0.685059 | \$ 72,819,860 | \$ 72,097,159 | 99.0% | \$ 200,000 |

*Estimated

**YTD Collections as of 6/31/2017



NET ASSESSED VALUATION



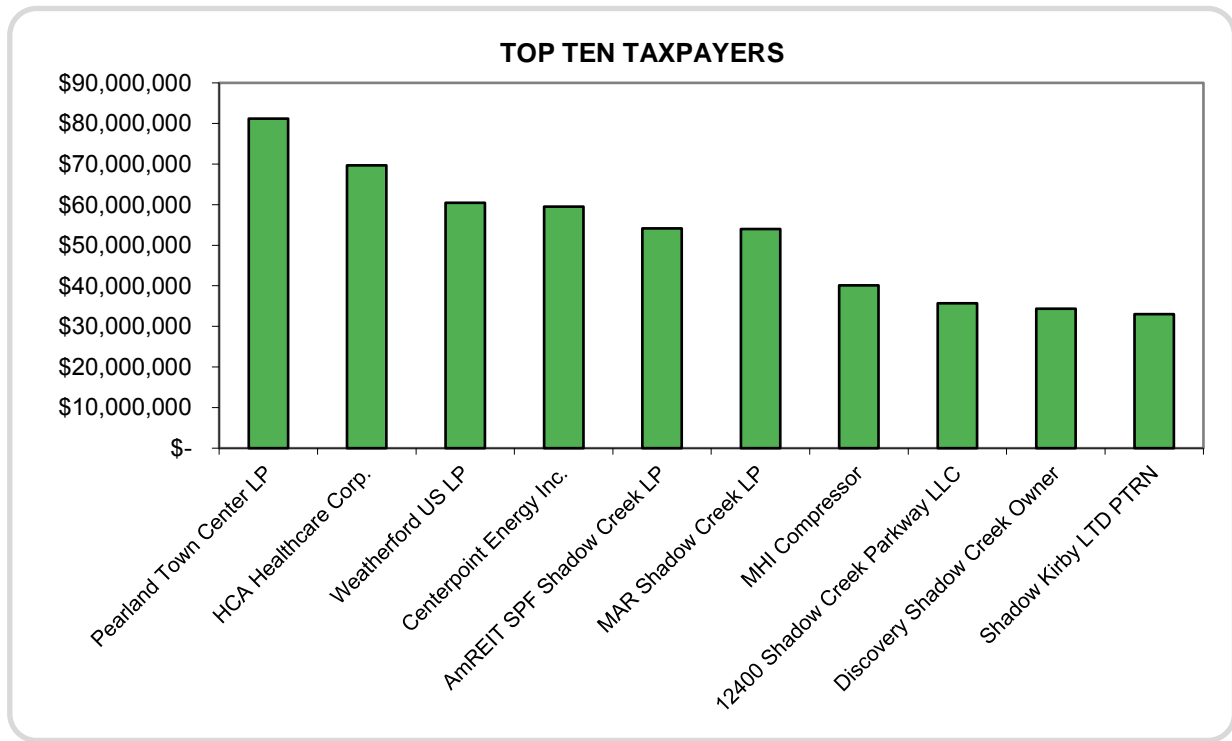
* Net assessed valuation

** Certified Value for tax year 2018

**PRINCIPAL TAXPAYERS
FISCAL YEAR 2016-2017**

| <u>TAXPAYERS</u> | <u>BUSINESS</u> | <u>ASSESSED VALUE OF PROPERTY</u> | <u>% OF ASSESSED VALUE</u> |
|----------------------------------|-------------------------------------|---------------------------------------|------------------------------------|
| 1 Pearland Town Center LP | Retail Center Management | \$ 81,224,456 | 0.77% |
| 2 HCA Healthcare Corp. | Hospital | \$ 69,698,780 | 0.66% |
| 3 Weatherford US LP | Oil Field Service, Rental & Fishing | \$ 60,419,650 | 0.57% |
| 4 Centerpoint Energy Inc. | Utility Company | \$ 59,511,450 | 0.56% |
| 5 AmREIT SPF Shadow Creek LP | Retail Center Management | \$ 54,172,342 | 0.51% |
| 6 MAR Shadow Creek LP | Multi-Family Residential | \$ 53,984,940 | 0.51% |
| 7 MHI Compressor | Manufacturing | \$ 40,124,109 | 0.38% |
| 8 12400 Shadow Creek Parkway LLC | Multi-Family Residential | \$ 35,701,460 | 0.34% |
| 9 Discovery Shadow Creek Owner | Multi-Family Residential | \$ 34,401,370 | 0.32% |
| 10 Shadow Kirby LTD PTRN | Retail Center Management | \$ 33,000,000 | 0.31% |
| TOTAL PRINCIPAL TAXPAYERS | | \$ 522,238,557 | 4.93% |
| ALL OTHERS | | \$ 10,066,994,739 | 95.07% |
| TOTAL | | \$ 10,589,233,296 | 100.00% |

SOURCES: Brazoria and Harris Counties Tax Assessor Collector





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CITY OF PEARLAND MULTI-YEAR FORECAST FISCAL YEARS 2018 - 2020

EXECUTIVE SUMMARY

The Financial Forecast for the City of Pearland over a three-year timeframe includes the City's Debt Service (DS) Fund, General (GF) Fund, Water and Sewer (W&S) Fund, and Pearland Economic Development Corporation (PEDC). This is an update to the City's annual comprehensive and integrated forecast of these funds based on a set of assumptions and is intended to:

- ◆ Provide insight into the long-term financial implications of current policies, programs, and priorities;
- ◆ Provide an understanding of available funding, financial risk, assess the likelihood that services can be sustained, assess the level at which capital investment can be made, identify future commitments and resource demands, and identify variables that may cause changes in the level of revenues;
- ◆ Provide an early warning system for potential problem areas to watch where alternative strategies may need to be developed or where issues can be proactively addressed and planned for;
- ◆ Assist in strategic decision-making and long-range planning efforts by allowing City Council, management, and departments to see how programs fit within the overall context of City finances; and
- ◆ Provide City Council and City management a meaningful tool in establishing priorities, allocating resources, and providing direction and strategies in the administration of City government.

The forecast provides a solid planning tool by building upon the adopted 2018 budget and then projects future resources and expenditures based upon known reasonable trends and continuing the City's current services and service levels. The forecast for each fund also incorporates the debt and operating costs associated with capital improvement projects in the City's Five-Year Capital Improvement Program (CIP), thus, these forecasts provide City Council and management the opportunity to "gaze" into the future based on today's and past decisions and apply strategies and sound fiscal management to maintain the strong financial health of the City.

This forecast is not intended as a budget. Rather, the multi-year forecast is a valuable tool, based on a set of well-reasoned assumptions, upon which policy and strategy may be formulated. The forecast is a vital component of the City's financial management strategy.

OVERVIEW

The Debt Service, General Fund, Water & Sewer Fund and PEDC forecasts form the "core" of this document.

The DS Fund accounts for the issuance of debt and provides for the payment of debt principal, interest and tax rebates to in-city municipal utility districts. In this fund, an ad valorem (property) tax rate and tax levy are required to be computed and levied, which will be sufficient to produce the money to satisfy annual debt service requirements.

The GF is the general operating fund of the City and is used to account for all financial activity not reflected in other funds. The fund consists of the following major departments: General Government, Public Safety, Parks & Recreation, Public Works, and Community Services.

The W&S Fund includes water and sewer system operations and is operated in a manner similar to private business enterprises, where services to the public are financed primarily through user charges. This fund consists of the following major functions: Lift Stations, Wastewater Treatment, Water Production, Distribution and Collection, Construction, Meter Services, and Billing and Collections.

The PEDC, established in 1995 by the voters under the Texas Development Corporation Act of 1979, provides guidance and funding for the operations of the City's economic development program and provides business incentives to support and promote the growth and diversification of the City's economic base.

It is important to note that the numbers in these multi-year forecasts are estimates based on various assumptions and are not representation of fact. The picture reflected in this forecast portrays a scenario if all assumptions hold true. Therefore, the importance of the forecasts lies not in the numbers, but in the discussion it encourages on the policy issues and strategies that can be implemented in the event these scenarios become reality.

Based upon these assumptions, the forecast shows that the City will be able to accomplish the following:

- ◆ Fund existing services at current service levels
- ◆ Meet current and future anticipated debt service obligations
- ◆ Fund a Multi-Year Capital Improvement Program and associated operating expenditures
- ◆ Meet cash reserve and bond coverage requirements
- ◆ Meet a 10% reserve policy in the DS Fund
- ◆ Operate and maintain new and existing City facilities
- ◆ Maintain business incentives to attract capital investments to the City

However, in order to do so,

- ◆ The overall FY 18 tax rate increased from \$0.6812 to \$0.685059 per \$100 valuation; a \$0.013859 increase in the O&M tax rate and a decrease in the debt service portion of \$0.0100. The total tax rate is anticipated to increase in FY 19 by \$0.0160, all in the O&M rate, and in FY 20 by \$0.032; \$0.012 in the O&M rate and \$0.02 in the Debt Service rate.
- ◆ The tax impact analysis done for the 2007 bond referendum showed an impact of \$0.0750 and an additional \$0.055 to complete projects from the 2001 referendum, for a total tax rate increase of \$0.13. By FY 20, the total tax rate is expected to increase \$0.0703 from 2007.
- ◆ Revenue increases of 10.0% are needed in fiscal year 2018 in the water/sewer fund. Additional increases are needed in fiscal years 2019 and 2020 of 18.4% and 15.6%, respectively, in order to meet cash reserve and bond coverage requirements.

FORECAST METHODOLOGY

As part of the formulation of these forecasts, the forecast methodology includes estimating the future values of revenues and expenditures. The forecast provides an estimate of how much revenue will be needed/required in order to meet expenditures and reserve and bond coverage requirements over the forecast period. The value of forecasts is in estimating whether, given assumptions about financial policies and economic trends, the City will have sufficient resources to meet the resource requirements of ongoing, planned or mandated programs.

In the City's forecasts, there are a mixture of methodologies, including historical and factual information, knowledge of anticipated events, and judgment. The methodologies incorporate information gathered on anticipated population growth and building permits. Anticipated sales tax from retail sales, anticipated valuations, and other variables were identified to try to minimize the risk of overstating or understating revenue.

Much like revenue, the expenditure projections for the General Fund and Water Sewer Fund are based on historical trends, anticipated events, assumptions about the future, and other judgments staff deemed appropriate. Salary projections are based on anticipated merit and salary adjustments, and benefits were broken out separately to account for the aberrant behavior of certain benefits, such as TMRS and health care benefits.

The City may attempt to enact some controls to prevent the anticipated growth of operating expenses, but such controls are assumed in the plan. The Debt Service Fund expenditure forecast is based upon current debt service payments, as well as anticipated debt from new debt issuances based on the City's Five-Year CIP and MUD rebates.

General Fund and Debt Service revenues are dependent on the net assessed property valuation assumptions which are derived from anticipated residential and commercial development, revaluation of existing property, and the scheduled roll-off of tax abatements. The forecast assumes the following property valuation growth.

| | FY 18 | FY 19 | FY 20 |
|--------------------|---------------|-----------------|-----------------|
| Property Valuation | 8,104,683,070 | \$8,753,057,716 | \$9,278,241,179 |
| Growth | 7.88% | 8% | 6% |

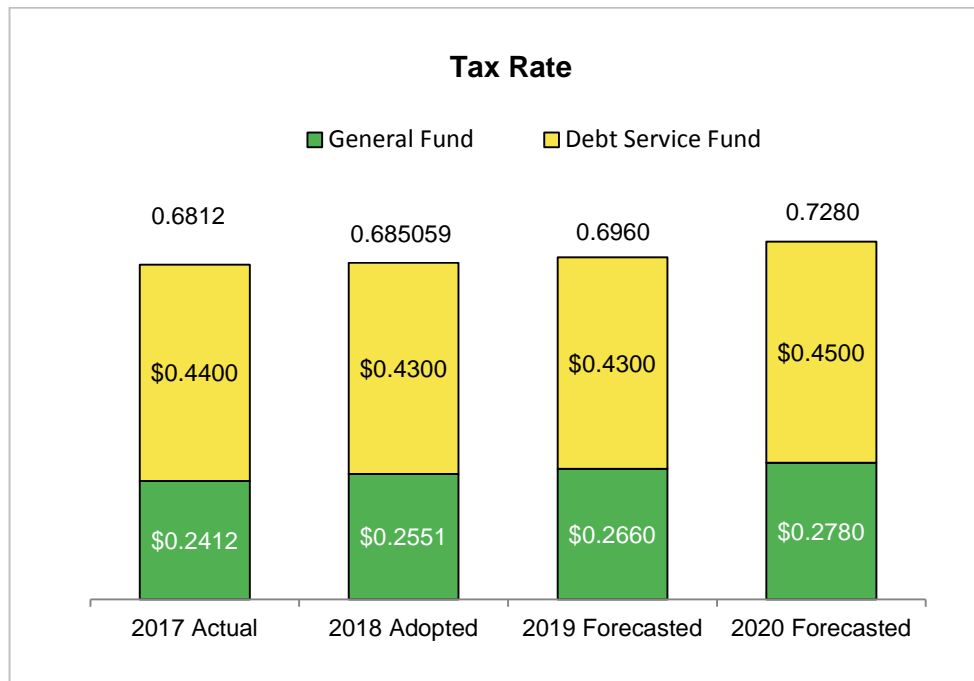
INDIVIDUAL FUND OVERVIEWS

Tax Rate

In FY 18, the adopted tax rate of \$0.685059, an increase of \$0.003859, allocates \$0.255059, or 37.2% to the General Fund and \$0.4300 or 62.8% to the Debt Service Fund. The chart below presents the total tax rate required to meet obligations and the allocation between Debt Service and O&M. The General Fund O&M effective tax rate plus 8% establishes the rollback rate. City Council determines the actual tax rate each year. Going above the rollback tax rate is subject to petition for a vote by the citizens.

As shown on the table below, by FY 20, the total tax rate is \$0.7280; 38.2% to the General Fund and 61.8% to the Debt Service Fund, which represents an increase of \$0.0229 to the General Fund and an increase of \$0.01 to the Debt Service Fund from the FY 17 adopted tax rate. The Debt Service Fund tax rate for FY 18 decreased from \$0.4400 in FY 17 to \$0.4300 and the General Fund tax rate increased from \$0.2412 to \$0.255059.

As compared to last year's multi-year forecast, the FY 18 tax rate is \$0.006141 lower than anticipated.



Debt Service Fund

The Debt Service Fund can meet all current and future obligations based on the City's Multi-Year Forecast and Five-Year CIP. The issuance of debt is factored in based on the Five-Year CIP. All new debt issued is assumed to be issued with a 20-year maturity level principal payment.

In order to fund obligations and implement the fiscal year CIP, the Debt Service tax rate will need to increase by \$0.0200 from the adopted FY 18 tax rate of \$0.4300 to the forecasted FY 20 tax rate of \$0.4500.

From FY 18 to FY 20, total revenues are anticipated to increase 18.6%.

General Fund

The General Fund is structurally balanced for FY 18 whereby expenses are less than revenues. The policy reserve requirement of 2 months recurring operating expenditures increases from \$11,923,040 in FY 18 to \$13,548,209 in FY 20. In order to fund services and meet fund balance policy requirements, the O&M tax rate will increase from \$0.2551 in FY18 to \$0.2780 in 2020, though limited by truth-in-taxation laws.

Full-time equivalents in the General Fund will increase from 632 in fiscal year 2018 to 655 for fiscal year 2019 and 674 by fiscal year 2020, an increase of 42 positions over the three-year period. Population is expected to increase annually, not including the day-time or weekend populations from continued retail development.

An increase of 42 positions from 2018 – 2020 are associated with completed CIP projects for base services and growth. The CIP staff additions include 1 for Independence Park Phase I and 3 for the Delores Fenwick Nature Center in fiscal year 2019 and 1 for Trail Connectivity Phase II. The positions are built in for base growth which includes 4 scheduled police officers per year. In order to gear up to the number of firefighters needed to house Fire station #8 in 2020, there are 12 firefighters built in to fiscal year 2019 and 2020. The Multi-Year Budget also includes a 2% annual COLA.

Property and Sales Tax are a major revenue component funding these expenditures. Revenues from property tax, as a percent to total revenues, are 26% in FY 18. General Fund property tax revenues as a percentage of total increases to 27% in FY 19 and increases to 28% in FY 20. Sale tax receipts remain relatively stable. The City is projected to see an increase in sales tax growth from 4% in FY 18 to 5% in FY 19 and 20.

Water & Sewer Fund

The Water & Sewer Fund can meet all of its operating expenses, annual debt service, and bond coverage requirements of 1.4 times net operating revenues. Cash reserve requirement of 25% is met in all years of the forecast. Strategies used in the generation of the forecast are aimed to ensure that the fund is self-supporting.

A water and sewer revenue increase is needed in 2018 of 10% to meet cash reserve ratios as the City is issuing debt of \$45.77 million to begin design on the expansion of two water reclamation facilities (Barry Rose and JHEC), design of the Surface Water Plant, and other water and sewer line replacements. Revenue increases are also needed of 18.4% and 15.6% for 2019 and 2020 due to additional plant expansions and resulting debt service. Revenue bonds sold over the three-year period 2018 – 2020, total \$236 million.

The utility system users generate the revenues that support the system. Annual water and sewer charges by 2020 total \$69.1 million, an increase of \$19.6 million from fiscal year 2018, and include growth in the number of connections, as well as two revenue increases needed. The growth in the number of connections average 2.5% annually over the multi-year forecast.

Total expenditures increase to \$64.1 million in fiscal year 2020, up from \$48.8 million in fiscal year 2018. Debt service increases over the forecast period, from \$17.3 million in fiscal year 2018 to \$31.1 million in fiscal year 2020. Revenues generate about \$2.3 million in pay-as-you go funding for capital projects.

With the implementation of the revenue increases included in the forecast, the system can continue to be self-supporting and financially sound.

Pearland Economic Development Corporation (PEDC)

The Corporation can fund its current operations and provide funding for the strategic priorities of the Pearland 20/20 Community Strategic Plan, including business recruitment, Lower Kirby, SH 35 and FM 518 corridors, SH 288 corridor enhancements and beautification. Through the 2020 forecast period, the ending fund balance is forecasted to be \$3.4 million in fiscal year 2020, a decrease of \$13.3 million from fiscal year 2018 due to the above listed strategic priorities of the Pearland 20/20 Community Strategic Plan.

Sales tax revenue is a major component of funding for the Corporation. Revenues from sales taxes increased by 10.3% through the forecast period, from \$10.8 million in fiscal year 2018 to \$11.9 million in fiscal year 2020. The sales tax revenues are 94.7% of the total revenues in 2018 and 78.9% in 2020.

CONCLUSION

The forecast is conservative and only includes developments that are anticipated based on current knowledge. If certain economic development projects are successful and come to fruition, or if new developments not currently known take place, then this forecast will substantially change. This forecast will be updated annually as any new developments that will impact revenue or expenditures are identified as “concrete,” or likely to happen. There are external factors outside of the City, such as the legislature, anticipated TxDOT funding of capital projects, and weather, that could impact the forecast and significantly affect the City’s ability, despite having a prudent financial plan in place, to continue to provide the highest quality service and provide for those capital projects which provide a high quality of life. Our objective is to provide City Council and management a prudent financial plan in order to make decisions to benefit our current and future residents.

MULTI-YEAR BUDGET 2018-20
DEBT SERVICE

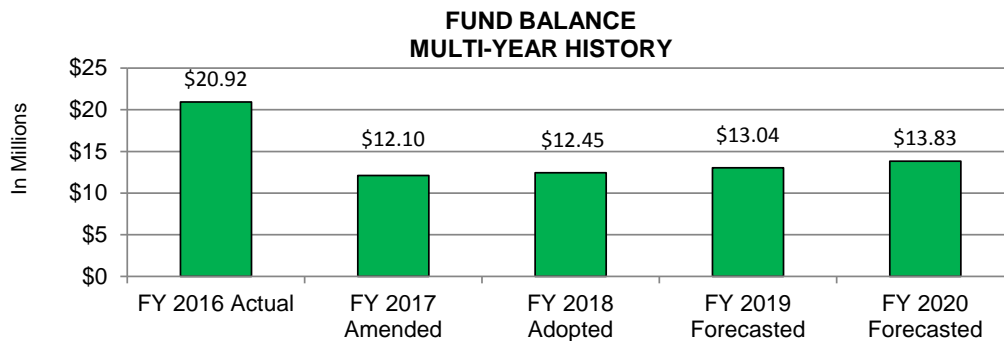
| DESCRIPTION | ACTUAL 2016 | AMENDED 2017 | ADOPTED 2018 | FORECASTED | |
|----------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | 2019 | 2020 |
| REVENUES | | | | | |
| PROPERTY TAXES | | | | | |
| PROPERTY TAXES | \$30,973,575 | \$ 32,686,979 | \$34,501,636 | \$ 37,261,767 | \$41,334,564 |
| DELINQUENT TAXES | 203,995 | 147,000 | 150,000 | 172,508 | 186,309 |
| PENALTY & INTEREST | 189,147 | 140,000 | 140,000 | 138,007 | 149,047 |
| | 31,366,717 | 32,973,979 | 34,791,636 | 37,572,282 | 41,669,920 |
| MISC REVENUE | | | | | |
| LEASE INCOME - UH | 1,168,556 | 838,736 | 815,275 | 794,914 | 771,581 |
| INTEREST INCOME | 97,444 | 75,000 | 80,000 | 80,000 | 80,000 |
| | 1,266,000 | 913,736 | 895,275 | 874,914 | 851,581 |
| BOND PROCEEDS | | | | | |
| BOND PROCEEDS ON REFUNDING | 29,325,323 | 33,272,438 | | | |
| | 29,325,323 | 33,272,438 | | | |
| TRANSFERS | | | | | |
| TRANSFER IN | 804,331 | 572,961 | 548,132 | 444,607 | 440,967 |
| | 804,331 | 572,961 | 548,132 | 444,607 | 440,967 |
| TOTAL REVENUES | \$62,762,371 | \$ 67,733,114 | \$ 36,235,043 | \$ 38,891,803 | \$ 42,962,468 |

MULTI-YEAR BUDGET 2018-20
DEBT SERVICE

| DESCRIPTION | ACTUAL 2016 | AMENDED 2017 | ADOPTED 2018 | FORECASTED 2019 | FORECASTED 2020 |
|--------------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| EXPENDITURES | | | | | |
| MISC SERVICES | | | | | |
| ARBITRAGE SERVICES | \$ 36,835 | \$ 42,385 | \$ 92,000 | \$ 95,000 | \$ 98,000 |
| | 36,835 | 42,385 | 92,000 | 95,000 | 98,000 |
| MUD REBATES | | | | | |
| MUD REBATES | 4,847,103 | 7,200,476 | 7,710,558 | 7,787,660 | 7,865,536 |
| | 4,847,103 | 7,200,476 | 7,710,558 | 7,787,660 | 7,865,536 |
| BOND PAYMENT | | | | | |
| CURRENT DEBT SERVICE PRINCIPAL | 12,535,000 | 13,735,000 | 15,220,000 | 17,615,000 | 18,090,000 |
| CURRENT DEBT SERVICE INTEREST | 11,862,836 | 12,577,322 | 12,684,304 | 11,767,046 | 11,140,610 |
| FUTURE DEBT ISSUANCES | | | | | |
| GENERAL OBLIGATION 2018 | | | | 699,067 | 640,600 |
| GENERAL OBLIGATION 2019 | | | | | 2,391,925 |
| GENERAL OBLIGATION 2020 | | | | | |
| CO SERIES 2018 | | | | 822,033 | 747,600 |
| CO SERIES 2019 | | | | | 1,335,525 |
| CO SERIES 2020 | | | | | |
| FISCAL FEES | 11,750 | 21,000 | 46,000 | 47,500 | 49,000 |
| BOND ISSUANCE COSTS | 329,243 | 326,027 | | | |
| ESCROW AGENT/ISSUANCE | 28,967,231 | 32,944,162 | | | |
| DEBT DEFEASENCE | | 1,495,000 | | | |
| | 53,706,060 | 61,098,511 | 27,950,304 | 30,950,646 | 34,395,260 |
| SHORT-TERM NOTE | | | | | |
| CURRENT LEASE/PURCHASE | 929,569 | 1,911,502 | | | |
| FUTURE LEASE/PURCHASE | | | | 565,763 | 565,763 |
| | 929,569 | 1,911,502 | | 565,763 | 565,763 |
| TOTAL EXPENDITURES | \$59,519,567 | \$ 70,252,874 | \$35,752,862 | \$ 39,399,069 | \$42,924,559 |
| REV OVER(UNDER) EXP | 3,242,804 | (2,519,760) | 482,181 | (507,267) | 37,909 |
| BEGINNING FUND BALANCE | 5,033,615 | 8,276,420 | 5,756,659 | 6,238,841 | 5,731,574 |
| ENDING FUND BALANCE | 8,276,420 | 5,756,659 | 6,238,840 | 5,731,574 | 5,769,483 |
| 10% RESERVE REQUIREMENT | 3,022,309 | 3,698,269 | 3,575,286 | 3,939,907 | 4,292,456 |
| AMOUNT OVER 10% RESERVE | 5,254,110 | 2,058,391 | 2,663,554 | 1,791,667 | 1,477,027 |
| DS TAX RATE | 0.4828 | 0.4400 | 0.4300 | 0.4300 | 0.4500 |
| DS TAX RATE CHANGE | | | (0.0100) | | 0.0200 |

**MULTI-YEAR BUDGET 2018-20
GENERAL FUND OVERVIEW**

| DESCRIPTION | ACTUAL | AMENDED | ADOPTED | FORECASTED | |
|-------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| REVENUE | | | | | |
| PROPERTY TAXES | \$14,607,848 | \$ 17,887,489 | \$ 20,705,007 | \$ 23,350,302 | \$ 25,848,075 |
| SALES & USE TAXES | 20,013,626 | 20,546,818 | 21,368,690 | 22,437,125 | 23,558,981 |
| FRANCHISE FEES | 6,919,239 | 7,016,768 | 7,120,000 | 7,389,200 | 7,669,012 |
| LICENSES & PERMITS | 5,677,532 | 5,977,255 | 5,590,150 | 5,757,855 | 5,930,590 |
| FINES & FORFEITURES | 2,802,425 | 2,649,800 | 2,550,450 | 2,575,202 | 2,600,198 |
| CHARGES FOR SERVICE | 14,853,316 | 15,593,760 | 16,753,256 | 18,004,576 | 19,367,814 |
| MISC | 2,368,226 | 1,321,249 | 1,158,475 | 1,177,989 | 1,197,937 |
| TRANSFERS IN | 4,111,521 | 3,792,394 | 3,824,407 | 3,939,139 | 4,057,313 |
| OTHER FINANCING SOURCES | 1,917,854 | | | | |
| TOTAL REVENUE | 73,271,586 | 74,785,533 | 79,070,435 | 84,631,388 | 90,229,920 |
| EXPENDITURES | | | | | |
| GENERAL GOVERNMENT | 11,049,461 | 12,544,723 | 11,606,009 | 12,632,277 | 13,150,331 |
| PUBLIC SAFETY | 38,516,993 | 44,163,751 | 42,582,371 | 44,923,034 | 47,518,708 |
| COMM SERVICES | 3,466,170 | 3,734,394 | 3,875,129 | 4,114,070 | 4,337,724 |
| PUBLIC WORKS | 11,717,303 | 14,729,299 | 13,457,097 | 13,760,241 | 15,011,339 |
| PARKS & RECREATION | 6,382,594 | 6,857,122 | 6,158,101 | 6,322,776 | 6,489,522 |
| O&M FOR CIP | | | | 523,671 | 1,161,379 |
| TOTAL OPERATING EXPENDITURES | 71,132,521 | 82,029,289 | 77,678,707 | 82,276,070 | 87,669,003 |
| TRANSFERS OUT | 2,573,817 | 1,578,964 | 1,036,811 | 1,766,995 | 1,775,830 |
| TOTAL EXPENDITURES | 73,706,338 | 83,608,253 | 78,715,518 | 84,043,065 | 89,444,833 |
| REV OVER/(UNDER) EXP | (434,752) | (8,822,720) | 354,917 | 588,323 | 785,087 |
| BEGINNING FUND BALANCE | \$21,354,237 | \$ 20,919,485 | \$ 12,096,765 | \$ 12,451,682 | \$ 13,040,005 |
| ENDING FUND BALANCE | \$20,919,485 | \$ 12,096,765 | \$ 12,451,682 | \$ 13,040,005 | \$ 13,825,092 |
| FUND BALANCE POLICY | | | | | |
| ENDING FUND BALANCE | 20,919,485 | 12,096,765 | 12,451,682 | 13,040,005 | 13,825,092 |
| LESS POLICY REQUIREMENT | 11,199,984 | 11,808,269 | 11,923,040 | 12,730,003 | 13,548,209 |
| AMOUNT OVER POLICY | \$ 9,719,501 | \$ 288,496 | \$ 528,643 | \$ 310,002 | \$ 276,883 |
| TAX RATE | | | | | |
| GENERAL FUND | \$ 0.2225 | \$ 0.2412 | \$ 0.2551 | \$ 0.2660 | \$ 0.2780 |
| DEBT SERVICE | \$ 0.4828 | \$ 0.4400 | \$ 0.4300 | \$ 0.4300 | \$ 0.4500 |
| TOTAL TAX RATE | \$ 0.7053 | \$ 0.6812 | \$ 0.6851 | \$ 0.6960 | \$ 0.7280 |



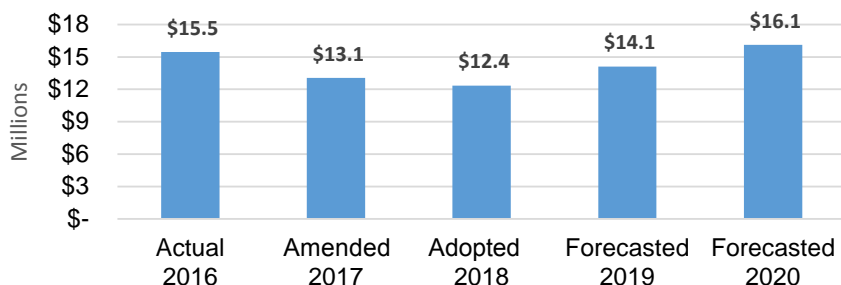
MULTI-YEAR BUDGET 2018-20
WATER & SEWER FUND DETAIL

| DESCRIPTION | ACTUAL 2016 | AMENDED 2017 | ADOPTED 2018 | FORECASTED | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | 2019 | 2020 |
| CHARGES FOR SERVICE | | | | | |
| WATER/SEWER CHARGES | \$ 35,342,064 | \$ 41,400,000 | \$ 44,607,557 | \$ 54,087,489 | \$ 63,994,837 |
| SANITATION BILLING FEE | 397,498 | 410,000 | 415,000 | 419,150 | 423,342 |
| CONNECTION FEE | 191,190 | 185,000 | 180,000 | 181,800 | 183,618 |
| WATER/SEWER TAP FEE | 483,955 | 485,000 | 485,000 | 489,850 | 494,749 |
| LATE PAYMENT FEE | 574,207 | 525,000 | 550,000 | 555,500 | 561,055 |
| METER SET FEE | 2,750 | 3,000 | 3,000 | 3,030 | 3,060 |
| CURB STOP REPLACEMENT FEE | | | | | |
| GREASE TRAP FEE | 47,265 | 59,000 | 60,000 | 60,600 | 61,206 |
| RECONNECT FEE | 39,835 | 50,000 | 50,000 | 50,500 | 51,005 |
| MISCELLANEOUS | 210 | 1,000 | 1,000 | 1,010 | 1,020 |
| TOTAL CHARGES FOR SERVICE | 37,078,974 | 43,118,000 | 46,351,557 | 55,848,929 | 65,773,891 |
| MISCELLANEOUS REVENUE | | | | | |
| NSF FEES | 10,100 | 11,000 | 10,000 | 10,100 | 10,201 |
| REIMBURSEMENTS | 3,172 | 3,500 | 3,500 | 3,535 | 3,570 |
| MISCELLANEOUS | 61,228 | 75,000 | | | |
| TOTAL MISCELLANEOUS | 74,499 | 89,500 | 13,500 | 13,635 | 13,771 |
| INTEREST | | | | | |
| INTEREST | 142,719 | 175,000 | 175,000 | 176,750 | 178,518 |
| TOTAL INTEREST | 142,719 | 175,000 | 175,000 | 176,750 | 178,518 |
| TRANSFERS IN | | | | | |
| TRANSFERS IN | 2,582,700 | 2,650,000 | 2,950,000 | 3,100,000 | 3,100,000 |
| TOTAL INTERFUND TRANSFERS | 2,582,700 | 2,650,000 | 2,950,000 | 3,100,000 | 3,100,000 |
| OTHER FINANCING SOURCES | | | | | |
| SALE OF PROPERTY | 15,094 | | 9,000 | 9,090 | 9,181 |
| MISCELLANEOUS | 76,190 | | | | |
| CAPITAL LEASE PROCEEDS | | | | | |
| TOTAL OTHER FINANCING SOURCES | 91,284 | | 9,000 | 9,090 | 9,181 |
| TOTAL REVENUES | 39,970,176 | 46,032,500 | 49,499,057 | 59,148,404 | 69,075,361 |

**MULTI-YEAR BUDGET 2018-20
WATER & SEWER FUND DETAIL**

| DESCRIPTION | ACTUAL 2016 | AMENDED 2017 | ADOPTED 2018 | FORECASTED | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | 2019 | 2020 |
| EXPENSES | | | | | |
| PUBLIC WORKS | | | | | |
| ADMINISTRATION | \$ 592,510 | \$ 711,496 | \$ 1,059,026 | \$ 1,091,795 | \$ 1,125,868 |
| LIFT STATIONS | 1,258,433 | 2,278,640 | 1,507,709 | 1,554,441 | 1,602,863 |
| WASTEWATER TREATMENT PLANT | 5,511,431 | 6,231,895 | 5,234,716 | 5,395,863 | 5,562,518 |
| WATER PRODUCTION | 8,782,017 | 10,027,713 | 9,622,877 | 9,858,206 | 10,100,168 |
| DISTRIBUTION AND COLLECTION | 2,393,520 | 2,549,873 | 2,611,210 | 2,698,070 | 2,788,687 |
| CONSTRUCTION | 740,605 | 916,080 | 1,086,984 | 1,122,151 | 1,158,759 |
| WATER METER SERVICES | 1,255,138 | 1,764,116 | 1,387,657 | 1,431,685 | 1,477,334 |
| ROW MOWING | 411,797 | 415,016 | 583,155 | 602,698 | 623,068 |
| INFORMATION TECHNOLOGY | 47,163 | 540,921 | 731,363 | 754,125 | 777,720 |
| INFORMATION TECHNOLOGY - GIS | 186,313 | | | | |
| UTILITY BILLING | 1,184,464 | 1,200,995 | 1,366,734 | 1,410,940 | 1,457,067 |
| OTHER REQUIREMENTS | 15,146,683 | 21,453,564 | 23,627,901 | 29,938,418 | 37,459,241 |
| TOTAL EXPENDITURES | 37,510,075 | 48,090,309 | 48,819,332 | 55,858,393 | 64,133,294 |
| REVENUES OVER(UNDER) EXPENDITURES | 2,460,101 | (2,057,809) | 679,725 | 3,290,011 | 4,942,067 |
| BEGINNING CASH EQUIVALENTS | \$ 15,624,805 | \$ 18,729,709 | \$ 16,671,900 | \$ 17,351,625 | \$ 20,641,636 |
| RESERVE FOR DEBT SERVICE | 2,623,222 | 3,616,964 | 4,999,751 | 6,523,659 | 9,458,113 |
| ENDING CASH EQUIVALENTS | \$ 15,461,684 | \$ 13,054,936 | \$ 12,351,874 | \$ 14,117,977 | \$ 16,125,590 |
| BOND COVERAGE - 1.4 | 2.08 | 1.64 | 1.82 | 1.81 | 1.89 |
| CASH RESERVE RATIO - 25% | 41% | 27% | 25% | 25% | 25% |
| NUMBER OF CONNECTIONS | 35,204 | 36,146 | 37,034 | 37,944 | 38,877 |
| % REVENUE INCREASE NEEDED | 16.0% | 15.6% | 10.0% | 18.4% | 15.6% |
| REVENUE BONDS TO BE ISSUED | | \$ 38,093,000 | \$ 45,768,120 | \$ 108,455,000 | \$ 81,847,000 |
| DEBT SERVICE COVERAGE | | | | | |
| REVENUES | \$ 39,970,176 | \$ 46,032,500 | \$ 49,499,057 | \$ 59,148,404 | \$ 69,075,361 |
| LESS OPERATING EXPENSES | 25,422,203 | 30,331,454 | 28,394,815 | 28,847,740 | 29,602,497 |
| NET REVENUES AVAILABLE FOR DEBT SERVICE | \$ 14,547,973 | \$ 15,701,046 | \$ 21,104,242 | \$ 30,300,664 | \$ 39,472,864 |
| TOTAL AVERAGE ANNUAL DEBT SERVICE (LESS GO) | \$ 7,005,802 | \$ 9,571,444 | \$ 11,619,281 | \$ 16,714,108 | \$ 20,852,782 |

**CASH EQUIVALENTS
MULTI-YEAR HISTORY - FORECAST**



MULTI-YEAR BUDGET 2018-20
PEARLAND ECONOMIC DEVELOPMENT CORPORATION

| DESCRIPTION | AMENDED 2017 | ADOPTED 2018 | FORECASTED | |
|---|---------------------|---------------------|---------------------|---------------------|
| | | | 2019 | 2020 |
| REVENUES | | | | |
| SALES TAX | \$ 10,240,926 | \$ 10,752,972 | \$ 11,290,621 | \$ 11,855,152 |
| INTEREST INCOME | 110,000 | 110,000 | 178,592 | 91,141 |
| INTERGOVERNMENTAL | 3,753,867 | | | 1,949,099 |
| MISC | 487,500 | 487,000 | 802,000 | 1,137,333 |
| BOND PROCEEDS | | | | |
| TOTAL OPERATING REVENUE | \$14,592,293 | \$11,349,972 | \$12,271,213 | \$15,032,725 |
| EXPENDITURES | | | | |
| OPERATING EXPENDITURES | 1,948,079 | 2,718,066 | 2,712,514 | 2,822,490 |
| BOND PAYMENTS | 1,230,286 | 1,231,000 | 1,229,500 | 1,233,142 |
| INFRASTRUCTURE/ REDEVELOPMENT/SH35/FM518 | 658,600 | 3,653,413 | 4,984,897 | 2,204,683 |
| INCENTIVES | 840,929 | 2,037,890 | 2,595,890 | 2,305,890 |
| 288 CORRIDOR IMPROVEMENTS | 2,960,000 | 740,000 | 6,950,000 | 6,750,000 |
| OFFICE BUILDOUT | 536,768 | 63,232 | - | - |
| LOWER KIRBY | 5,333,818 | 4,391,827 | 2,250,000 | 4,100,000 |
| CORRIDOR ENCHANCEMENTS/ ENTRYWAYS | 720,305 | 150,000 | 350,000 | 150,000 |
| TOTAL EXPENDITURES | \$14,228,785 | \$14,985,428 | \$21,072,801 | \$19,566,205 |
| REV OVER/(UNDER) EXP | 363,508 | (3,635,456) | (8,801,588) | (4,533,480) |
| BEGINNING FUND BALANCE | \$20,002,111 | \$20,365,619 | \$16,730,163 | \$7,928,575 |
| ENDING FUND BALANCE | \$20,365,619 | \$16,730,163 | \$7,928,575 | \$3,395,095 |

**DEBT SERVICE FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|---------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| PROPERTY TAXES | \$ 31,366,717 | \$ 33,532,286 | \$ 32,973,979 | \$ 34,791,636 |
| MISCELLANEOUS | 1,266,000 | 888,736 | 913,736 | 895,275 |
| TRANSFERS | 804,331 | 553,766 | 572,961 | 548,132 |
| BOND PROCEEDS | 29,325,323 | | 33,272,438 | |
| TOTAL | 62,762,371 | 34,974,788 | 67,733,114 | 36,235,043 |
| EXPENDITURES | | | | |
| REBATES & MISCELLANEOUS | 4,883,938 | 6,687,537 | 7,242,861 | 7,802,558 |
| BOND PAYMENT | 53,706,060 | 27,508,322 | 61,098,511 | 27,950,304 |
| SHORT-TERM NOTE | 929,569 | 1,911,500 | 1,911,502 | |
| TOTAL | 59,519,567 | 36,107,359 | 70,252,874 | 35,752,862 |
| REVENUES OVER (UNDER) EXPENDITURES | 3,242,805 | (1,132,571) | (2,519,760) | 482,181 |
| FUND BALANCE - BEGINNING | 5,033,615 | 6,410,451 | 8,276,420 | 5,756,659 |
| FUND BALANCE - ENDING | \$ 8,276,420 | \$ 5,277,880 | \$ 5,756,659 | \$ 6,238,840 |
| Reserve 10% | \$ 3,022,309 | \$ 3,460,736 | \$ 3,698,269 | \$ 3,575,286 |
| Over Policy | \$ 5,254,110 | \$ 1,817,144 | \$ 2,058,391 | \$ 2,663,554 |

DEBT SERVICE FUND SUMMARY FY 2018 ADOPTED BUDGET

OVERVIEW

The Debt Service Fund, also known as the interest and sinking fund, is established by ordinance and accounts for the issuance of debt and provides for the payment of debt, including principal, interest and tax rebates to in-city municipal utility districts as payments become due. In the Debt Service Fund, an ad valorem (property) tax rate and tax levy are required to be computed and levied, which will be sufficient to produce the money to satisfy annual debt service requirements. The City of Pearland has no general obligation legal debt limit other than a ceiling on the tax rate specified by the State of Texas. Under the rules of the Texas Attorney General, the City may issue general obligation debt in an amount no greater than that which can be serviced by a debt service tax rate of \$1.50 per \$100 assessed valuation, based on a 90% collection rate.

Based on the property values estimated, the budget as proposed assumes a Debt Service tax rate of \$0.4300 per \$100 assessed valuation, a \$0.01 decrease from the FY 2017 debt service tax rate, to meet fiscal year 2018 obligations.

In fiscal year 2017, the City refunded \$35.01 million in existing bonds, comprised of five different issues, to take advantage of lower interest rates in order to achieve interest cost savings. The refunding saved \$5.2 million in interest over 18 years or savings of \$288,807 annually. The net present value savings of the refunding totaled \$4.0 million or 13.85%, over the 3% net present value savings as a minimum for refunding in the City's Financial Management Policy Statements.

The Debt Service tax rate generates \$34,501,636 in current property taxes at a 99.0% collection rate. Revenues include \$815,275 from the University of Houston-Clear Lake System for debt service associated with the construction of the University of Houston-Clear Lake Pearland Campus, which they occupy. Revenues also include transfers from the Water-Sewer Fund in the amount of \$447,987 for some of the debt associated with water/sewer activities.

Expenditures total \$35,752,862 for fiscal year 2018 and include \$27,904,304 in bond principal and interest payments. Debt (General Obligation and Certificates of Obligation) anticipated to be issued includes \$15.89 million in fiscal year 2018 pursuant to the City's capital improvement program. After the General Obligation issuances in 2018, there will remain \$24.3 million in bonds yet to be issued at September 30, 2018 out of the \$162.0 million voted in 2007. Total principal outstanding paid from property taxes at September 30, 2018 is anticipated to be \$320.6 million (this excludes new debt and property tax backed debt paid by the water/sewer fund).

Net debt per capita is \$2,640 at September 30, 2018, up from \$2,617 in fiscal year 2017, and up from \$2,163 in fiscal year 2006, the year before the \$162 million in bonds were voted. Net debt per capita has grown 22%, while population has grown 51% during the same time period, from 79,322 to projected 119,700 in fiscal year 2018. This population growth has generated the need for increased and enhanced services resulting in a significant capital improvement program; principal outstanding growing from \$172 million in fiscal year 2006 to the \$320.6 million at September 30, 2017, an 86% growth in debt outstanding. Despite high debt levels, due to a strong regional economy and prudent financial management, Moody's Investor Services and Fitch Ratings have assigned bond ratings of Aa2 and AA respectively.

Tax rebates to in-city MUD's total \$7,710,558, an increase of \$510,082 from fiscal year 2017 year-end projections, as newer districts continue to develop as well as increase in valuations.

With the FY 2017 bond refunding and debt defeasance, the FY 2018 Debt Service ending fund balance at September 30, 2018 is projected to be \$6,238,840 and is \$2,663,554 over the reserve policy of \$3,575,286. A tax rate increase may be needed in fiscal years 2019 and 2020 due to the continued issuance of voter approved bonds to complete capital projects as well as a potential 2019 new bond referendum of approximately \$70.7 million currently incorporated into the forecast with the first issuance in 2019.

**GOVERNMENTAL DEBT MATURITY SCHEDULE
FY 2018 ADOPTED BUDGET
GENERAL LONG-TERM DEBT***

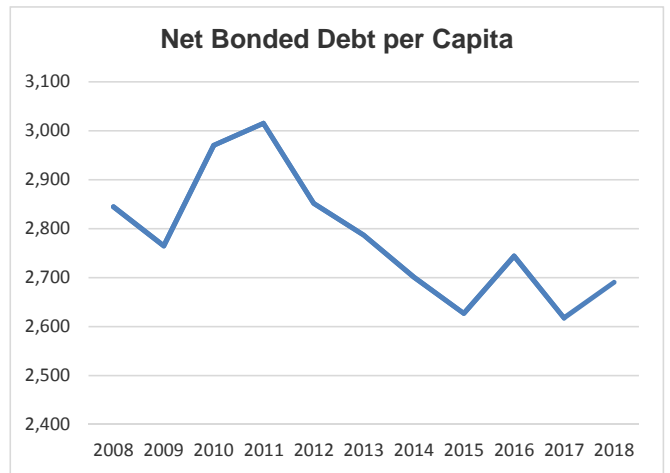
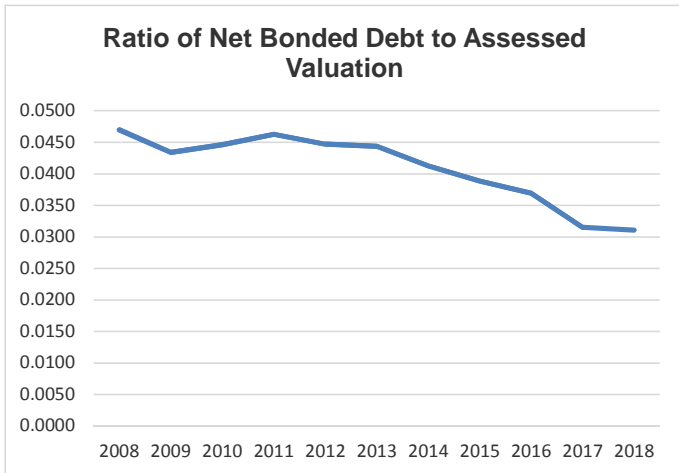
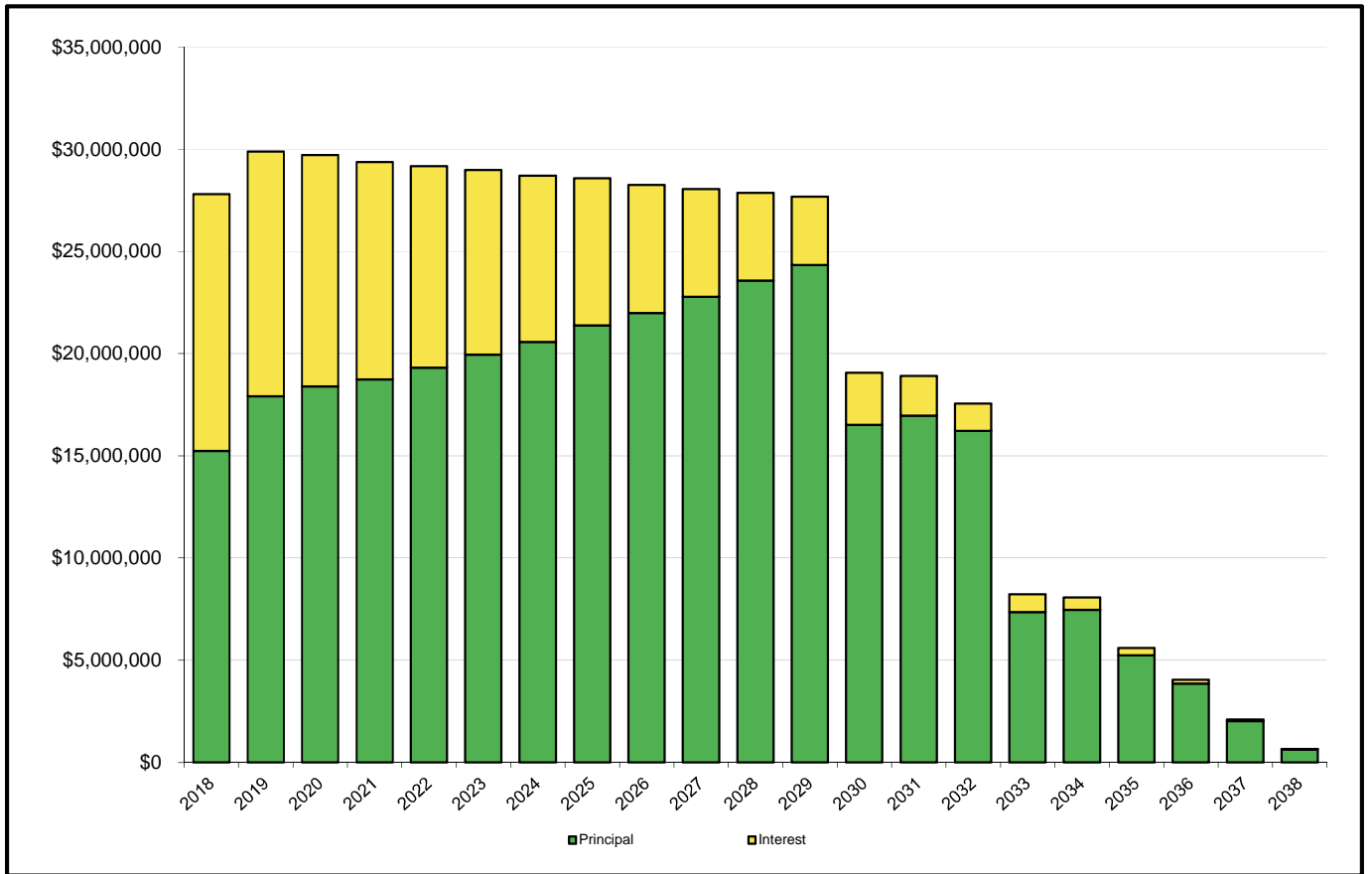
| Fiscal Year | Principal | Interest | Total |
|--------------------|--------------------|--------------------|--------------------|
| 2017-2018 | 15,245,000 | 12,577,041 | 27,822,041 |
| 2018-2019 | 17,930,000 | 11,961,296 | 29,891,296 |
| 2019-2020 | 18,400,000 | 11,328,610 | 29,728,610 |
| 2020-2021 | 18,755,000 | 10,623,033 | 29,378,033 |
| 2021-2022 | 19,320,000 | 9,861,195 | 29,181,195 |
| 2022-2023 | 19,960,000 | 9,032,883 | 28,992,883 |
| 2023-2024 | 20,585,000 | 8,129,389 | 28,714,389 |
| 2024-2025 | 21,390,000 | 7,200,639 | 28,590,639 |
| 2025-2026 | 22,005,000 | 6,264,583 | 28,269,583 |
| 2026-2027 | 22,790,000 | 5,274,589 | 28,064,589 |
| 2027-2028 | 23,580,000 | 4,293,853 | 27,873,853 |
| 2028-2029 | 24,345,000 | 3,346,961 | 27,691,961 |
| 2029-2030 | 16,520,000 | 2,556,883 | 19,076,883 |
| 2030-2031 | 16,970,000 | 1,945,949 | 18,915,949 |
| 2031-2032 | 16,235,000 | 1,328,674 | 17,563,674 |
| 2032-2033 | 7,365,000 | 873,869 | 8,238,869 |
| 2033-2034 | 7,475,000 | 603,050 | 8,078,050 |
| 2034-2035 | 5,245,000 | 366,341 | 5,611,341 |
| 2035-2036 | 3,860,000 | 186,453 | 4,046,453 |
| 2036-2037 | 2,030,000 | 70,956 | 2,100,956 |
| 2037-2038 | 640,000 | 14,800 | 654,800 |
| TOTAL | 320,645,000 | 107,841,047 | 428,486,047 |

| Series Name | Principal Amount |
|--|-------------------------|
| Certificates of Obligation Series 2007 | 3,285,000 |
| Permanent Improvement Bonds Series 2008 | 765,000 |
| Certificates of Obligation Series 2008 | 350,000 |
| Permanent Improvement and Refunding Bonds Series 2009* | 1,660,000 |
| Certificates of Obligation Series 2009 | 900,000 |
| Certificates of Obligation Series 2009-A | 1,915,000 |
| Permanent Improvement Bonds Series 2010A | 9,855,000 |
| Permanent Improvement and Refunding Series 2010B | 90,000 |
| Permanent Improvement Bonds Series 2011 | 4,585,000 |
| Certificates of Obligation Series 2011 | 840,000 |
| BC MUD 4 Series 2011 | 390,000 |
| Permanent Improvement Refunding Bonds Series 2012* | 38,310,000 |
| Permanent Improvement Bonds Series 2013 | 8,145,000 |
| Certificates of Obligation Series 2013 | 2,415,000 |
| Permanent Improvement and Refunding Bonds Series 2014 | 37,120,000 |
| Certificates of Obligation Series 2014 | 3,930,000 |
| Permanent Improvement and Refunding Bonds Series 2015 | 46,845,000 |
| Permanent Improvement Bonds Series 2015 | 7,645,000 |
| Certificates of Obligation Series 2015 | 4,370,000 |
| Permanent Improvement and Refunding Bonds Series 2015A | 9,105,000 |
| Permanent Improvement and Refunding Bonds Series 2016A | 32,455,000 |
| Certificates of Obligation Series 2016 | 13,295,000 |
| Permanent Improvement and Refunding Bonds Series 2016B | 29,270,000 |
| Permanent Improvement and Refunding Bonds Series 2017 | 56,900,000 |
| Certificates of Obligation Series 2017 | 6,205,000 |
| TOTAL | 320,645,000 |

Does not include new debt anticipated to be issued.

* Excludes refunding portion associated with Water/Sewer.

**GOVERNMENTAL DEBT TO MATURITY
FY 2018 ADOPTED BUDGET**



**GENERAL DEBT SERVICE SCHEDULE
FY 2018 ADOPTED BUDGET**

| DATE | DESCRIPTION | DATE ISSUED Maturity | AMOUNT ISSUED | PRINCIPAL | INTEREST | PAYMENT TOTAL | AMOUNT OUTSTANDING AS OF 9/30/18 |
|----------|------------------------------------|--------------------------|------------------|-----------|-----------|------------------|--|
| 3/1/2018 | Series 2007 Certificates of | 2007 | 23,250,000 | | 53,381 | 53,381 | |
| 9/1/2018 | Obligation | 2034 | | | 53,381 | 53,381 | |
| | | Fiscal Year Total | | 0 | 106,763 | 106,763 | 3,285,000 |
| 3/1/2018 | Series 2008 Permanent Improvement | 2008 | 22,835,000 | 360,000 | 19,125 | 379,125 | |
| 9/1/2018 | Bonds | 2034 | | | 10,125 | 10,125 | |
| | | Fiscal Year Total | | 360,000 | 29,250 | 389,250 | 405,000 |
| 3/1/2018 | Series 2008 Certificates of | 2008 | 9,000,000 | 165,000 | 7,000 | 172,000 | |
| 9/1/2018 | Obligation | 2034 | | | 3,700 | 3,700 | |
| | | Fiscal Year Total | | 165,000 | 10,700 | 175,700 | 185,000 |
| 3/1/2018 | Series 2009 Permanent Improvement | 2015 | 14,580,000 | 455,000 | 30,261 | 485,261 | |
| 9/1/2018 | and Refunding Bonds* | 2034 | | | 20,024 | 20,024 | |
| | | Fiscal Year Total | | 455,000 | 50,285 | 505,285 | 1,205,000 |
| 3/1/2018 | Series 2009 Certificates of | 2009 | 8,520,000 | | 17,681 | 17,681 | |
| 9/1/2018 | Obligation | 2034 | | 255,000 | 17,681 | 272,681 | |
| | | Fiscal Year Total | | 255,000 | 35,363 | 290,363 | 645,000 |
| 3/1/2018 | Series 2009A Certificates of | 2009 | 12,145,000 | 640,000 | 33,161 | 673,161 | |
| 9/1/2018 | Obligation | 2029 | | | 21,199 | 21,199 | |
| | | Fiscal Year Total | | 640,000 | 54,360 | 694,360 | 1,275,000 |
| 3/1/2018 | Series 2010A Permanent Improvement | 2011 | 12,415,000 | 400,000 | 186,426 | 586,426 | |
| 9/1/2018 | Bonds | 2035 | | | 180,426 | 180,426 | |
| | | Fiscal Year Total | | 400,000 | 366,853 | 766,853 | 9,455,000 |
| 3/1/2018 | Series 2010B Permanent Improvement | 2011 | 1,630,000 | 90,000 | 1,350 | 91,350 | |
| 9/1/2018 | Refunding Bonds | 2018 | | | 0 | 0 | |
| | | Fiscal Year Total | | 90,000 | 1,350 | 91,350 | 0 |
| 3/1/2018 | Series 2011 Permanent Improvement | 2011 | 5,400,000 | 170,000 | 87,166 | 257,166 | |
| 9/1/2018 | Bonds | 2036 | | | 83,766 | 83,766 | |
| | | Fiscal Year Total | | 170,000 | 170,931 | 340,931 | 4,415,000 |
| 3/1/2018 | Series 2011 Certificates of | 2011 | 2,095,000 | 210,000 | 8,778 | 218,778 | |
| 9/1/2018 | Obligation | 2021 | | | 6,584 | 6,584 | |
| | | Fiscal Year Total | | 210,000 | 15,362 | 225,362 | 630,000 |
| 3/1/2018 | Series 2011 BC MUD 4 | 2011 | 2,640,000 | 130,000 | 6,500 | 136,500 | |
| 9/1/2018 | Refunding Bonds* | 2032 | | | 4,550 | 4,550 | |
| | | Fiscal Year Total | | 130,000 | 11,050 | 141,050 | 260,000 |
| 3/1/2018 | Series 2012 Permanent Improvement | 2012 | 43,575,000 | 2,690,000 | 668,050 | 3,358,050 | |
| 9/1/2018 | Refunding Bonds* | 2029 | | | 614,250 | 614,250 | |
| | | Fiscal Year Total | | 2,690,000 | 1,282,300 | 3,972,300 | 35,620,000 |
| 3/1/2018 | Series 2013 Permanent | 2013 | 9,315,000 | 305,000 | 172,734 | 477,734 | |
| 9/1/2018 | Improvement Bonds | 2038 | | | 166,634 | 166,634 | |
| | | Fiscal Year Total | | 305,000 | 339,368 | 644,368 | 7,840,000 |
| 3/1/2018 | Series 2013 Certificates | 2013 | 2,745,000 | 85,000 | 53,119 | 138,119 | |
| 9/1/2018 | of Obligation | 2038 | | | 51,844 | 51,844 | |
| | | Fiscal Year Total | | 85,000 | 104,963 | 189,963 | 2,330,000 |
| 3/1/2018 | Series 2014 Permanent Improvement | 2015 | 40,410,000 | 1,085,000 | 807,441 | 1,892,441 | |
| 9/1/2018 | Refunding Bonds* | 2034 | | | 795,791 | 795,791 | |
| | | Fiscal Year Total | | 1,085,000 | 1,603,231 | 2,688,231 | 36,035,000 |

**GENERAL DEBT SERVICE SCHEDULE
FY 2018 ADOPTED BUDGET**

| DATE | DESCRIPTION | DATE ISSUED MATURITY | AMOUNT ISSUED | PRINCIPAL | INTEREST | PAYMENT TOTAL | AMOUNT OUTSTANDING AS OF 9/30/18 |
|-------------|------------------------------------|-------------------------------------|--------------------------|-------------------|-------------------|--------------------------|---|
| 3/1/2018 | Series 2014 Certificates | 2014 | 4,625,000 | 230,000 | 58,409 | 288,409 | |
| 9/1/2018 | of Obligation | 2038 | | | 56,109 | 56,109 | |
| | | Fiscal Year Total | | 230,000 | 114,519 | 344,519 | 3,700,000 |
| 3/1/2018 | Series 2015 Permanent Improvement | 2015 | 47,165,000 | 775,000 | 1,045,259 | 1,820,259 | |
| 9/1/2018 | Refunding Bonds | 2034 | | | 1,033,634 | 1,033,634 | |
| | | Fiscal Year Total | | 775,000 | 2,078,894 | 2,853,894 | 46,070,000 |
| 3/1/2018 | Series 2015 Permanent Improvement | 2016 | 8,495,000 | 425,000 | 111,913 | 536,913 | |
| 9/1/2018 | Bonds | 2035 | | | 107,663 | 107,663 | |
| | | Fiscal Year Total | | 425,000 | 219,575 | 644,575 | 7,220,000 |
| 3/1/2018 | Series 2015 Certificates | 2016 | 4,860,000 | 245,000 | 64,500 | 309,500 | |
| 9/1/2018 | of Obligation | 2035 | | | 62,050 | 62,050 | |
| | | Fiscal Year Total | | 245,000 | 126,550 | 371,550 | 4,125,000 |
| 3/1/2018 | Series 2015A Permanent Improvement | 2015 | 10,210,000 | 550,000 | 132,488 | 682,488 | |
| 9/1/2018 | Refunding Bonds | 2029 | | | 126,988 | 126,988 | |
| | | Fiscal Year Total | | 550,000 | 259,475 | 809,475 | 8,555,000 |
| 3/1/2018 | Series 2016A Permanent Improvement | 2016 | 33,275,000 | 825,000 | 636,725 | 1,461,725 | |
| 9/1/2018 | Refunding Bonds | 2036 | | | 628,475 | 628,475 | |
| | | Fiscal Year Total | | 825,000 | 1,265,200 | 2,090,200 | 31,630,000 |
| 3/1/2018 | Series 2016 Certificates | 2016 | 13,995,000 | 700,000 | 167,925 | 867,925 | |
| 9/1/2018 | of Obligation | 2036 | | | 160,925 | 160,925 | |
| | | Fiscal Year Total | | 700,000 | 328,850 | 1,028,850 | 12,595,000 |
| 3/1/2018 | Series 2016B Permanent Improvement | 2016 | 29,840,000 | 2,085,000 | 672,050 | 2,757,050 | |
| 9/1/2018 | Refunding Bonds | 2036 | | | 640,775 | 640,775 | |
| | | Fiscal Year Total | | 2,085,000 | 1,312,825 | 3,397,825 | 27,185,000 |
| 3/1/2018 | Series 2017 Permanent Improvement | 2017 | 56,900,000 | 2,060,000 | 1,303,286 | 3,363,286 | |
| 9/1/2018 | Refunding Bonds | 2037 | | | 1,188,634 | 1,188,634 | |
| | | Fiscal Year Total | | 2,060,000 | 2,491,920 | 4,551,920 | 54,840,000 |
| 3/1/2018 | Series 2017 Certificates | 2017 | 6,205,000 | 310,000 | 98,407 | 408,407 | |
| 9/1/2018 | of Obligation | 2037 | | | 98,700 | 98,700 | |
| | | Fiscal Year Total | | 310,000 | 197,107 | 507,107 | 5,895,000 |
| | TOTAL | | 426,125,000 | 15,245,000 | 12,577,041 | 27,822,041 | 305,400,000 |

*Excludes Water/Sewer Component.

Does not include new debt anticipated to be issued.

**GENERAL FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The General Fund provides the financing for all of the City of Pearland's basic services except water, sewer and solid waste, which is accounted for through the Water & Sewer and Solid Waste Funds. The principal sources of revenue include property taxes, sales taxes, franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures are comprised of five major functional areas: Public Works, Public Safety, General Government, Community Services, and Parks and Recreation. Public Safety provides all emergency services to the citizens of Pearland and accounts for 54.8% of total operating expenditures (excluding transfers). General Government includes departments such as City Council, City Manager, Finance, Legal, and Human Resources. Expenditures include all personnel costs for 576 full-time positions and 113 part-time positions including paid volunteers, utilities, fuel, park and right-of-way maintenance, and street lighting, just to name a few.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|-------------------------------------|----------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| PROPERTY TAXES | \$ 14,607,848 | \$ 18,502,590 | \$ 17,887,489 | \$ 20,705,007 |
| SALES AND USE TAXES | 20,013,626 | 20,526,818 | 20,546,818 | 21,368,690 |
| FRANCHISE FEES | 6,919,239 | 6,930,000 | 7,016,768 | 7,120,000 |
| LICENSES & PERMITS | 5,677,532 | 5,183,830 | 5,977,255 | 5,590,150 |
| FINES & FORFEITURES | 2,802,425 | 2,902,500 | 2,649,800 | 2,550,450 |
| CHARGES FOR SERVICE | 13,993,054 | 15,250,614 | 14,723,241 | 15,828,256 |
| MISCELLANEOUS | 3,228,488 | 1,591,153 | 2,191,768 | 2,083,475 |
| TRANSFERS IN | 4,111,521 | 3,262,272 | 3,792,394 | 3,824,407 |
| OTHER FINANCING SOURCES | 1,917,854 | 100,000 | | |
| TOTAL REVENUES | 73,271,586 | 74,249,777 | 74,785,533 | 79,070,435 |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT | 11,049,461 | 12,255,286 | 12,544,723 | 11,606,009 |
| PUBLIC SAFETY | 38,516,993 | 40,300,860 | 44,163,751 | 42,582,371 |
| COMMUNITY SERVICES | 3,466,170 | 3,577,288 | 3,734,394 | 3,875,129 |
| PUBLIC WORKS | 11,717,303 | 12,912,065 | 14,729,299 | 13,457,097 |
| PARKS & RECREATION | 6,382,594 | 6,205,747 | 6,857,122 | 6,158,101 |
| TOTAL OPERATING EXPENDITURES | 71,132,521 | 75,251,246 | 82,029,289 | 77,678,707 |
| TRANSFERS OUT | 2,573,817 | 1,202,789 | 1,578,964 | 1,036,811 |
| TOTAL EXPENDITURES | 73,706,338 | 76,454,035 | 83,608,253 | 78,715,518 |
| REVENUES OVER/(UNDER) EXPENDITURES | (434,752) | (2,204,258) | (8,822,720) | 354,917 |
| BEGINNING FUND BALANCE | 21,354,237 | 14,407,779 | 20,919,485 | 12,096,765 |
| ENDING FUND BALANCE | \$ 20,919,485 | \$ 12,203,521 | \$ 12,096,765 | \$ 12,451,682 |
| Policy - 2 months Recurring Oper. | 11,199,984 | 11,582,786 | 11,808,269 | 11,923,040 |
| Fund Balance Over Policy | 9,719,501 | 620,735 | 288,496 | 528,643 |

**GENERAL FUND
REVENUE AND EXPENDITURE SUMMARY
FY 2018 ADOPTED BUDGET**

OVERVIEW – FUND BALANCE

The City is anticipated to end fiscal year (FY) 2017 on September 30, 2017, with a fund balance of \$12,096,765, \$288,496 over fund balance policy. The adopted FY 2018 fund balance over policy is increased to \$528,643, with the adopted ending fund balance of \$12,451,682 for FY 2018.

REVENUES

Revenues in FY 2018 are anticipated to exceed those in 2017 in all categories except Licenses & Permits, Fines & Forfeitures and Miscellaneous revenues. Overall, the increase in total revenues from FY 2017 is 5.7%. Property tax, sales tax and charges for services are the three major revenue sources for the City.

Property Tax revenues increased in 2018 by 15.8% over FY 17 year-end amended revenue, resulting in an increase in property tax revenues as a percent of total revenues, from 24% in FY 17 to 26% in FY 18, and a slight increase in the overall property tax rate. FY 2018 sales tax revenue is projected to grow at 4%. Charges for Services include TIRZ administration fees, which are increasing by \$1,167,220 as a result of property values in the TIRZ increasing. Miscellaneous revenues are decreasing due to a reduction in the Federal Medicaid Reimbursement. In FY 18 revenues are projected to be \$5,590,150. Fines & Forfeitures for FY 18, based on the trajectory of the last several years, are expected to decline. All other revenue sources have minor changes.

Total Revenues

| | | |
|-----------------------|---------------------|---------------|
| FY 2018 Adopted | \$79,070,435 | |
| FY 2017 Amended | <u>\$74,785,533</u> | |
| Increase / (Decrease) | \$ 4,284,902 | 5.7% increase |

EXPENDITURES

Fiscal year 2018 total expenditures are \$78,715,518, 3.0% higher than the FY 2017 Adopted Budget. Salaries and benefits remain the major expenditure for FY 18, at 70.5% of the total. The FY 2017 Adopted Budget salaries and benefits represented 67% of total expenditures.

Major changes in the General Fund are described in the Budget Overview section. Police and Fire remained the main focus of the supplemental funding. The Police Department will be adding two new Telecommunications Officers, one Jailer, as well as two new Police Officers. The Fire Department will be beginning the process of “continuous onboarding” by bringing on three new firefighters per quarter beginning in January.

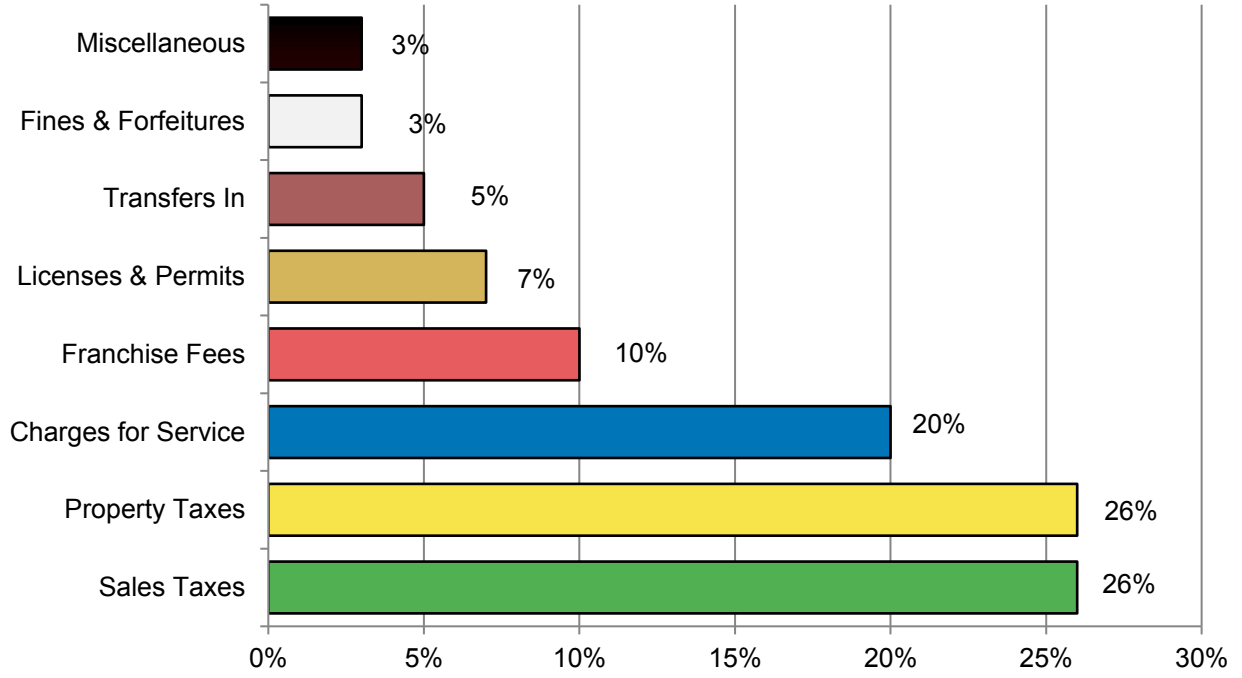
A 2% increase in salary is included for all personnel, to support recruitment and retention efforts. This is in addition to the annual 3% step increases for Certified Police Officers. The City will also invest \$1,078,231 in implementing the results of the Compensation & Classification Study to within 100% of market. The portion of the City’s medical premium payments is being passed on to employees for FY 18 as a result of changing dependent coverage from 68% to 66%. The City was able to allocate a portion of fund balance to defray some of the plan cost.

Total Expenditures

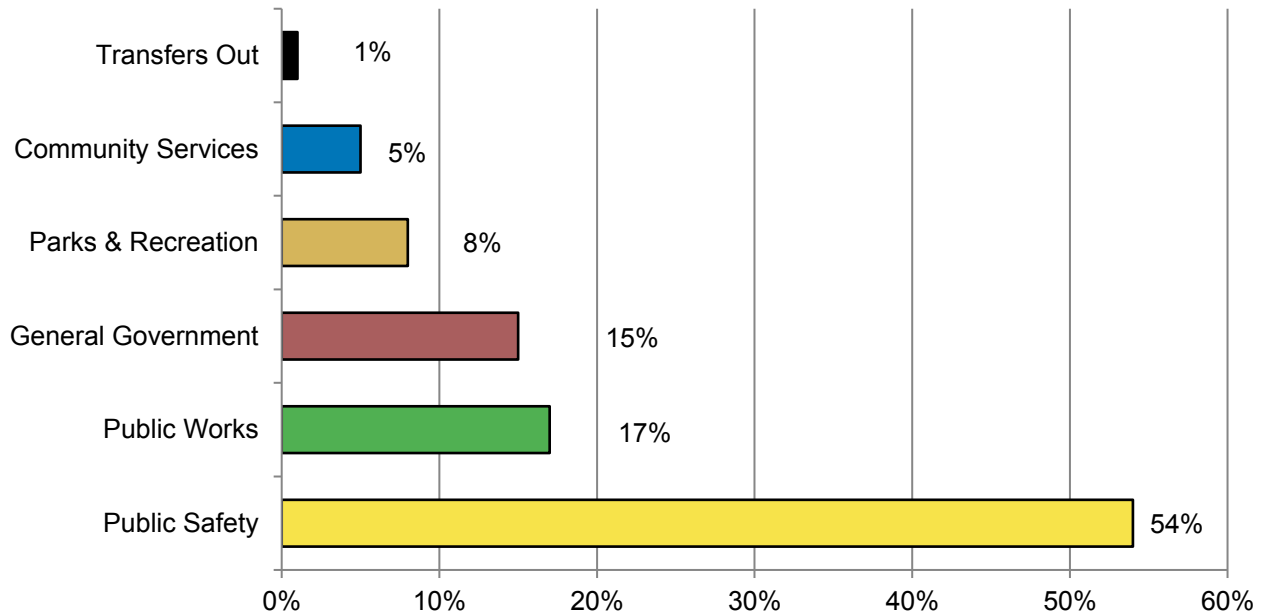
| | | |
|-----------------------|---------------------|---------------|
| FY 2018 Adopted | \$78,715,518 | |
| FY 2017 Amended | <u>\$83,608,253</u> | |
| Increase / (Decrease) | (\$ 4,892,735) | 5.9% decrease |

**GENERAL FUND SUMMARY
FY 2018 ADOPTED BUDGET**

Total Revenues - \$79.1M

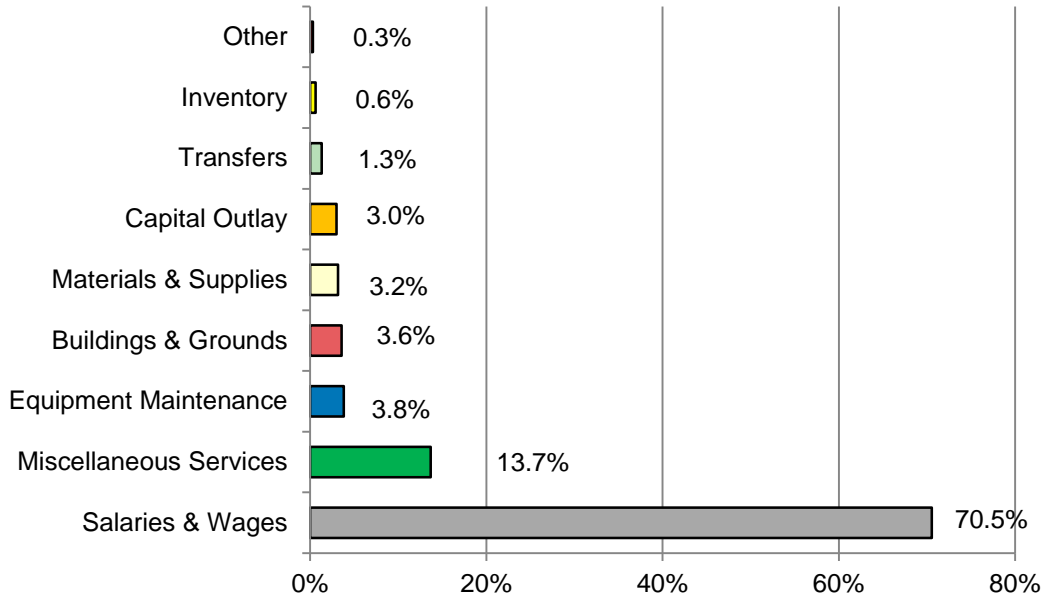


**Total Expenditures - \$78.7M
By Function/Department**



**GENERAL FUND EXPENDITURE SUMMARY
(All Departments)
FY 2018 ADOPTED BUDGET**

General Fund Expenditures by Type



| BY CATEGORY | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|--------------------------------|---------------------------|--|---|---------------------------------------|
| SALARIES & WAGES | \$ 47,855,166 | \$ 51,236,275 | \$ 52,302,373 | \$ 55,529,052 |
| MATERIALS & SUPPLIES | 2,410,214 | 2,374,649 | 2,807,161 | 2,495,582 |
| BUILDINGS & GROUNDS | 2,372,391 | 2,823,425 | 4,488,975 | 2,814,437 |
| EQUIPMENT REPAIR & MAINTENANCE | 3,215,367 | 2,795,102 | 3,205,267 | 3,009,006 |
| MISCELLANEOUS SERVICES | 11,437,807 | 11,269,449 | 12,209,254 | 10,771,635 |
| OTHER CHARGES | 23,047 | 697,529 | 321,651 | 249,986 |
| INVENTORY | 714,908 | 356,060 | 773,326 | 492,370 |
| CAPITAL OUTLAY | 3,103,621 | 3,698,757 | 5,921,282 | 2,316,639 |
| SUB-TOTAL | 71,132,521 | 75,251,246 | 82,029,289 | 77,678,707 |
| TRANSFERS | 2,573,817 | 1,202,789 | 1,578,964 | 1,036,811 |
| TOTAL | \$ 73,706,338 | \$ 76,454,035 | \$ 83,608,253 | \$ 78,715,518 |

**GENERAL FUND EXPENDITURES
BY FUNCTION/DEPARTMENT
FY 2018 ADOPTED BUDGET**

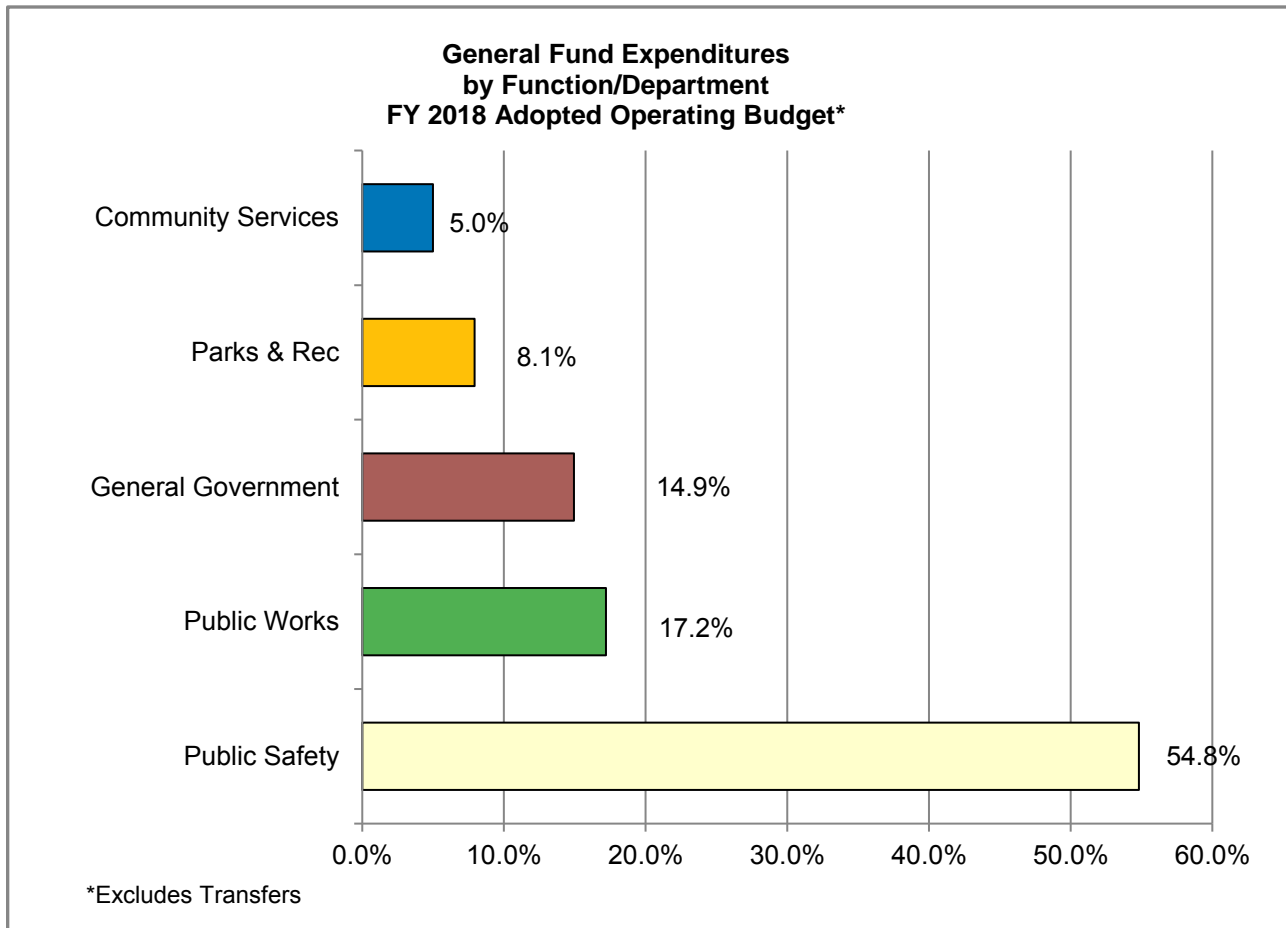
| FUNCTION/DEPARTMENT | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| GENERAL GOVERNMENT | | | | |
| CITY COUNCIL | \$ 98,770 | \$ 116,008 | \$ 125,814 | \$ 141,818 |
| CITY MANAGER | 789,941 | 1,005,766 | 1,045,252 | 1,040,073 |
| HUMAN RESOURCES | 903,636 | 1,028,653 | 1,088,361 | 1,051,403 |
| CITY SECRETARY | 392,852 | 377,842 | 408,009 | 359,115 |
| LEGAL | 715,614 | 768,633 | 759,480 | 784,103 |
| INFORMATION TECHNOLOGY | 3,826,671 | 3,001,235 | 3,928,434 | 2,899,806 |
| FINANCE | 2,198,138 | 2,370,292 | 2,403,020 | 2,178,228 |
| OTHER REQUIREMENTS ¹ | 1,720,511 | 3,217,106 | 2,365,858 | 2,744,831 |
| LIBRARY ² | 403,328 | 369,751 | 420,495 | 406,632 |
| GENERAL GOVERNMENT TOTAL | 11,049,461 | 12,255,286 | 12,544,723 | 11,606,009 |
| PUBLIC SAFETY | | | | |
| POLICE | | | | |
| | 24,665,391 | 26,491,853 | 28,865,067 | 27,504,412 |
| POLICE ADMINISTRATION | 1,501,011 | 1,556,194 | 1,806,782 | 1,798,785 |
| PATROL | 13,559,235 | 14,823,995 | 16,511,718 | 14,888,939 |
| INVESTIGATIONS | 2,955,595 | 3,237,782 | 3,345,956 | 3,636,392 |
| COMMUNITY SERVICE | 826,010 | 777,403 | 1,060,026 | 925,337 |
| COMMUNICATIONS & RECORDS | 1,963,259 | 2,125,270 | 2,154,132 | 2,226,618 |
| JAIL | 1,075,480 | 1,154,587 | 1,143,649 | 1,201,135 |
| COMMERCIAL VEHICLE ENFORCEMENT | 273,441 | 234,291 | 253,922 | 254,857 |
| SCHOOL RESOURCE OFFICERS (SRO) | 1,310,270 | 1,285,831 | 1,348,005 | 1,360,216 |
| TRAINING | 279,963 | 312,155 | 305,096 | 308,700 |
| ANIMAL SERVICES | 921,127 | 984,345 | 935,781 | 903,433 |
| FIRE | | | | |
| | 13,851,602 | 13,809,007 | 15,298,684 | 15,077,959 |
| FIRE ADMINISTRATION | 1,070,654 | 1,049,894 | 1,175,616 | 1,154,913 |
| FIRE OPERATIONS | 11,323,182 | 11,136,810 | 12,402,322 | 12,270,764 |
| FIRE MARSHAL | 852,644 | 917,255 | 969,651 | 811,465 |
| EMERGENCY MANAGEMENT | 32,623 | 148,347 | 128,784 | 214,682 |
| HEALTH/CODE ENFORCEMENT | 572,499 | 556,701 | 622,311 | 626,135 |
| PUBLIC SAFETY TOTAL | 38,516,993 | 40,300,860 | 44,163,751 | 42,582,371 |
| COMMUNITY SERVICES | | | | |
| COMMUNITY DEVELOPMENT | | | | |
| COMMUNITY DEVELOPMENT ADMINISTRATION | 369,016 | 379,306 | 422,602 | 379,210 |
| PLANNING | 539,012 | 519,701 | 645,193 | 677,912 |
| PERMITS & INSPECTIONS | 1,371,816 | 1,390,036 | 1,388,016 | 1,472,939 |
| COMMUNICATIONS | 487,749 | 508,936 | 531,678 | 525,405 |
| MUNICIPAL COURT | 698,577 | 779,309 | 746,905 | 819,663 |
| COMMUNITY SERVICES TOTAL | 3,466,170 | 3,577,288 | 3,734,394 | 3,875,129 |
| PUBLIC WORKS | | | | |
| PUBLIC WORKS AND ENGINEERING ADMINISTRATION | 249,786 | | | |
| PUBLIC WORKS OPERATIONS ADMINISTRATION | 177,014 | 185,738 | 176,213 | 182,287 |
| TRAFFIC OPERATIONS AND MAINTENANCE | 1,184,339 | 1,103,149 | 1,141,405 | 1,118,369 |
| CUSTODIAL SERVICES | 404,429 | 470,568 | 474,573 | 480,627 |
| FLEET MANAGEMENT | 444,302 | 390,956 | 345,044 | 428,343 |
| STREETS & DRAINAGE | 4,780,553 | 5,345,357 | 6,213,564 | 5,149,446 |
| RIGHT-OF-WAY MAINTENANCE | 1,165,754 | 1,594,820 | 1,537,633 | 1,670,686 |
| FACILITIES MANAGEMENT | 1,344,366 | 1,508,260 | 2,290,918 | 1,690,191 |
| ENGINEERING & CAPITAL PROJECTS: | | | | |
| CAPITAL PROJECTS | 900,039 | 970,533 | 997,825 | 1,207,160 |
| ENGINEERING | 1,066,721 | 1,342,684 | 1,552,124 | 1,529,988 |
| PUBLIC WORKS TOTAL | 11,717,303 | 12,912,065 | 14,729,299 | 13,457,097 |

**GENERAL FUND EXPENDITURES
BY FUNCTION/DEPARTMENT
FY 2018 ADOPTED BUDGET**

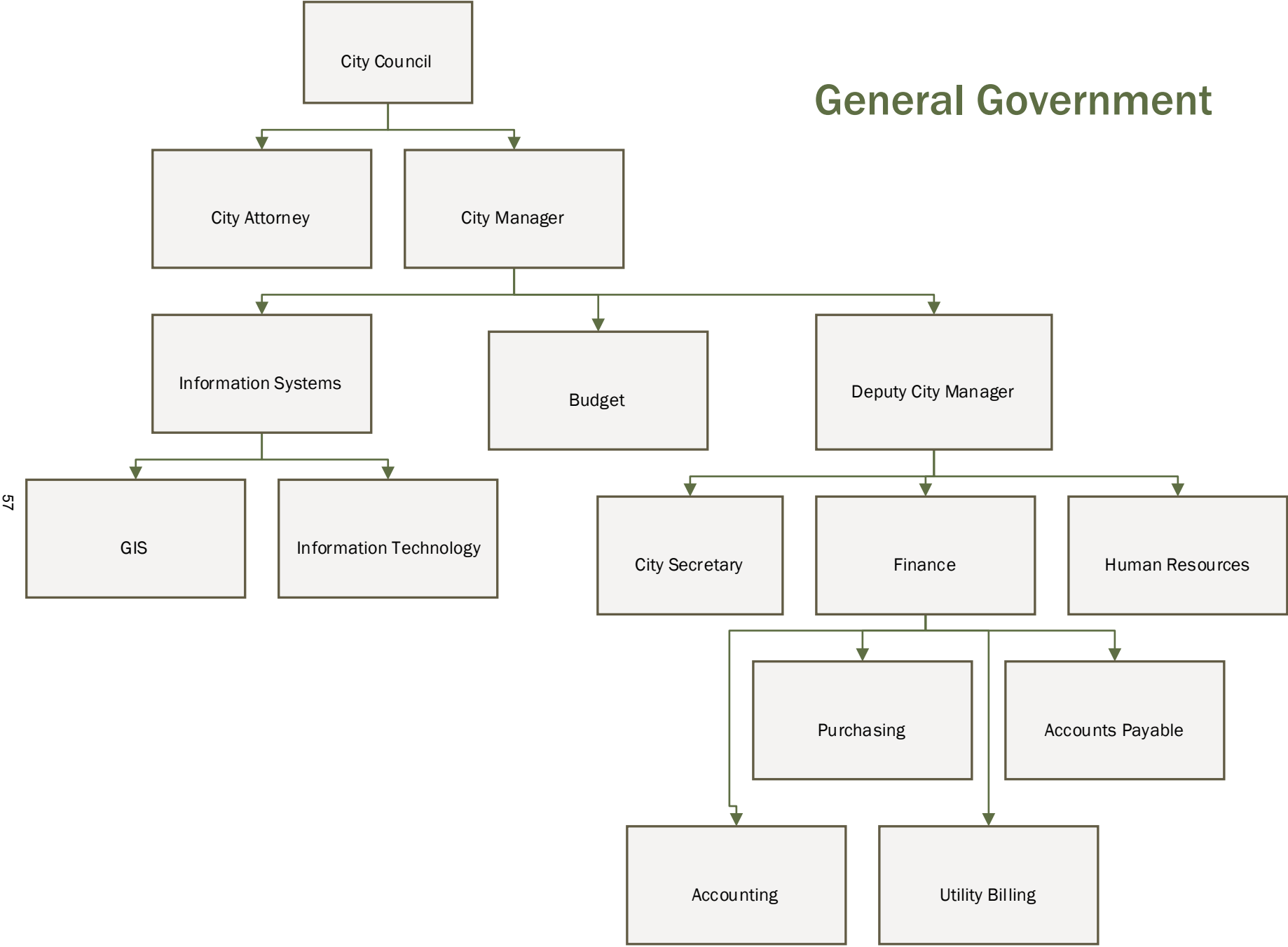
| FUNCTION/DEPARTMENT | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|-------------------------------------|----------------------|-------------------------------|--------------------------------|------------------------------|
| PARKS & RECREATION | | | | |
| ADMINISTRATION | 725,649 | 609,133 | 609,738 | 772,304 |
| RECREATION CENTER/NATATORIUM | 2,592,470 | 2,102,125 | 2,524,682 | 429,780 |
| ATHLETICS | 257,168 | 306,571 | 287,162 | 374,840 |
| SPECIAL EVENTS | 344,643 | 328,866 | 387,975 | 402,941 |
| SENIOR PROGRAM | 274,759 | 289,634 | 280,759 | 285,317 |
| AQUATICS | 97,654 | 30,829 | 22,404 | 544,495 |
| PARKS | 1,929,141 | 2,212,958 | 2,455,999 | 1,913,190 |
| NATURAL RESOURCES | 66,828 | 325,631 | 286,411 | 304,702 |
| RECYCLING | 94,283 | | 1,992 | 1,525 |
| RECREATION OPERATIONS | | | | 1,129,007 |
| PARKS & RECREATION TOTAL | 6,382,594 | 6,205,747 | 6,857,122 | 6,158,101 |
| TOTAL OPERATING EXPENDITURES | 71,132,521 | 75,251,246 | 82,029,289 | 77,678,707 |
| TRANSFERS | 2,573,817 | 1,202,789 | 1,578,964 | 1,036,811 |
| GENERAL FUND TOTAL | \$ 73,706,339 | \$ 76,454,035 | \$ 83,608,253 | \$ 78,715,518 |

¹Other Requirements excludes transfers, which are listed after Total Operating Expenditures.

²Library employees' salaries are funded by the County; the City pays all operating expenses.



General Government

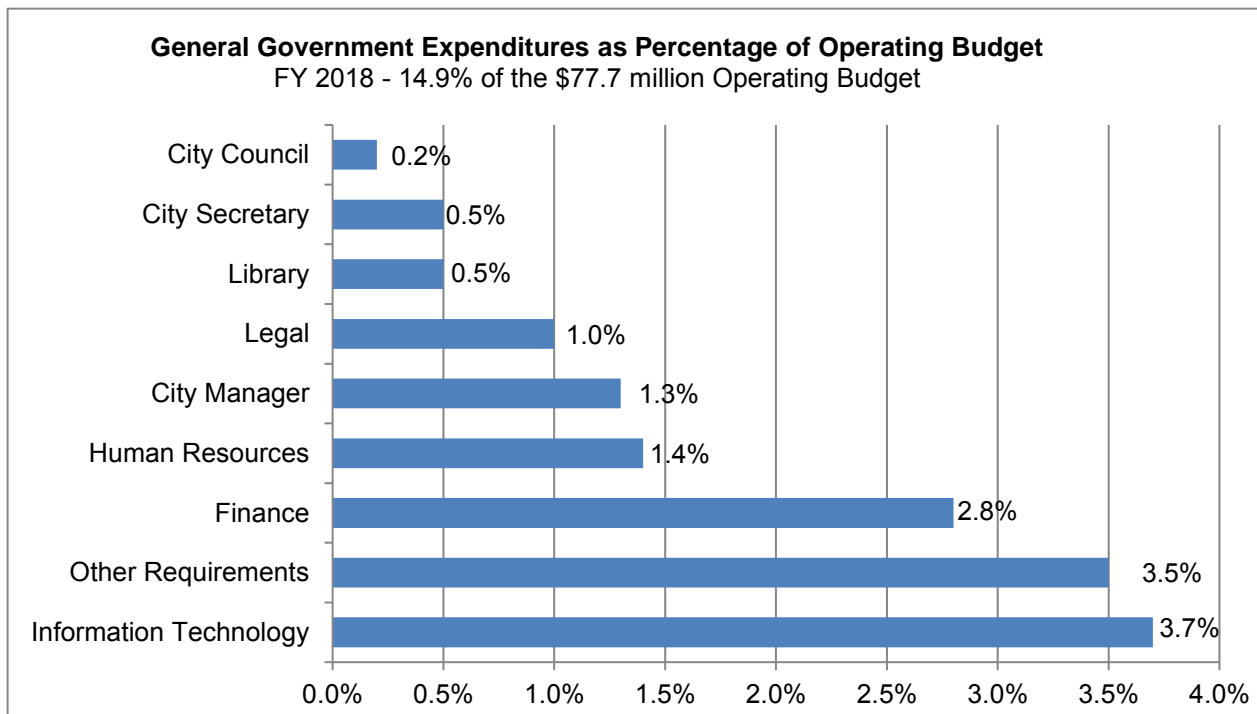


**GENERAL GOVERNMENT
EXPENDITURE SUMMARY
FY 2018 ADOPTED BUDGET**

| EXPENDITURES BY DEPT / DIVISION | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|--|---------------------------|--|---|---------------------------------------|
| CITY COUNCIL | \$ 98,770 | \$ 116,008 | \$ 125,814 | \$ 141,818 |
| CITY MANAGER | 789,941 | 1,005,766 | 1,045,252 | 1,040,073 |
| LEGAL | 715,614 | 768,633 | 759,480 | 784,103 |
| CITY SECRETARY | 392,852 | 377,842 | 408,009 | 359,115 |
| HUMAN RESOURCES | 903,636 | 1,028,653 | 1,088,361 | 1,051,403 |
| FINANCE | 2,198,138 | 2,370,292 | 2,403,020 | 2,178,228 |
| INFORMATION TECHNOLOGY | 3,826,671 | 3,001,235 | 3,928,434 | 2,899,806 |
| OTHER REQUIREMENTS* | 1,720,511 | 3,217,106 | 2,365,858 | 2,744,831 |
| LIBRARY | 403,328 | 369,751 | 420,495 | 406,632 |
| GENERAL GOVERNMENT TOTAL | \$ 11,049,461 | \$ 12,255,286 | \$ 12,544,723 | \$ 11,606,009 |

*Expenditures listed here for Other Requirements do not include transfers.

| EXPENDITURES BY CATEGORY | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---------------------------------|---------------------------|--|---|---------------------------------------|
| SALARIES & WAGES | \$ 4,879,336 | \$ 6,428,757 | \$ 5,805,782 | \$ 6,357,153 |
| MATERIALS & SUPPLIES | 217,908 | 145,892 | 184,642 | 188,392 |
| EQUIPMENT REPAIR & MAINTENANCE | 1,518,259 | 1,302,756 | 1,590,452 | 1,561,668 |
| MISCELLANEOUS SERVICES | 3,844,204 | 3,140,222 | 3,716,742 | 2,770,963 |
| OTHER CHARGES | 20,921 | 695,329 | 318,651 | 246,986 |
| INVENTORY | 474,320 | 310,700 | 646,200 | 452,315 |
| CAPITAL OUTLAY | 94,513 | 231,630 | 282,254 | 28,532 |
| GENERAL GOVERNMENT TOTAL | \$ 11,049,461 | \$ 12,255,286 | \$ 12,544,723 | \$ 11,606,009 |



CITY COUNCIL

GOALS

- ◆ Maintain strong relationships with key funding and inter-local entities in support of the City's current and future financial needs involving transportation, facilities, and major capital improvement priorities.
- ◆ Prioritize Capital Improvement Projects.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Awarded various Capital Improvement projects including Surface Water PER Contract, Green Tee Trail Design Contract, Independence Park Phase 1 Construction Contract, Shadow Creek Ranch Trail Design Contract, Smith Ranch Road Expansion Design Contract, Corrigan Ditch Sub-Basin of Mary's Creek Drainage Improvements Design Contract, McHard Road Trunk Sewer Design Contract, Linwood Subdivision Drainage Construction Contract, City Hall Complex Renovation Construction Contract, and Tom Reid Library Expansion Construction Contract.
- ◆ Debt Service Tax Rate was reduced with expanded tax base; assisted with refinancing of existing debt for lower interest costs.
- ◆ Inaugurated the addition of a seventh member of the Pearland City Council.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Provide leadership and direction over all bond issuances and refinancing's.
- ◆ Provide leadership and direction over all contracts for professional services and construction for all capital projects.
- ◆ Conduct Early Budget Input Session in accordance with the City's Strategic Priorities.
- ◆ Develop annual budget that will ensure sustainability for the City over the next 15 to 20 years.
- ◆ Provide leadership in accordance with the Governance Model.

PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Ordinances Considered | 65 | 90 | 71 | 65 |
| Resolutions Considered | 175 | 250 | 201 | 240 |

CITY MANAGER

OVERVIEW

The City Manager is appointed by the City Council to administer the daily operations of the City and implement policies established by City Council. The City Manager is responsible for preparation, filing and management of the annual budget to meet the organization goals, and reports to the City Council on the City's financial position. The City Manager also attends Council meetings, special meetings, and public hearings.

Professionals in the Office of the City Manager assists the City Manager in those duties. The Deputy City Manager has overall portfolio responsibilities to help guide the City and leads the General Government departments that includes Finance and Utility Billing, Human Resources, Parks and Recreation, Municipal Court, Communications, City Secretary and the Pearland Convention and Visitors Bureau. The Assistant City Manager has leadership responsibilities over Capital Projects and Engineering, Public Works, Traffic Management, Facility Maintenance and oversees the 5 Year Capital Improvement Plan. There is a Management Assistant and an Executive Assistant in the office to provide technical support to key projects and staff. The Executive Assistant oversees two part-time Receptionist positions for City Hall.

Key Budget Items for FY 2018 Include:

- ◆ No significant changes.

GOALS

- ◆ Keep City Council informed on pressing business of the City.
- ◆ Provide quarterly financial and capital project progress reports to City Council.
- ◆ Develop an annual operating budget that meets the needs of a growing and dynamic City.
- ◆ Expand cooperative relationships with Pearland ISD, Alvin ISD, Brazoria County, Harris County, Houston Galveston Area Council, etc.
- ◆ Continue to advocate for added traffic safety/transportation capacity and traffic relief city-wide.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Held City Council Early Budget Input Session in February of 2017.
- ◆ Continue implementation of the City's new Enterprise Resource Planning (ERP) System.
- ◆ Submitted annual operating budget recommending a total tax rate decrease.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Finalize the City's transition into a new Enterprise Resource Planning (ERP) System.
- ◆ Present funding issuance and refunding opportunities to maintain or reduce the City's overall tax rate.
- ◆ Further develop plan for City's next bond election.
- ◆ Recovery from Hurricane Harvey.

PERFORMANCE MEASURES

| | <u>FY 2015 Actual</u> | <u>FY 2016 Actual</u> | <u>FY 2017 Actual</u> | <u>FY 2018 Target</u> |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Number of authorized FTE ¹ employees per 1,000 population | 6.26 | 6.38 | 6.28 | 6.31 |
| GF Operating Budget \$ per capita | \$619.26 | \$660.88 | \$713.99 | \$655.97 |

¹The number of authorized FTE employees is based on the budgeted amount of full-time equivalent positions, including approved changes.

HUMAN RESOURCES

OVERVIEW

The Human Resources Department is an internal services department designed to offer leadership and support to the organization, build relationships and employee connections. The Department provides oversight of programs and systems that shape the framework for our work culture. These programs and systems affect how employees perform as a workforce, as well as what is perceived as valued by the organization. The Department is comprised of two divisions Human Resources and Risk Management. The Human Resources division is responsible for the workforce services of talent management, organizational development, salary and benefits management, health and wellness, and organizational support. The Risk Management division is responsible for property and liability insurance program, workers compensation program, safety and loss prevention, and contractual insurance requirements.

STRATEGIC COUNCIL PRIORITY: A highly-qualified and well-trained workforce, in all areas, results in efficient, effective services, Fiscally Responsible Government, and support for departments' ability to meet their goals towards other Strategic Council Priorities.

Key Budget Items for FY 2018 Include:

- ◆ No significant items.

GOALS

- ◆ Recruit and retain top talent.
- ◆ Manage risks within the organization.
- ◆ Promote work-life balance and wellness.
- ◆ Lead in the area of organizational development.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Increased collection of damages from 3rd parties by \$140K.
- ◆ Producing weekly digital employee communication.
- ◆ Continued development of a safety/inspection program.
- ◆ Concluded a City-wide compensation and classification study for implementation in FY 18.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Full implementation of the Human Resource and Payroll modules of the New World Systems.
- ◆ Implementation of improved/revised policies/processes such as exit interviews, certified interviewer, etc.
- ◆ Host trainings on recruitment, safety manual, process/policy changes/updates and software.

PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Number of vacated or new positions posted | 200 | 140 | 142 | 100 |
| Number of employment applications received | 9,132 | 10,420 | 13,010 | 9,500 |
| Annualized Citywide turnover rate (FT employees) | 10% | 13% | 25% | 10% |
| Number of training hours to new and existing employees | 50 | 68 | 131 | 80 |
| Percent of positions filled within 30 days of posting | 63% | 0% | 100% | 85% |

CITY SECRETARY

OVERVIEW

The City Secretary's Office is the custodian of records for the City. This department administers open records requests from citizens and assists other departments with research. The office creates the Agenda packets for City Council meetings, maintains records and minutes of the meetings, coordinates administration of City elections with Brazoria County, maintains historical records and archives, and provides the public with information in accordance with the Texas Public Information Act.

STRATEGIC COUNCIL PRIORITY: The City Secretary's office ensures citizens have access to agenda information and have the opportunity to participate in the local decision-making process, vote in elections, speak at public hearings, and request and receive official records, in ways that promote an Engaged Community.

Key Budget Items for FY 2018 Include:

- ◆ No significant items.

GOALS

- ◆ Record and maintain all City Council actions accurately and in a timely manner.
- ◆ Administer the department's budget efficiently and monitor the funds allocated and expended.
- ◆ Maintain claims information log.
- ◆ Issue Alcoholic Beverage Permits in an efficient and timely manner to maintain compliance with the City Ordinance and Texas Alcoholic Beverage Commission regulations.
- ◆ Process Peddlers Permits in an efficient and timely manner to allow the community to be served by vendors who are legally permitted to conduct business in the City door-to-door in compliance with City Ordinance.
- ◆ Accept and process applications to serve on Boards and Commissions in a timely manner and verify that information on the application qualifies the applicant to serve.
- ◆ Administer and produce timely Public Information as requested under the Texas Public Information Act.
- ◆ Utilize management practices and stay abreast of the latest laws and the newest technology to ensure the integrity of the records and history of our local government.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Completed the implementation of the automated agenda system.
- ◆ Conducted bi-monthly Records Management Meetings with Department's Records Coordinators.
- ◆ Entered current Alcohol Permits into TRAKiT software program for full implementation of the software.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Implement the addition of the automated minutes module of iCompass in 2018 to facilitate posting of Approved minutes.
- ◆ Enhance the Records Management Program as required by the City Code and the laws of the State of Texas.
- ◆ Provide daily assistance to all departments of the City.
- ◆ Implementation of the TRAKiT automated software for Alcoholic Beverage Permits.
- ◆ Explore the automation system process for Open Records to increase transparency, accountability, and compliance across the organization.

PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|---|-------------------|-------------------|-------------------|-------------------|
| PUBLIC RECORDS | | | | |
| Open Records Requests processed (<i>Freedom of Information Act</i>) | 1,004 | 1,252 | 1,294 | 1,400 |
| ELECTIONS | | | | |
| Number of registered voters (average) | 59,909 | 63,584 | 68,633 | 66,120 |
| Number of votes cast (average) | 3,564 | 2,751 | 7,660 | 3,967 |
| Average % of voter turnout | 6.0% | 4.3% | 11.2% | 6.0% |

LEGAL

OVERVIEW

The City Attorney is appointed by the City Council and serves as legal adviser to the City Council, City Manager, and City departments, representing the City in legal matters. The department consists of four full-time attorneys, and one part-time prosecutor, supported by a Legal Secretary. The Associate City Attorney serves as Prosecutor in Municipal Court. The Legal Department is responsible for drafting the legislation upon which City Council votes in setting the policies of the City, attending City Council and other City board meetings to advise City officials and representatives regarding legal matters. Some of these include: selecting and managing outside counsel to represent the City in specialized litigation and other legal proceedings, prosecuting misdemeanors in the City's Municipal Court, and advising and assisting the City's departments regarding legal issues associated with contracts, real estate transactions, personnel, economic development, engineering and public works issues, emergency services, and finance.

STRATEGIC COUNCIL PRIORITY: Protecting the City's assets through ordinance and contract review, prosecuting traffic and code violations, and its legal position where lawsuits and claims are concerned to promote a Fiscally Responsible Government and a Safe Community.

Key Budget Items for FY 2018 Include:

- ◆ No significant changes.

GOALS

- ◆ Continue to monitor and develop an oversight protocol with City departments.
- ◆ Work with City departments to accomplish the early assessment of potential litigation.
- ◆ Evaluate and update various City Ordinances to bring them into alignment with the City's needs and goals.
- ◆ Assist the Planning Department with the orderly transition of newly annexed territories.
- ◆ Assist all City departments with the implementation of their respective goals and objectives.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Prepared numerous residential, commercial and institutional development agreements for the City.
- ◆ Coordinated and assisted outside counsel in the resolution of multiple litigation cases.
- ◆ Efficiently carried out the prosecutorial duties of a rapidly growing municipal court.
- ◆ Coordinated the acquisition of multiple properties through the eminent domain process, thereby allowing for the timely construction of various City projects.
- ◆ Provided legal representation at all meetings of the City Council, PEDC, P&Z and the ZBA.
- ◆ Provided effective legal counsel to all departments in the City on a daily basis.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Provide legal representation at all meetings of the City Council, Planning and Zoning Commission and the Zoning Board of Adjustments.
- ◆ Provide each department legal services in a quality, yet efficient and cost-effective manner; such service to include specific training for each City department.
- ◆ Coordinate, with outside counsel, on multiple property acquisitions associated with the various City projects.
- ◆ Review and revise the City's Code of Ordinances as appropriate.
- ◆ Provide competent and efficient prosecutorial services for the City's Municipal Court.

INFORMATION TECHNOLOGY

OVERVIEW

The primary role of the Information Technology Department is to provide communications and information systems services to the City departments, developing and aligning departmental planning, policies and procedures with the strategic direction of the City Manager's Office. Major responsibilities of the department include the planning and maintaining of networks, servers, personal computers and laptops, as well as the City's telephone system. This department reports to the City Manager. This department oversees the GIS functions which develop and manage the citywide Geographic Information System.

STRATEGIC COUNCIL PRIORITY: Information Technology provides wired and wireless routes for transmitting data and telecommunications, thus providing City operations with a Sustainable Infrastructure that promotes the ability for the City to operate from a "paperless" standpoint, creating a more Fiscally Responsible Government.

Key Budget Items for FY 2018 include:

- ◆ Addition of an Infrastructure Architect - Utility SCADA (9 months, funded by Water/Sewer Fund) - \$72,778
- ◆ Addition of an Infrastructure Architect - Traffic (6 months) - \$50,097

GOALS

- ◆ Provide citywide innovation and leadership in the utilization and deployment of information technology services and applications.
- ◆ Ensure high-quality, effective and efficient production and support services for our employees.
- ◆ Maintain a secure information technology environment, ensuring the confidentiality, integrity and availability of critical information and systems.
- ◆ Continue to educate City staff on available options and resources which allow all City services to flourish, while utilizing the minimal level of resources.
- ◆ Promote the use of Geographic Information System (GIS) and related technologies to more effectively and efficiently address problems, develop plans, and manage the natural, cultural, economic, and infrastructure resources of the City of Pearland, thus increasing productivity.
- ◆ Maintain, update and expand the digital/interactive mapping systems of the City's infrastructure.
- ◆ Provide timely, accurate, and meaningful GIS data.
- ◆ Convert and integrate available data into a standard format to import into a centralized database.
- ◆ Produce informative maps, reports, and digital graphics, and assist with presentation of geographic information.
- ◆ Utilize GPS equipment for data acquisition and analysis.
- ◆ Maintain responsibility for the ongoing process of creating, maintaining and managing the City's digital land information database.
- ◆ Evaluate long-term coordination needs of the GIS user community and direct a strategic plan to facilitate coordination.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Supported technological configurations for the FY 2017 Enterprise Resource Planning (ERP) "go live" conversion.
- ◆ Installed/setup Cisco Call Center for the Water department.
- ◆ Assisted with Networking/Audio Visual solutions of the City Hall Annex renovation.
- ◆ Finished installing fiber on Bailey Road, in conjunction with the Project department.
- ◆ Worked with the Police department on installation/setup of Watch Guard vehicle/body cameras.
- ◆ Upgraded and maintained city employees' smart phones to next version.
- ◆ Installed/setup 88 computer systems throughout city departments.
- ◆ Updated firewall software for city network protection.
- ◆ Upgraded internet connection at the Public Safety Building for redundant service.
- ◆ Installed two Uninterruptable Power Supply to power all electronic equipment in the Public Safety Server room.
- ◆ Upgraded desk phones at the Public Safety Building.
- ◆ Replaced analog fax system with digital technology Stone Fax software.
- ◆ Helped upgrade Ricoh copiers to all city departments, moving away from desktop printers.
- ◆ Replaced Adobe Reader with Bluebeam to streamline software maintenance and increase performance.

INFORMATION TECHNOLOGY

- ◆ Implemented Interactive GIS map, a custom map viewer that runs on any platform.
- ◆ Implemented GIS Collector, used by field personnel to capture data with GPS on iPads.
- ◆ Supported the EOC during Hurricane Harvey by creating mapping solutions using real-time updates to assist in communication efforts to the community, utilizing applications such as Collector to import data into GIS for field debris pickup and flood-damaged homes.
- ◆ Implemented additional GIS applications such as ArcGIS online, Collector, and Survey123 within various departments.
- ◆ ERP implementation – GIS for CRW “Community Development” software solution.
- ◆ ERP implementation – GIS for New World/Tyler Technologies “Utility Billing”.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Assisting with Networking/Audio Visual solutions of City Hall renovation, Fire Station 1, and Environment Center.
- ◆ Work with vendor to install/setup AC unit in the Public Safety Building Server room for better air control.
- ◆ Install/setup Cisco Call Center for Parks and Community Development departments.
- ◆ Major consolidation of city network, SCADA network, and traffic network.
- ◆ Install/setup 26 Cisco Connect Grid Router units onto towers throughout city for network infrastructure.
- ◆ Install/setup over 90 Dell virtual systems throughout city departments.
- ◆ Work with Projects on installation of fiber at Dixie Farm, Old Alvin, and Barry Rose Roads for network infrastructure.
- ◆ Install/setup over 150 Cisco 829 routers in public safety vehicles for network communication.
- ◆ Work with Public Works and Water departments on AMI system.
- ◆ Assist Traffic department on network equipment upgrade.
- ◆ Install/setup ExecuTime time devices throughout city departments.
- ◆ Upgrade GIS hardware/software.
- ◆ Migrating to new SQL Server for SDE database.
- ◆ Upgrade ArcSDE SQL Server to ArcGIS 10.5 software version.
- ◆ Upgrade ArcGIS Desktop end users to ArcGIS 10.5 software version.
- ◆ Improve GIS Home page functionality - online mapping services.
- ◆ Continue providing advanced training for departments and individuals on utilizing GIS tools.
- ◆ Work with Public Works on city Asset Management Solution software development.

PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| Number of PC's supported | 649 | 680 | 706 | 720 |
| Number of support calls | 880 | 884 | 906 | 925 |
| Number of new software programs installed | 2 | 2 | 2 | 3 |
| Average number of GIS layers maintained | 104 | 120 | 135 | 155 |
| Number of maps requested/prepared | 237 | 240 | 256 | 260 |

FINANCE

OVERVIEW

The Finance Department provides for sound financial management practices and reporting to ensure long-term financial sustainability of the City. The department manages the City's finances, including investments, accounting, budgeting, purchasing and payroll. Finance also serves as the administrative point of contact for all Federal and State grant-making agencies that support departmental and City-wide capital and non-capital endeavors supported with other sources of funds. Audits, compliance with internal and external administrative and fiscal policies, financial transparency, accounts payable/receivable, as well as the improvement and sustainability of our City's bond rating are other important aspects of the department's responsibilities.

STRATEGIC COUNCIL PRIORITY: The Finance Department incorporates general principles of accountability and transparency into a system of decision-making, with a sense of "public trust," acting as a Fiscally Responsible Government.

Key Budget Items for FY 2018 Include:

- ◆ No significant items.

GOALS

- ◆ Safeguard the assets of the City of Pearland.
- ◆ Ensure accurate and prompt payment to all City vendors and employees.
- ◆ Accurately account for revenues and expenditures on a timely basis.
- ◆ Provide timely and accurate issuance of financial reports to the City Council, City Manager and all other parties as necessary or required.
- ◆ Plan, coordinate and facilitate the preparation of the annual budget, Comprehensive Annual Financial Report and Five-Year Capital Improvement Program.
- ◆ Facilitate and monitor purchases in compliance with State statutes and City policy and ensure that the City is getting the best value for the purchase of goods and services.
- ◆ Ensure the financial integrity of the City by developing and implementing policies and procedures.
- ◆ Maintain the debt program of the City, including the issuance of new debt, payment of annual debt service, and ensure compliance with bond and arbitrage covenants.
- ◆ Provide investment management for all City funds and bond proceeds in compliance with the City's Investment Policy.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Completed implementation of the financial modules with "go-live" of the Financial Management module.
- ◆ Began implementation of the ExecuTime system, with advanced scheduling for Public Safety departments and time keeping systems for other departments with integration into the City's New World financial systems.
- ◆ Compiled and presented to City Council debt maturity options for the City's water/sewer fund; lowering interest costs, through changing the rate structure.
- ◆ Updated the City's Financial Forecast and water/sewer rate model which the City uses to forecast rate changes.
- ◆ Obtained the State Comptroller's Transparency STAR awards in 4 out of 5 categories.
- ◆ Awarded the Government Finance Officers Association's annual Distinguished Budget Award and its Certificate of Achievement for Excellence in Financial Reporting.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Complete implementation of the payroll module with "go-live" as of October 2017.
- ◆ Implement a new time keeping system, ExecuTime, with advanced scheduling for Public Safety departments and time keeping systems for other departments with integration into the City's New World financial systems.
- ◆ Potentially implement a new budget process and timeline based off the functionalities and capabilities of a new budget system.
- ◆ Update Comprehensive Financial Management Policies.
- ◆ Implement Fixed Assets module in New World Financial Systems.
- ◆ Implement GASB reporting module.

FINANCE

- ◆ Update module for multi-year plan.
- ◆ Complete physical inventory in fiscal year 2018.
- ◆ Maintain the State Comptroller's Transparency STARS.
- ◆ Implement Departmental Succession Planning Initiative.
- ◆ Obtain the Government Finance Officers Association's annual Distinguished Budget Award and its Certificate of Achievement for Excellence in Financial Reporting.

PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Investments in compliance with policy and PFIA | 100% | 100% | 100% | 100% |
| Number of audit comments | 0 | 0 | 0 | 0 |
| Tax Backed Bond Rating | | | | |
| Moody's | Aa2 | Aa2 | Aa2 | Aa2 |
| S&P | AA | AA | AA | AA |
| Fitch | AA | AA | AA | AA |
| Revenue Bond Rating | | | | |
| Moody's | Aa3 | Aa3 | Aa3 | Aa3 |
| S&P | AA- | AA- | AA- | AA- |
| Fitch | AA- | AA- | AA- | AA- |

OTHER REQUIREMENTS

OVERVIEW

Historically, this department has been used to account for General Fund-wide expenditures including telephone, radio repairs, credit card and banking fees, contingency funding, sales tax incentive rebates, and capital lease payments.

Transfers account for operating transfers to other funds for reimbursement of services and include Property and Liability insurance allocation and reserve for self-funded Medical Fund.

Key Budget Items for FY 2018 Include:

- ◆ Implementation of Compensation and Classification Study - \$1,078,231
- ◆ Radio maintenance agreement with City of Houston - \$325,000
- ◆ KPB franchise fee - \$300,000
- ◆ Sales tax incentives (Kelsey Seybold and Costco) - \$150,000
- ◆ Capital leases - Siemens energy lease (\$114,486), lease on fire truck (\$81,121), ERP lease (\$159,183) and lease on ladder truck and Parks and Recreation equipment (\$209,985).

LIBRARY

OVERVIEW

Library services are provided through a cooperative effort between the City of Pearland and Brazoria County that support two facilities – the Tom Reid Library on the east side of the City, and the Business Center Drive Library on the west. The City provides the buildings and takes responsibility for their maintenance and other operating expenses. Brazoria County supplies the libraries' materials, computers, network access, and employees. As part of the voter-approved bond referendum in 2007, funding was approved to expand the Tom Reid Library building. Construction began in April 2017 and is expected to be completed in spring 2018.

Pearland's libraries serve the educational, informational, and recreational needs of the Pearland community, and offer a wide variety of materials and services in response to community needs. The libraries offer book clubs and programs for children, teens and adults, provide a space for voting, and provide assistance on accessing the Brazoria County Library System's electronic resources.

STRATEGIC COUNCIL PRIORITY: Brazoria County and the City of Pearland collaboratively provide Library Services for the citizens of the community. The County is responsible for Library Services, and the City is responsible for providing the facilities. Pearland's efforts provide the citizens with access to multiple activities and programs, encouraging an Engaged Community.

Key Budget Items for FY 2018 Include:

- ◆ No significant items.

GOAL

- ◆ Provide the Pearland community with traditional and progressive library services that support citizens' access to educational, informative, leisurely resources in a variety of formats, including digital. In addition, the libraries provide small meeting spaces, public Internet access, programming, and assistive services for all ages.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Began construction of the Tom Reid Library building expansion and renovation project.
- ◆ Brazoria County partnered with the Pearland Independent School District to create a temporary, limited-service branch facility and with Pearland Parks and Recreation for programming space during the Tom Reid Library closure.
- ◆ Brazoria County created a world language collection at the Tom Reid Library and enhanced the existing collection at the Business Center Drive Library.
- ◆ Brazoria County increased staffing, including a children's assistant, at the Business Center Drive Library.

FISCAL YEAR 2018 OBJECTIVES

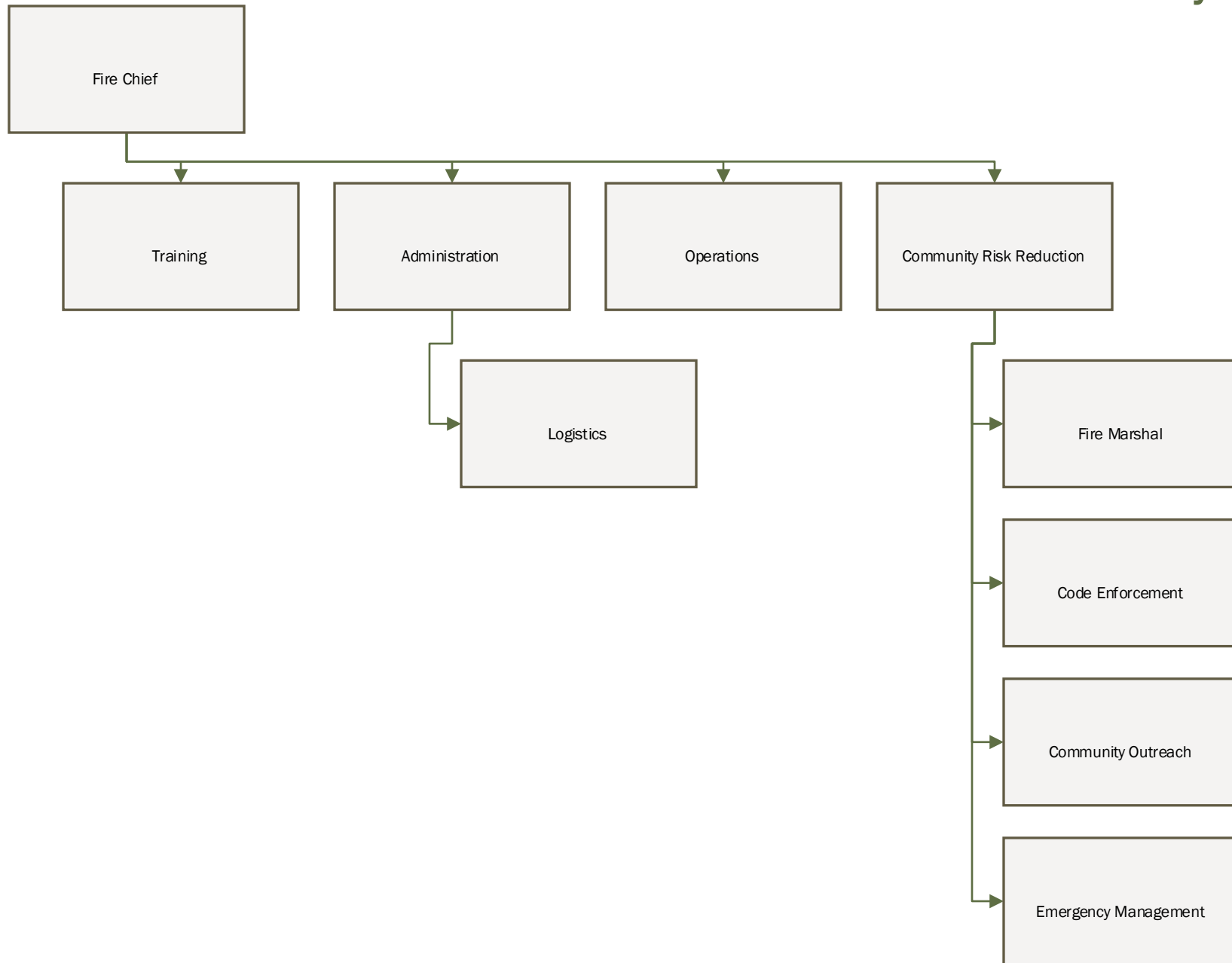
- ◆ Complete construction on the expansion and renovation of the Tom Reid Library building.
- ◆ Create a makerspace, soft-seating features and study rooms for community building and collaboration at the Tom Reid Library.
- ◆ Initiate a design-input proposal for a Westside Library facility.

PERFORMANCE MEASURES

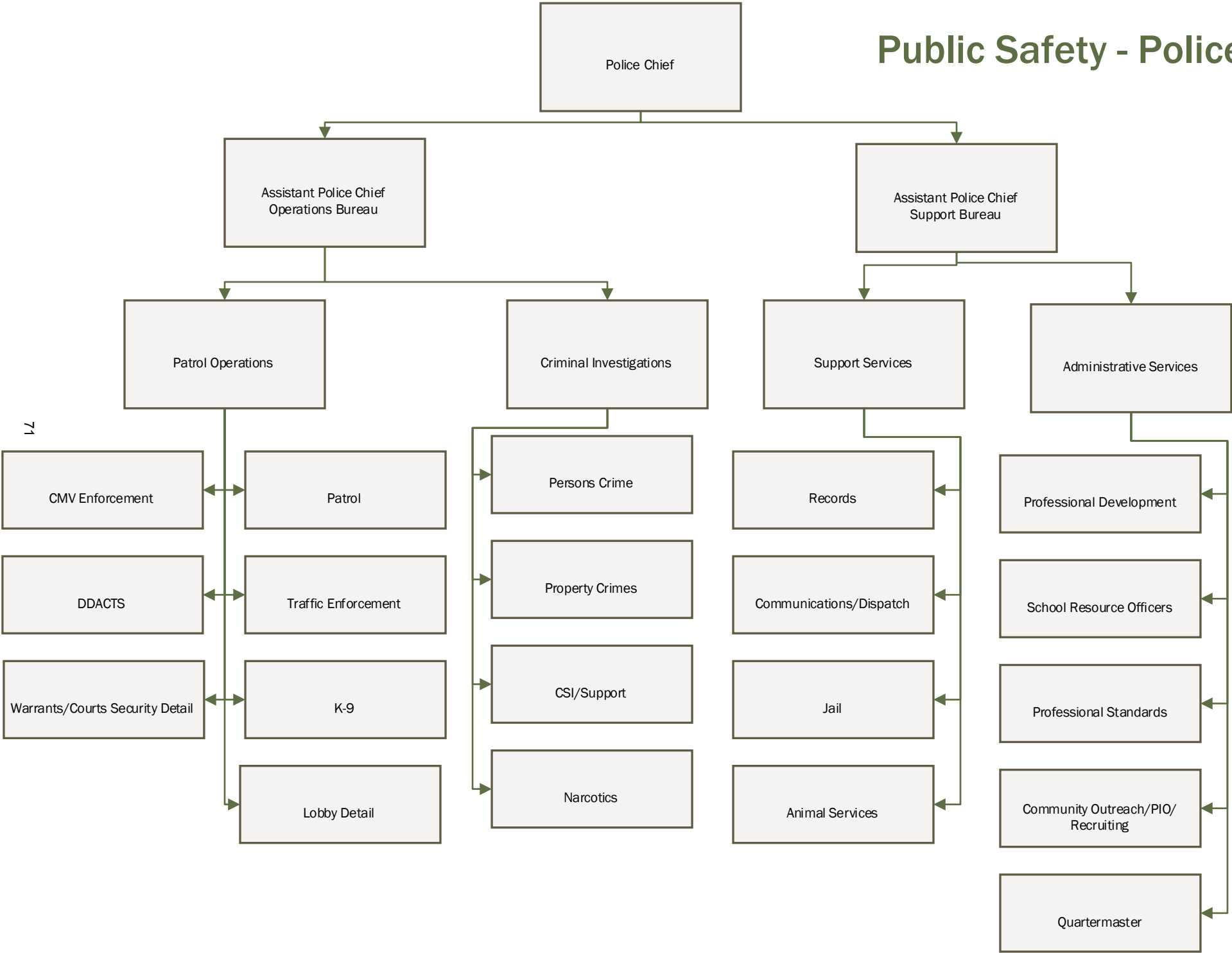
| | <u>FY 2015 Actual</u> | <u>FY 2016 Actual</u> | <u>FY 2017* Projection</u> | <u>FY 2018* Target</u> |
|---|---------------------------|---------------------------|--------------------------------|----------------------------|
| <u>Tom Reid Library</u> | | | | |
| Number of volumes | 104,000 | 87,795 | 84,000 | 68,000 |
| Number of items checked out - circulation | 386,786 | 438,589 | 360,000 | 265,000 |
| <u>Business Center Drive Library</u> | | | | |
| Number of volumes | 40,923 | 59,493 | 60,000 | 63,000 |
| Number of items checked out - circulation | 389,650 | 415,091 | 503,000 | 563,360 |

**Volumes and circulation projections and targets for FY 2017 and FY 2018 have been adjusted due to construction activities scheduled to take place at the Tom Reid Library during the fiscal year.*

Public Safety - Fire



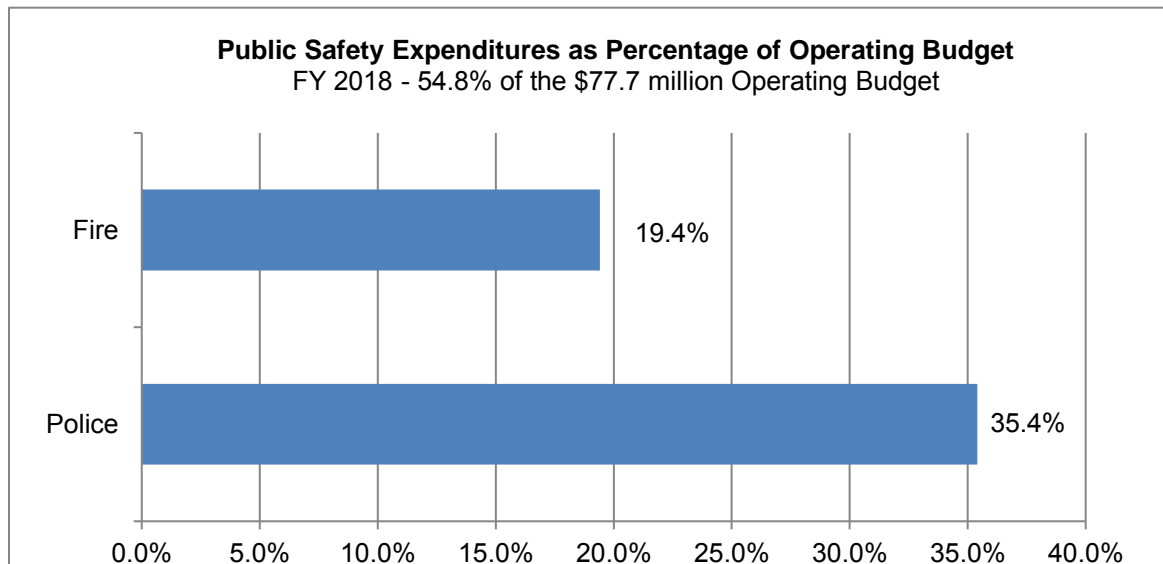
Public Safety - Police



**PUBLIC SAFETY
EXPENDITURE SUMMARY
FY 2018 ADOPTED BUDGET**

| EXPENDITURES BY DEPT / DIVISION | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|--|---------------------------|--|---|---------------------------------------|
| POLICE ADMINISTRATION | \$ 1,501,011 | \$ 1,556,194 | \$ 1,806,782 | \$ 1,798,785 |
| PATROL OPERATIONS | 13,559,235 | 14,823,995 | 16,511,718 | 14,888,939 |
| COMMERCIAL VEHICLE ENFORCEMENT | 273,441 | 234,291 | 253,922 | 254,857 |
| INVESTIGATIONS | 2,955,595 | 3,237,782 | 3,345,956 | 3,636,392 |
| POLICE COMMUNITY SERVICES | 826,010 | 777,403 | 1,060,026 | 925,337 |
| POLICE TRAINING | 279,963 | 312,155 | 305,096 | 308,700 |
| SCHOOL RESOURCE OFFICER | 1,310,270 | 1,285,831 | 1,348,005 | 1,360,216 |
| POLICE COMMUNICATIONS/RECORDS | 1,963,259 | 2,125,270 | 2,154,132 | 2,226,618 |
| JAIL | 1,075,480 | 1,154,587 | 1,143,649 | 1,201,135 |
| ANIMAL SERVICES | 921,127 | 984,345 | 935,781 | 903,433 |
| POLICE TOTAL | 24,665,391 | 26,491,853 | 28,865,067 | 27,504,412 |
| | | | | |
| FIRE ADMINISTRATION | 1,070,654 | 1,049,894 | 1,175,616 | 1,154,913 |
| FIRE OPERATIONS | 11,323,182 | 11,136,810 | 12,402,322 | 12,270,764 |
| FIRE MARSHAL | 852,644 | 917,255 | 969,651 | 811,465 |
| EMERGENCY MANAGEMENT | 32,623 | 148,347 | 128,784 | 214,682 |
| HEALTH/CODE ENFORCEMENT | 572,499 | 556,701 | 622,311 | 626,135 |
| FIRE TOTAL | 13,851,602 | 13,809,007 | 15,298,684 | 15,077,959 |
| PUBLIC SAFETY TOTAL | \$ 38,516,993 | \$ 40,300,860 | \$ 44,163,751 | \$ 42,582,371 |

| EXPENDITURES BY CATEGORY | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---------------------------------|---------------------------|--|---|---------------------------------------|
| SALARIES & WAGES | \$ 32,143,533 | \$ 33,586,540 | \$ 35,215,096 | \$ 36,736,671 |
| MATERIALS & SUPPLIES | 1,215,429 | 1,248,188 | 1,534,677 | 1,307,680 |
| BUILDINGS & GROUNDS | 9,251 | 15,540 | 14,846 | 15,340 |
| EQUIPMENT REPAIR & MAINTENANCE | 1,127,952 | 1,156,931 | 1,237,625 | 1,123,976 |
| MISCELLANEOUS SERVICES | 1,900,031 | 1,850,223 | 1,860,014 | 1,836,443 |
| INVENTORY | 35,955 | 45,360 | 114,560 | 38,255 |
| CAPITAL OUTLAY | 2,084,842 | 2,398,078 | 4,186,933 | 1,524,006 |
| PUBLIC SAFETY TOTAL | \$ 38,516,993 | \$ 40,300,860 | \$ 44,163,751 | \$ 42,582,371 |



POLICE

OVERVIEW

The Pearland Police Department is responsible for enforcement of all local, state and federal laws within its jurisdiction. The goal of the department is to prevent crime and disorder and maintain the quality of life by providing a safe and peaceful environment within the City of Pearland for all its residents. The department provides 24-hour protection to the citizens of Pearland.

The Police Department is active in the community and is involved in various community programs aimed at reducing crime. These programs include National Night Out, the Citizens' Police Academy, homeowner's association meetings, neighborhood watch programs, security surveys and home safety inspections, Christmas Toys for Tots, as well as other programs. The department operates out of the Public Safety Building on Cullen Boulevard.

The Animal Services Department is also within the purview of the City's Police Department, as it was moved from Community Services effective fiscal year 2014-2015. While protecting the public from problems with animals, Animal Services also protects animals. In addition to the responsibility for impoundment of stray animals within Pearland city limits, the Humane Officers trap wildlife, provide for adoption of animals, respond to citizen calls of concern or emergencies, provide speakers for educational events for school and local groups, investigate animal cruelty cases, investigate animal bite cases, provide maintenance and care of the shelter facility, as well as care of all impounded animals.

STRATEGIC COUNCIL PRIORITY: The Police Department, and its various divisions, places heavy emphasis on making Pearland a Safe Community. Community policing strategies, such as the Citizens' Police Academy, pet foster and adoption programs, and ensuring citizens receive timely and relevant information also promote the City's efforts to cultivate an Engaged Community.

Key Budget Items for FY 2018 include:

- ◆ Addition of two new Police Officers and one vehicle for 3 months - \$127,994.
- ◆ Two additional Telecommunications Operators for 6 months - \$63,777.
- ◆ One additional Jailer for 6 months - \$29,299.
- ◆ Eleven marked replacement Patrol vehicles - \$625,000.
- ◆ Eight unmarked replacement Investigations vehicles - \$301,200.
- ◆ Two replacement Patrol motorcycles - \$82,715.

GOALS

- ◆ Fairly and uniformly enforce statutory law, policy and procedures of the City and the department.
- ◆ Preserve civil order, investigate crime, and apprehend violators of the law.
- ◆ Gather, analyze, and disseminate information on criminal activity and the persons responsible for criminal activity.
- ◆ Build a strong working relationship with the community by serving as mentors and liaisons between the community and police.
- ◆ Provide advocacy and other services for victims of violent crime.
- ◆ Provide and maintain care and custody of prisoners.
- ◆ Provide enforcement of commercial vehicle traffic laws for a safer community.
- ◆ Serve as a resource for police and school officials on matters relating to the law/legal process and procedures relating to juveniles.
- ◆ Provide a safe traffic environment.
- ◆ Provide enforcement of traffic laws for a safer community, reducing the number of motor vehicle and pedestrian accidents.
- ◆ Reduce the number of outstanding warrants.
- ◆ Provide targeted enforcement in neighborhoods to reduce traffic violations and improve safety for residents.
- ◆ Identify and target organized criminal activity groups committing offenses and following a specific pattern that impacts the City and department.
- ◆ Provide training to police personnel that meets or exceeds TCOLE training standards and requirements, and that will improve job performance and proficiency.
- ◆ Enforce and prosecute animal cruelty when necessary.
- ◆ Enhance the local adoption program and provide education to the citizens of Pearland on the benefits of spaying and neutering.

POLICE

FISCAL YEAR 2017 ACCOMPLISHMENTS

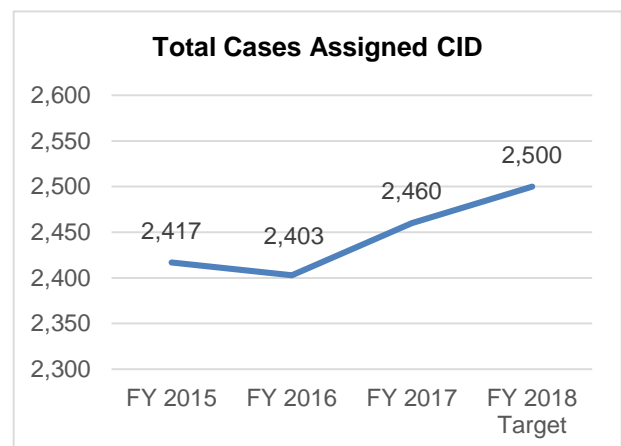
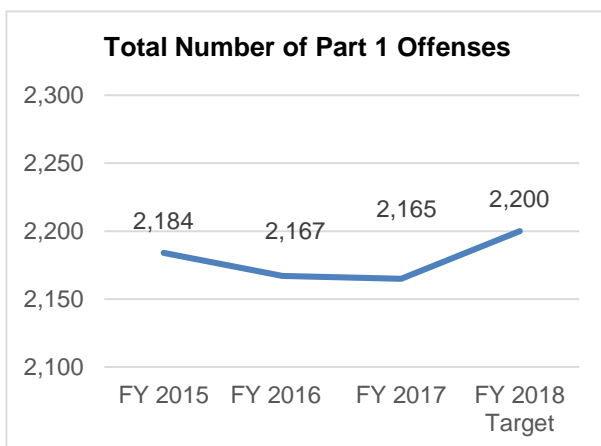
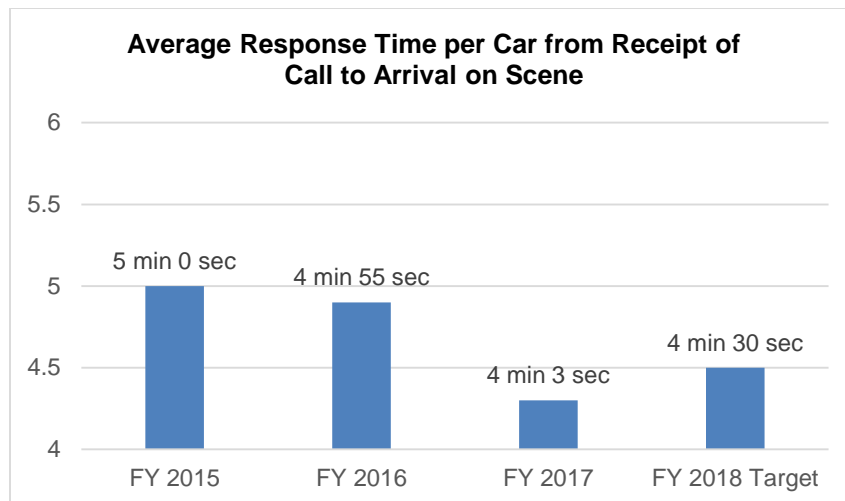
- ◆ Improved leadership and consistency across Command Staff with the addition of a second Assistant Chief position, as well as the reclass of the Administrative Division Lieutenant to a Captain.
- ◆ Increased youth outreach efforts through the reactivation of a Law Enforcement Exploring post and the creation of a Youth Leadership Academy.
- ◆ Formed a retail business cooperative with police, retail businesses, hotels and convenience stores for increased communication and coordination of crime preventions efforts.
- ◆ Created a faith-based outreach program intended to enhance communication with area houses of worship.
- ◆ Increased the investigative capability of the Criminal Investigations Division by adding a new detective position.
- ◆ Better focused Fraud investigative efforts by using a solvability matrix to identify cases with the greatest probability of closure.
- ◆ Expanded K9 training tools to include some synthetic training aids, which provide a more stable and consistent scent marker.
- ◆ Assigned a Traffic Division officer specifically to perform crash investigations in addition to existing Traffic functions to decrease call volume on Patrol officers and increase crash investigation efficiency.
- ◆ Added two more officers to the proactive Data Driven Approach to Crime and Traffic Safety (DDACTS) unit and expand proactive operations.
- ◆ Worked with Information Technology to configure a PD wireless “hotspot” for remote patrol car/body worn camera upload access and office space at the Pearland Recreation Center and Natatorium.
- ◆ Conducted a “Bike Rodeo” program in conjunction with Parks and Recreation and the Fire Department.

FISCAL YEAR 2018 OBJECTIVES

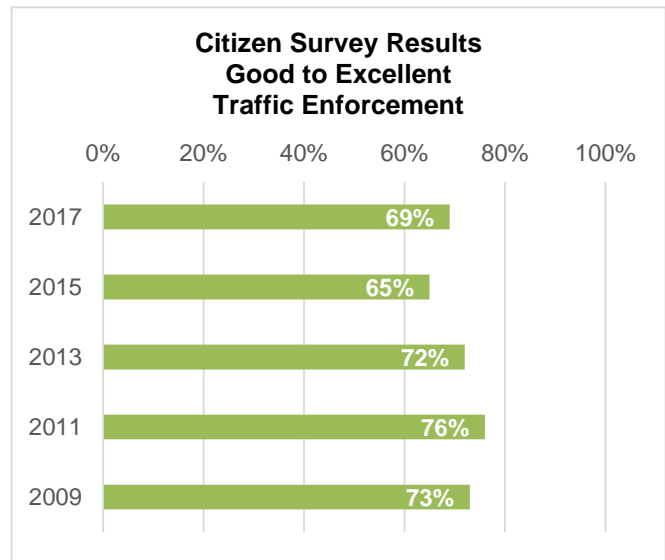
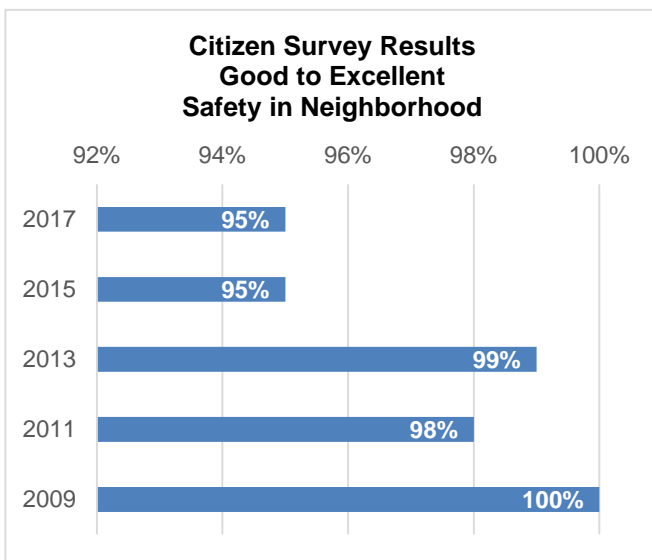
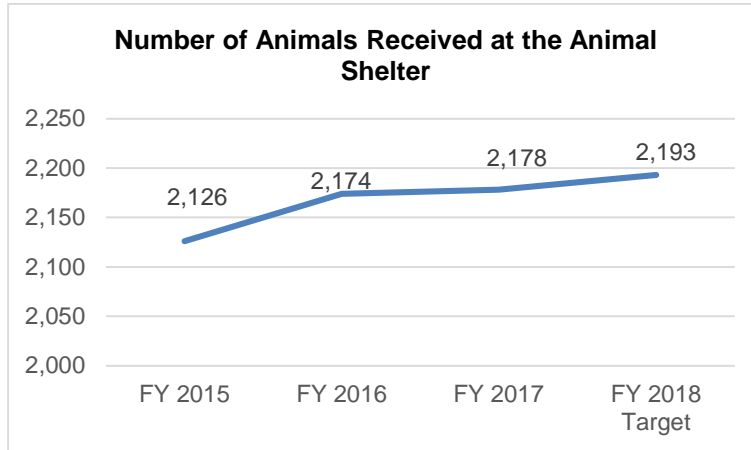
- ◆ Create an interface between the Jail and Dispatch that will immediately notify Dispatch personnel when a jail duress alarm is activated so police personnel can be dispatched to assist.
- ◆ Bridge gap between civilians and sworn personnel through cooperative training and interaction.
- ◆ Obtain a RFID (Radio Frequency Identification Device) system to track and monitor cell and security checks in the jail for increased accountability and prisoner safety.
- ◆ Increase jail staffing from 3 jailers per squad to 4 jailers per squad to ensure adequate staffing for jail and prisoner security.
- ◆ Enhance jail security and prevent contraband and weapons from being introduced to the jail facility. Acquire and deploy jail jumpsuits for all prisoners during the book-in process.
- ◆ Create a new position for a Custodian of Records to handle all Public Information Act requests and subpoenas to alleviate this responsibility from two civilian supervisors currently tasked with these duties.
- ◆ Complete the Dispatch Center modernization project started in FY17.
- ◆ Install two additional dispatch consoles in the Dispatch Center in advance of planned expansion.
- ◆ Add two additional Telecommunications Operators to increase full-time staffing and reduce reliance on part-time personnel.
- ◆ Add an additional Animal Control Officer tasked with implementation of a Trap-Neuter-Return program to reduce the number of strays in the city.
- ◆ Create an additional DDACTS zone as determined through evaluation of crime and traffic statistics.
- ◆ Add two officers to the DDACTS unit for deployment in anticipated new DDACTS zone to alleviate Patrol of responsibility for responding to calls in the zone and maintain beat integrity.
- ◆ Obtain E-ticket writers/mobile tablets with report management system connectivity for Patrol and the Motorcycle unit to more accurately track violators through integration with the report management system and increase efficiency during traffic stops.
- ◆ Add an additional lobby officer to increase availability of police personnel on duty in the lobby for walk-in services during daytime hours to 7 days a week.
- ◆ Explore feasibility of attaining high water vehicles through either the LESO program or budget allocation.
- ◆ Obtain training for patrol/line officers in high-water rescues to decrease the response time during flood emergencies.
- ◆ Obtain a department trainer to provide instruction in advanced first-responder first aid to deploy officers as Tactical Emergency Medical Peace Officers on all patrol squads.
- ◆ Obtain and install a reliable stand-alone Audio/Video recording system for interview rooms in the Criminal Investigations Division.

POLICE

- ◆ Create and staff a position for a full-time computer forensics investigator tasked with electronic evidence analysis and gathering from cell phones, computers, tablets, etc.
- ◆ Obtain training for multiple detectives in basic cell phone forensics to facilitate the gathering of evidence in time-critical cases.
- ◆ Staff and deploy a pro-active unit for targeted investigations within the Criminal Investigations Division.
- ◆ Fill the vacancy created in the property room following the reassignment of the existing clerk to Crime Scene Investigation duties.
- ◆ Obtain Internal Affairs Investigator certification training for assigned Professional Standards Investigator and Sergeant.
- ◆ Add a second training officer tasked with conducting pro-active staff training through informational bulletins and roll call training.
- ◆ Obtain "Crime Prevention Through Environmental Design" training for assigned Community Outreach officers to increase the division's capability to conduct proactive security/safety programs.
- ◆ Conduct a Fall and Spring Rape Aggression Defense (RAD) Course and continually offer training biannually.
- ◆ Increase social media outreach through greater use of Twitter and Instagram to provide citizens real-time updates of 'breaking' events including, traffic crashes, critical incidents, road obstructions, etc.



POLICE



PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|--|-------------------|-------------------|-------------------|-------------------|
| Violent and non-violent person crimes reported | 796 | 788 | 843 | 860 |
| Property and society crimes reported | 4,520 | 3,978 | 4,266 | 4,300 |
| Training hours completed, Pearland Officers | 11,994 | 15,102 | 10,278 | 12,000 |
| Number of 911 calls received by dispatch | 35,526 | 33,819 | 33,919 | 35,000 |
| Average time - citizen call to unit dispatched (in seconds) | 63 | 59 | 59 | 60 |
| Average number of 911 calls per Telecommunication Operator / month | 260 | 227 | 188 | 194 |
| Number of offense reports | 12,793 | 10,833 | 11,311 | 11,650 |
| Total arrests made by police | 6,115 | 5,040 | 4,826 | 4,970 |
| Dispatched calls per Patrol Officer | 679 | 778 | 785 | 800 |
| Average response time per car | 5min 0sec | 4min 55sec | 4min 3sec | 4min 30sec |
| Number of animals received at animal shelter | 2,126 | 2,174 | 2,178 | 2,193 |
| Percent of animals adopted | 55% | 61% | 83% | 85% |

FIRE

OVERVIEW

The Fire Administration Division provides logistical, administrative and financial support services to the entire Fire Department.

The Operations Division provides fire suppression, rescue, and emergency medical services to the City and surrounding areas, serving an area comprised of the Pearland City Limits and its Extra-Territorial Jurisdiction (ETJ). The community improved its ISO Public Protection Classification to a rating of 2/8B, which puts Pearland in the top 3% of communities in the nation.

The Community Risk Reduction Division is composed of Code Enforcement, Fire Marshal's Office, Emergency Management and public safety education. The Fire Marshal's Office provides fire inspections, public safety education, and fire investigations. Code Enforcement proactively enforces areas concerning dangerous buildings, substandard structures, excessively high grass and weeds, accumulation of trash and debris, illegal dumping, junked items, and other general nuisance related violations. It also provides health inspections of food establishments, including restaurants, schools, and group homes for compliance to City ordinances. Emergency Management prepares and manages comprehensive plans for community disaster response and preparation.

STRATEGIC COUNCIL PRIORITY: The Fire Department places heavy emphasis on making Pearland a Safe Community. The department conducts educational activities such as fire prevention and protection that create an Engaged Community. The department code enforcement officers conduct inspections of buildings, food and other business establishments, as well as environmental clean-up of structures and grounds to support a Healthy Economy for the City.

Key Budget Items for FY 2018 include:

- ◆ Begin continuous onboarding of Firefighters (9 months) - \$400,000.
- ◆ Replace 2004 Tahoe with Logistics Cargo Van - \$23,056.
- ◆ New Power Load for ambulance - \$24,540.

GOALS

- ◆ Decrease the number of fires through comprehensive fire inspection and public education programs.
- ◆ Determine the origin and cause of fires through comprehensive investigations.
- ◆ Deter arson by utilizing aggressive investigation techniques.
- ◆ Decrease hazards, environmental crimes, and unsafe structures by investigations and awareness.
- ◆ Inspect all City businesses annually.
- ◆ Increase the level of disaster preparedness among citizens through aggressive public awareness.
- ◆ Inspect all health code permitted businesses semi-annually.

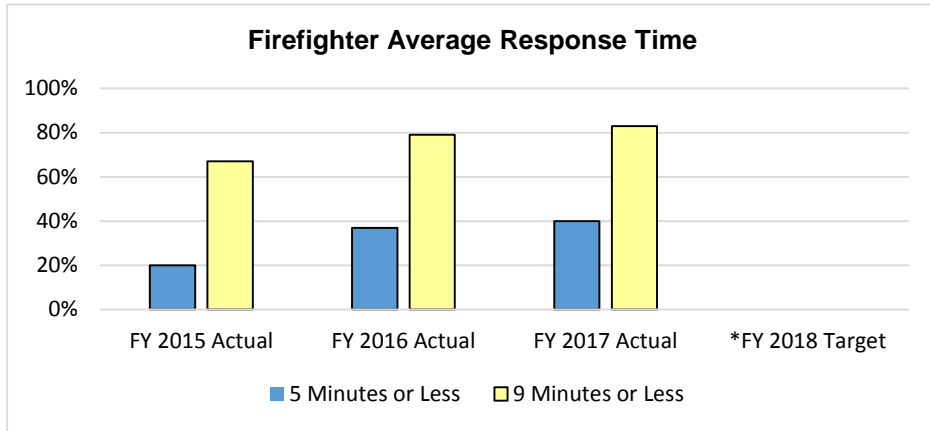
FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Placed new ladder truck in service.
- ◆ Completed Fire Department Standards of Cover and Staffing Utilization Study.
- ◆ Continued implementation of Fire Department Strategic Plan.
- ◆ Completed design of new Fire Station #1 to replace the existing Fire Station #1.
- ◆ Transitioned to Cypress Creek EMS dispatch center for Fire/EMS dispatching.
- ◆ Upgraded Fire Station Alerting System at Fire Stations #4 & #5.
- ◆ Obtained increased funding from Brazoria County for ETJ incidents.

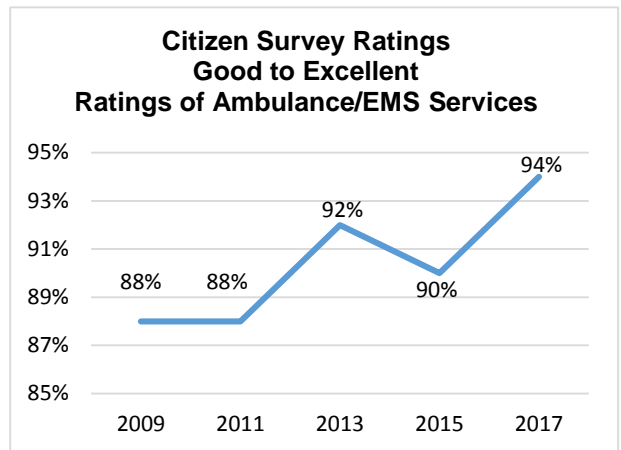
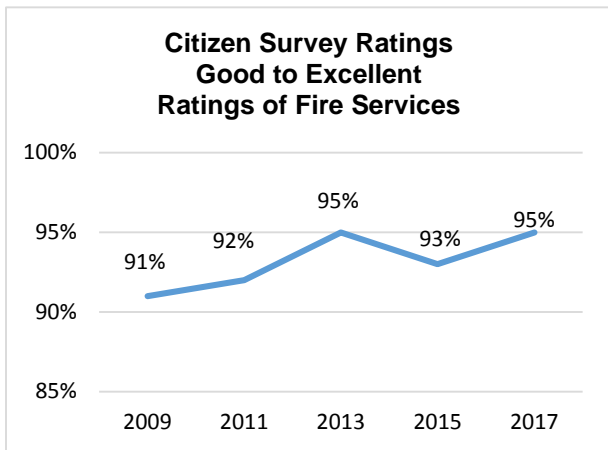
FISCAL YEAR 2018 OBJECTIVES

- ◆ Begin construction of new Fire Station #1.
- ◆ Begin design of Fire Station #8 and Fire Station #7.
- ◆ Review, revise and continue implementation of Fire Department Strategic Plan.
- ◆ Begin implementation of continuous onboarding.
- ◆ Roll out new Lexipol policy management system.

FIRE



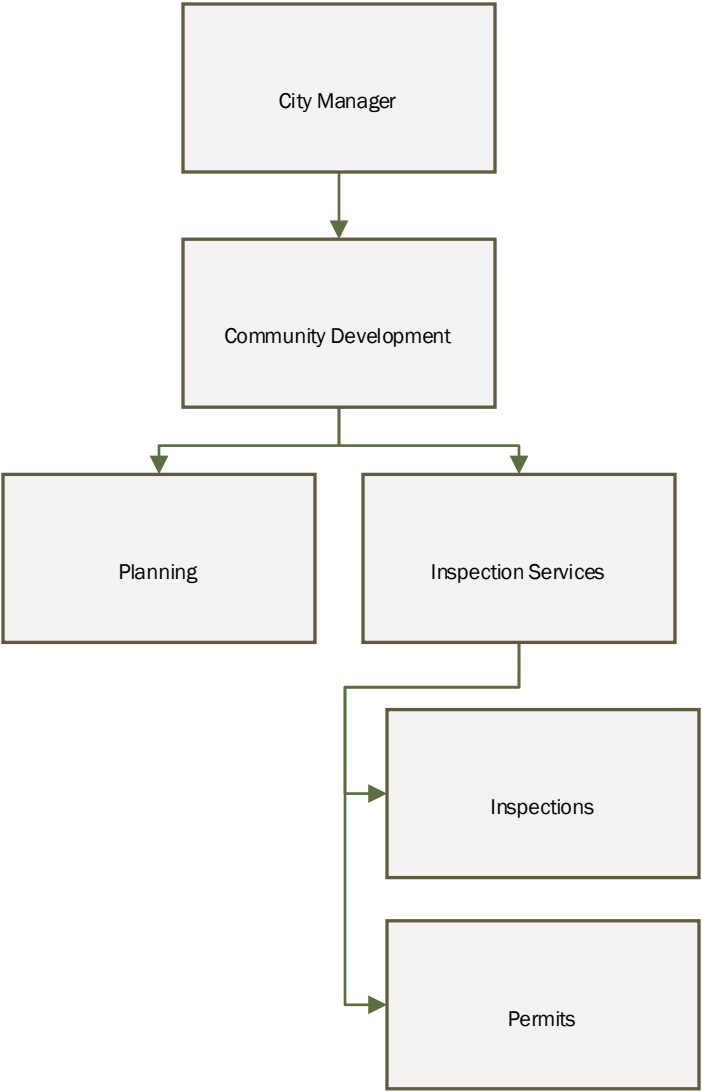
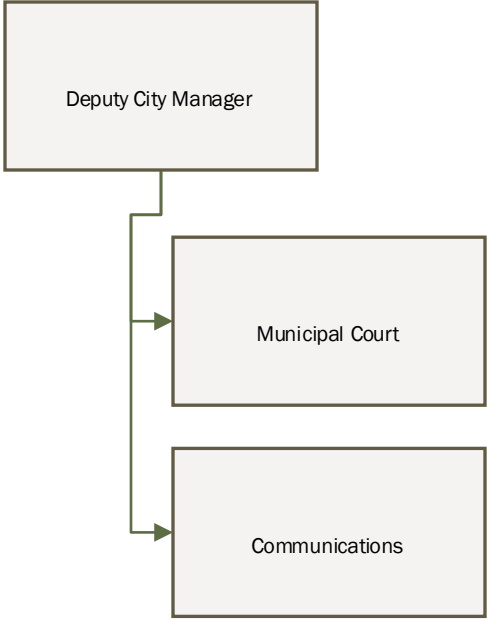
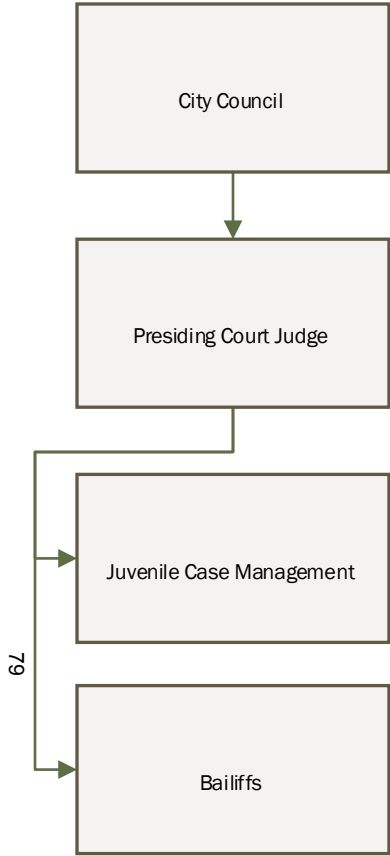
**As recommended by the Citygate study, the Fire department will be implementing new performance measures moving forward.*



PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|---|-------------------|-------------------|-------------------|-------------------|
| Average Response Time: | | | | |
| Percent 5 minutes or less | 20% | 37% | 40% | N/A |
| Percent 9 minutes or less | 67% | 79% | 83% | N/A |
| Alarm processing time <= 90 seconds | N/A | N/A | N/A | 90% |
| Alarm processing time <= 120 seconds | N/A | N/A | N/A | 99% |
| Turnout Time <= 2 minutes | N/A | N/A | N/A | 90% |
| Call to first unit arrival <= 7:30 | N/A | N/A | N/A | 90% |
| Call to arrival of ERF <= 11:30 | N/A | N/A | N/A | 90% |
| Total Estimated Fire Loss | \$1,700,000 | \$4,421,186 | \$2,521,840 | \$2,000,000 |
| Number of Code Enforcement Cases Opened | 4,596 | 2,560 | 2,745 | 3,000 |
| Number of Annual Inspections | 1,946 | 1,244 | 2,211 | 2,500 |
| Emergency Medical Transports | 4,700 | 4,616 | 4,201 | 4,500 |
| Public Safety Education Hours | 300 | 306 | 420 | 500 |

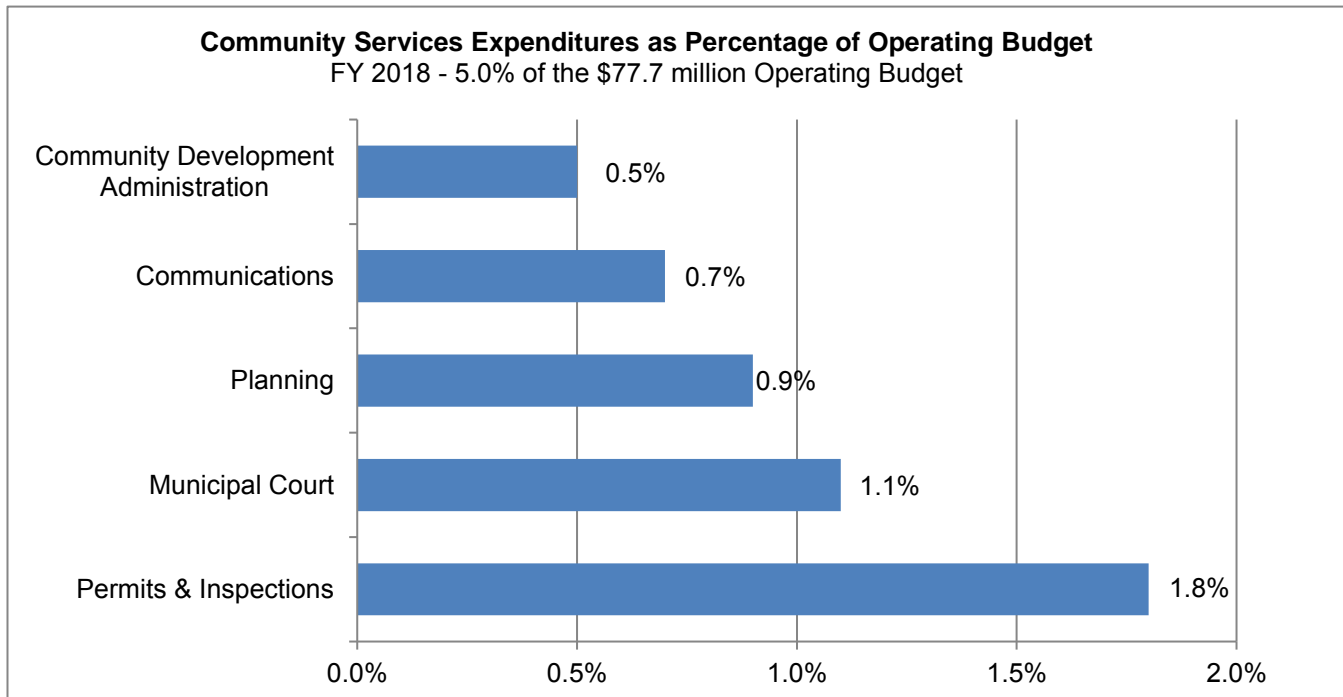
Community Services



**COMMUNITY SERVICES
EXPENDITURE SUMMARY
FY 2018 ADOPTED BUDGET**

| EXPENDITURES BY DEPT / DIVISION | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|--|---------------------------|--|---|---------------------------------------|
| COMMUNITY DEVELOPMENT | | | | |
| COMMUNITY DEVELOPMENT ADMINISTRATION | \$ 369,016 | \$ 379,306 | \$ 422,602 | \$ 379,210 |
| PERMITS & INSPECTIONS | 1,371,816 | 1,390,036 | 1,388,016 | 1,472,939 |
| PLANNING | 539,012 | 519,701 | 645,193 | 677,912 |
| COMMUNICATIONS | 487,749 | 508,936 | 531,678 | 525,405 |
| MUNICIPAL COURT | 698,577 | 779,309 | 746,905 | 819,663 |
| COMMUNITY SERVICES TOTAL | \$ 3,466,170 | \$ 3,577,288 | \$ 3,734,394 | \$ 3,875,129 |

| EXPENDITURES BY CATEGORY | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---------------------------------|---------------------------|--|---|---------------------------------------|
| SALARIES & WAGES | \$ 2,741,073 | \$ 3,045,164 | \$ 3,045,998 | \$ 3,317,337 |
| MATERIALS & SUPPLIES | 129,383 | 134,622 | 129,814 | 146,107 |
| EQUIPMENT REPAIR & MAINTENANCE | 24,310 | 15,600 | 17,350 | 15,708 |
| MISCELLANEOUS SERVICES | 526,050 | 379,702 | 537,232 | 364,077 |
| OTHER CHARGES | 2,126 | 2,200 | 3,000 | 3,000 |
| INVENTORY | | | 1,000 | 1,800 |
| CAPITAL OUTLAY | 43,229 | | | 27,100 |
| COMMUNITY SERVICES TOTAL | \$ 3,466,170 | \$ 3,577,288 | \$ 3,734,394 | \$ 3,875,129 |



COMMUNITY DEVELOPMENT

OVERVIEW

The Community Development Department is a part of the Community Services area and consists of Community Development Administration, Planning, and Permit & Inspection Services. Community Development Administration oversees, assists and guides the divisions within the department. The Community Development Department also provides support to developers and citizens proposing development in Pearland.

The Planning Division is responsible for all long range and short term plans for the growth of the City, in order to create and maintain a desirable land use pattern for an enhanced quality of life for our citizens. This Division administers the City's Unified Development Code and the Comprehensive Plan. The Division processes all land use related requests including zone changes, variance and special exception requests, and subdivision plats. This division also reviews all development related permits to ensure conformance with the Unified Development Code.

The Permit & Inspection Services Division conducts building inspections and enforces development and building codes. This division processes residential and commercial building permits. It also enforces plumbing, mechanical, and electrical regulations to ensure proper construction techniques are followed for all commercial and residential buildings.

STRATEGIC COUNCIL PRIORITY: Building safety, managed growth, and planned development are principles that provide the Pearland community with Sustainable Infrastructure, a Healthy Economy and a Safe Community.

Key Budget Items for FY 2018 Include:

- ◆ Annexation – property surveys, analysis - \$40,000.
- ◆ Replace F150's - \$27,100.
- ◆ Senior Planner (6 months) - \$46,455.

GOALS

- ◆ Implement the departmental mission: Quality Service - Excellent Results.
- ◆ Ensure that the City of Pearland is a desirable place for people to live, work and recreate, and promote balanced and sustainable growth.
- ◆ Ensure safe and pedestrian friendly neighborhoods.
- ◆ Provide an environment where businesses can thrive and flourish.
- ◆ Apply sound and current planning principles while planning for the City.
- ◆ Ensure quality and safe building practices with the use of our adopted ICC codes and our City ordinances for our residents, businesses, and visitors to our City.
- ◆ Increase outreach to potential development partners, especially small businesses.

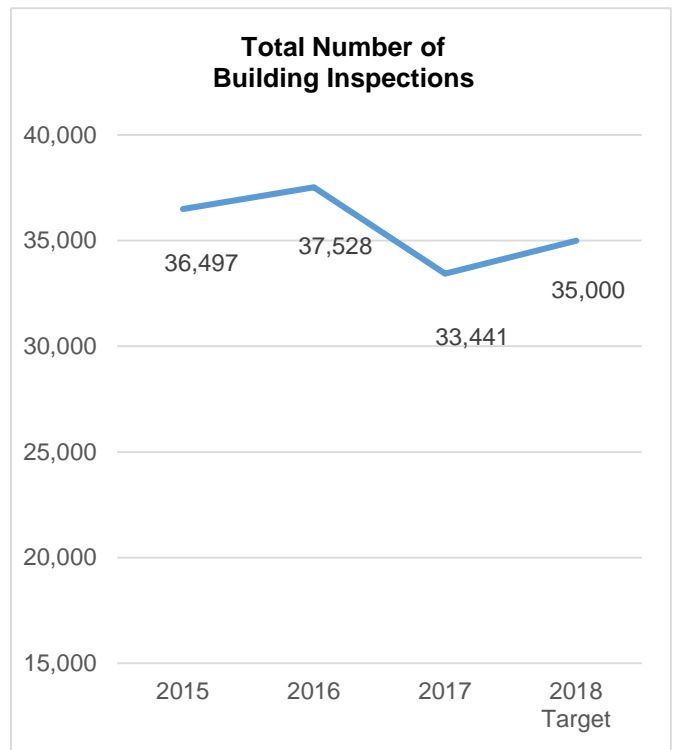
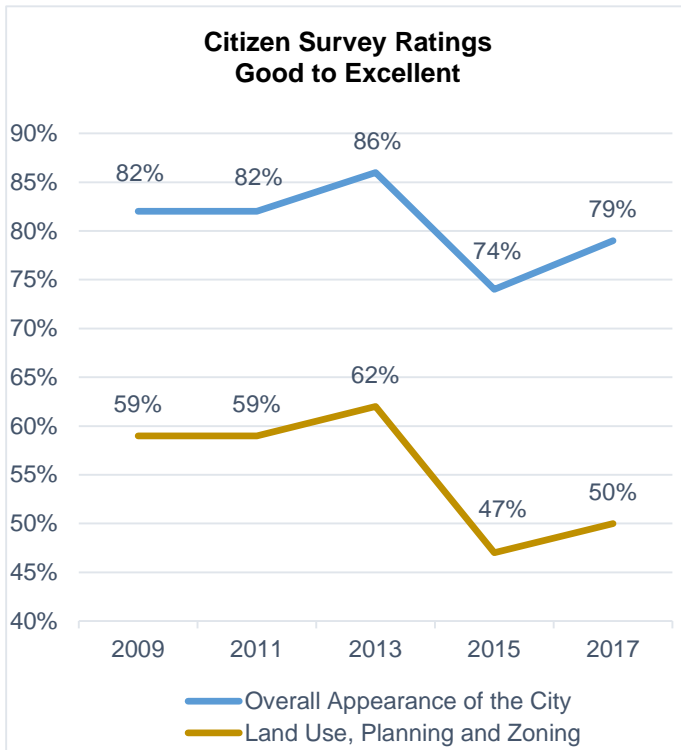
FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Assisted in the preparation of the annexation of multiple areas.
- ◆ Continued implementation of Planning applications through TRAKiT software.
- ◆ Continued to implement Action Steps listed in the 2015 Comprehensive Plan.
- ◆ Conducted annual Pearland Development Forum.
- ◆ Continued professional training for staff, Planning and Zoning Commission, and Zoning Board of Adjustment.
- ◆ Continued to provide population updates and special studies.
- ◆ Continued to publish annual and quarterly Community Development newsletter.
- ◆ Revised pre-development information to include all new adopted codes and ordinances.
- ◆ Implemented Planning and Zoning meeting agendas and minutes through iCompass software.
- ◆ Implemented citizen permit access through TRAKiT E-portal.
- ◆ Implemented online permitting credit card payment for citizens and contractors.

COMMUNITY DEVELOPMENT

FISCAL YEAR 2018 OBJECTIVES

- ◆ Complete annexations of areas located at the intersection of CR 59 & CR 48 and south of Tom Bass Park.
- ◆ Ongoing improvements to the Enterprise Resource Planning (ERP) – TRAKiT software.
- ◆ Continue with implementation of Action Steps listed in the 2015 Comprehensive Plan.
- ◆ Permits and Inspections to complete scanning and archiving of all records for paper document reduction.
- ◆ Continue to support staff development and training to better serve both internal and external customers.
- ◆ Develop greater web presence for development and business support services.



PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|--|-------------------|-------------------|-------------------|-------------------|
| Zone Changes | 11 | 18 | 14 | 20 |
| Plat Reviews | 111 | 124 | 183 | 160 |
| Site Plans Reviewed | 118 | 136 | 129 | 140 |
| Total Plans Reviewed | 1,584 | 1,349 | 1,164 | 1,425 |
| Total Building Inspections | 36,497 | 37,528 | 33,441 | 38,200 |
| Total Permits Issued | 18,186 | 14,612 | 12,475 | 14,000 |
| Average Value Single Family Home Permitted | \$225,366 | \$293,425 | \$208,5245 | \$250,000 |

COMMUNICATIONS

OVERVIEW

Pearland's Communications Department serves as the City's Public Information Office, keeping residents and employees informed of events and activities occurring throughout Pearland. The department disseminates information about the City of Pearland, its services, projects, events and programs and produces and distributes the City's biannual printed newsletter – Pearland In-Motion, and the City's monthly electronic newsletter – Pearland Connect. Communications also maintains the City's website and government cable station – Pearland TV, which is broadcast on Comcast Channel 16, U-verse Channel 99, and online at pearlandtx.gov. The department is also responsible for producing the City's Calendar & Annual Report and managing the City's electronic communications system, which allows residents the opportunity to sign up to receive City news and information.

STRATEGIC COUNCIL PRIORITY: The Communications Department ensures citizens are kept informed and up-to-date on information, projects and events occurring throughout the City which leads to an Engaged Community.

Key Budget Items for FY 2018 Include:

- ◆ No significant items.

GOALS

- ◆ Establish the City of Pearland Communications Department as a primary information source for City of Pearland news and information.
- ◆ Increase awareness, interest and participation of Pearland residents in City government goals and activities.
- ◆ Build community and positive identification among residents with their home City.
- ◆ Build corporate pride among employees and positive identification with the City government as a whole.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Completed the redesign of the City's website (pearlandtx.gov) to improve website functionality.
- ◆ Completed the redesign of Pearnert – the City's intranet portal.
- ◆ Received 5 awards for communications excellence from various marketing/communications associations.
- ◆ Collaborated with the Police Department for heightened police communications.
- ◆ Developed a Pearscope feature to highlight various City departments.
- ◆ Filmed, edited and produced a Pearland TV I Remember segment highlighting the oldest Pearland pilot.
- ◆ Partnered with Pearland ISD to produce two informational videos regarding budget.
- ◆ Enacted the City's emergency communications plan following Hurricane Harvey.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Develop and implement a plan to increase social media followers/fans.
- ◆ Follow the guiding principles outlined in the Department Strategic Plan which include: serving as brand ambassadors, being inclusive, proactive, transparent, consistent and responsive.
- ◆ Explore community offerings in new Pearland TV studio; improve program/service videos.
- ◆ Install new equipment to livestream City Council and Planning Zoning Meetings to social media.
- ◆ Increase City Hall tours to further provide an open and inclusive environment.
- ◆ Develop a comprehensive strategic plan to improve e-communications offerings.

PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Facebook fans/friends | 8,589 | 11,876 | 17,135 | 20,000 |
| Twitter followers | 2,254 | 3,278 | 5,475 | 6,000 |
| YouTube subscribers | 264 | 341 | 385 | 500 |
| Instagram fans/followers | 436 | 1,257 | 1,620 | 2,000 |
| Percent of news releases published | 95% | 93% | 93% | 95% |

MUNICIPAL COURT

OVERVIEW

The Municipal Court has original jurisdiction over Class C misdemeanors and City Code violations which occur within the corporate City limits of Pearland and are punishable by fine only. It is the function of the Municipal Court to provide accessible, efficient and well-reasoned resolution of all the court's cases. The staff maintains a modern computerized record and money management system for approximately 25,000 charges processed by the Court each year. The Court office maintains standing judicial orders that may allow disposal of a case without appearing at an official arraignment. Additionally, the court is responsible for collecting fines, as well as numerous other court costs, that must be accounted for and sent to the Texas Comptroller's Office on a quarterly basis.

STRATEGIC COUNCIL GOAL: Adjudication of misdemeanor crimes and local code violations provides Pearland residents and visitors with a Safe Community.

Key Budget Items for FY 2018 include:

- ◆ No significant items.

GOALS

- ◆ Uphold the Constitution, laws and legal regulations of the United States, the State of Texas and all governments therein.
- ◆ Set high standards to maintain and preserve the integrity of all cases filed in the Pearland Municipal Court of Record.
- ◆ Abide by the standards set out in the Texas Code of Judicial Conduct.
- ◆ Protect the confidentiality of all records filed.
- ◆ Remain cognizant of the needs of customers and citizens of the Pearland Municipal Court to reinforce the positive perception of the judiciary.
- ◆ Provide access and encourage education of staff to increase the level of expertise and proficiency in the affairs of the Municipal Court.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Implemented a new security process with the portable walk-through metal detector which increased protection for administrative and judicial staff as well as a more secure courtroom for the public.
- ◆ As of August the court is fully staffed. This will help with cross training, higher productivity and greater availability for managers to accomplish administrative tasks.
- ◆ Continued the prosecution and adjudication of court cases in accordance with the Constitution, laws and legal regulations of the United States, the State of Texas, and all applicable governments therein.

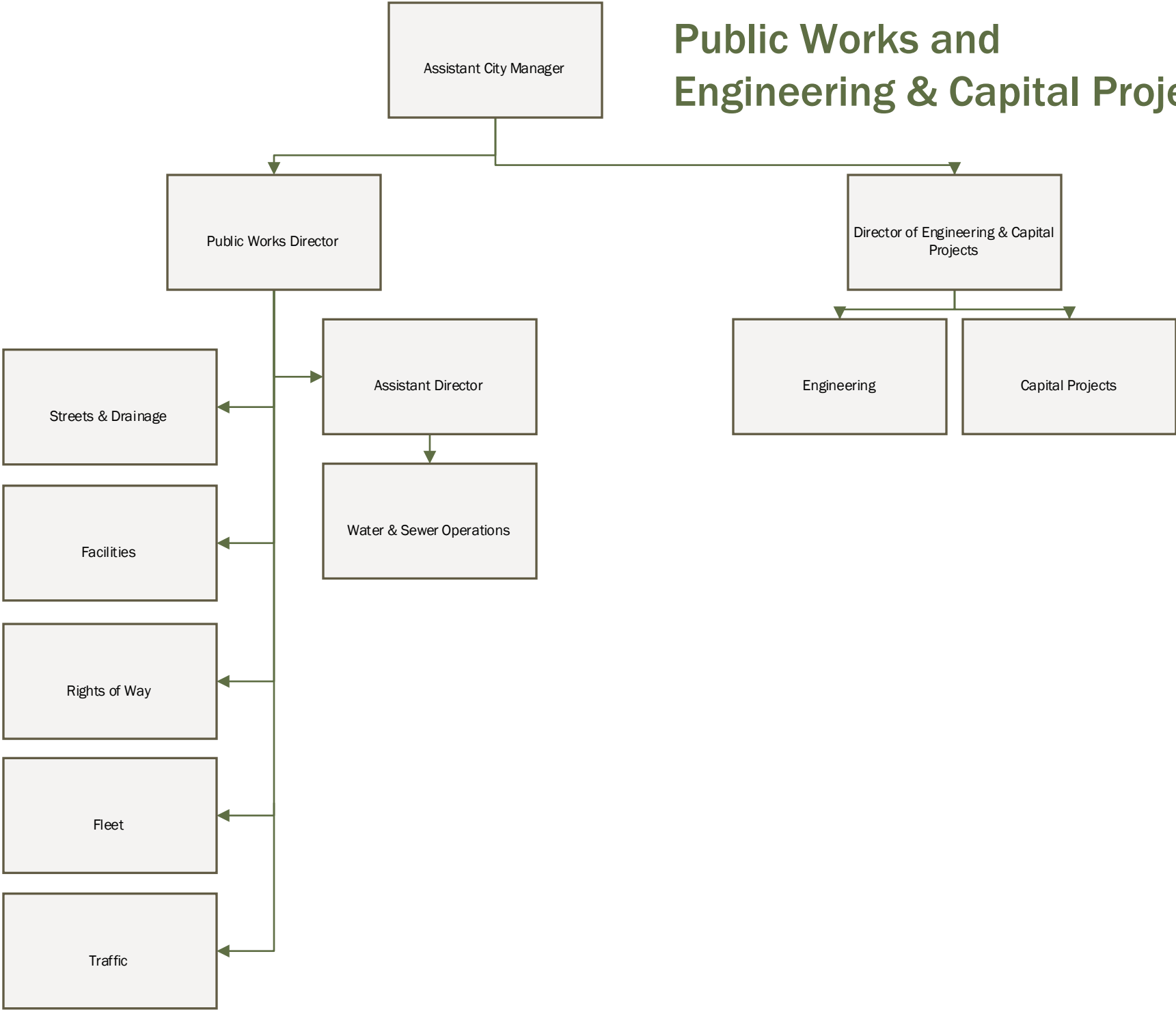
FISCAL YEAR 2018 OBJECTIVES

- ◆ Begin the upgrade process for audio, visual and recording equipment for courtroom A and B.
- ◆ Begin the interface process with the ticket writers along with the Incode software.
- ◆ Continue the prosecution and adjudication of court cases in accordance with the Constitution, laws and legal regulations of the United States, the State of Texas, and all applicable governments therein.

PERFORMANCE MEASURES

| | <u>FY 2015</u> <u>Actual</u> | <u>FY 2016</u> <u>Actual</u> | <u>FY 2017</u> <u>Actual</u> | <u>FY 2018</u> <u>Target</u> |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Number of Judge trials prepared | 346 | 143 | 185 | 230 |
| Number of Jury trials prepared | 510 | 300 | 436 | 490 |
| Number of warrants issued | 8,195 | 6,390 | 5,980 | 5,500 |
| Total number of charges brought in | 19,233 | 17,611 | 16,257 | 16,000 |
| Percent Guilty Charge | 61% | 57% | 56% | 55% |
| Percent Charges Dismissed | 21% | 17% | 21% | 20% |
| Outstanding warrants | 17,480 | 16,236 | 15,459 | 13,300 |
| Value of outstanding warrants | \$8,580,728 | \$8,275,346 | \$8,052,214 | \$7,890,000 |

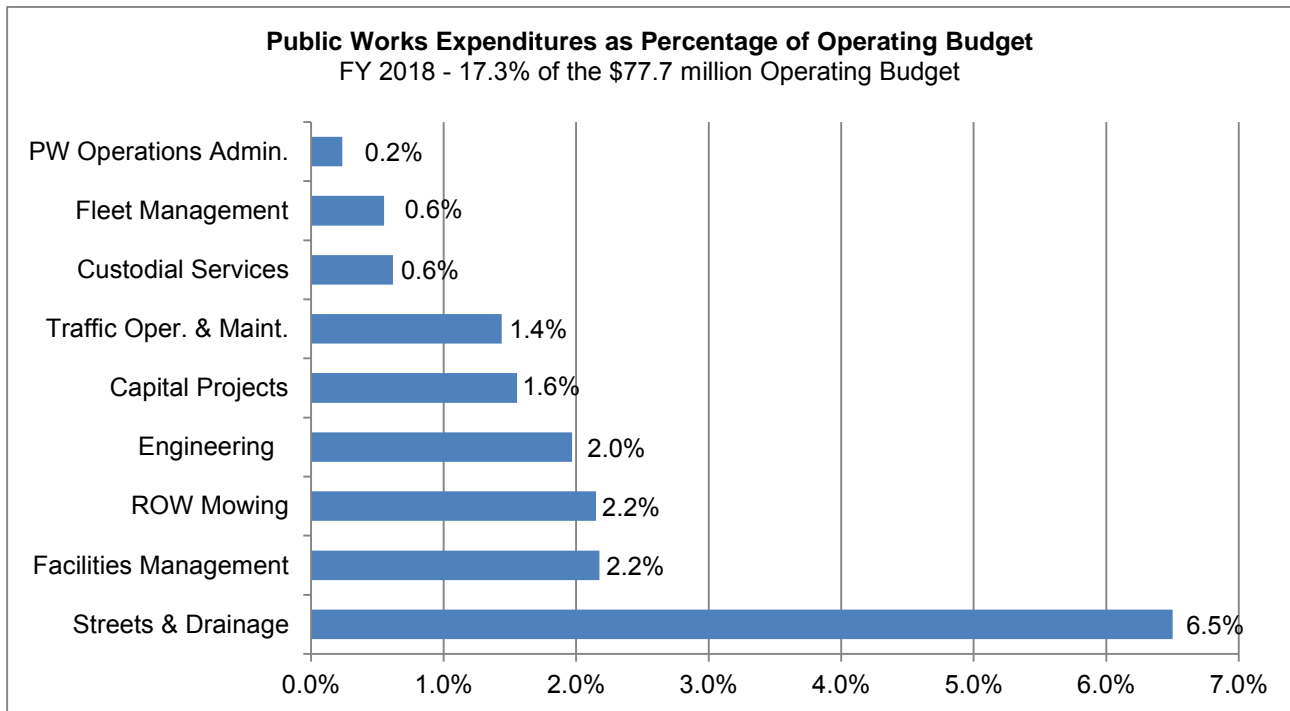
Public Works and Engineering & Capital Projects



**PUBLIC WORKS
EXPENDITURE SUMMARY
FY 2018 ADOPTED BUDGET**

| EXPENDITURES BY DEPT / DIVISION | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|---------------------------|--|---|---------------------------------------|
| ENGINEERING & CAPITAL PROJECTS ADMINISTRATION | \$ 249,786 | \$ | \$ | \$ |
| ENGINEERING | 1,066,721 | 1,342,684 | 1,552,124 | 1,529,988 |
| CAPITAL PROJECTS | 900,039 | 970,533 | 997,825 | 1,207,160 |
| PUBLIC WORKS OPERATIONS ADMINISTRATION | 177,014 | 185,738 | 176,213 | 182,287 |
| TRAFFIC OPERATIONS AND MAINTENANCE | 1,184,339 | 1,103,149 | 1,141,405 | 1,118,369 |
| CUSTODIAL SERVICES | 404,429 | 470,568 | 474,573 | 480,627 |
| FLEET MANAGEMENT | 444,302 | 390,956 | 345,044 | 428,343 |
| STREETS & DRAINAGE | 4,780,553 | 5,345,357 | 6,213,564 | 5,149,446 |
| ROW MOWING | 1,165,754 | 1,594,820 | 1,537,633 | 1,670,686 |
| FACILITIES MANAGEMENT | 1,344,366 | 1,508,260 | 2,290,918 | 1,690,191 |
| PUBLIC WORKS TOTAL | \$ 11,717,303 | \$ 12,912,065 | \$ 14,729,299 | \$ 13,457,097 |

| EXPENDITURES BY CATEGORY | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---------------------------------|---------------------------|--|---|---------------------------------------|
| SALARIES & WAGES | \$ 4,323,432 | \$ 4,482,334 | \$ 4,314,369 | \$ 5,051,669 |
| MATERIALS & SUPPLIES | 380,094 | 400,156 | 380,404 | 347,395 |
| BUILDINGS & GROUNDS | 1,754,054 | 2,161,193 | 3,713,091 | 2,358,911 |
| EQUIPMENT REPAIR & MAINTENANCE | 443,346 | 235,558 | 260,604 | 202,216 |
| MISCELLANEOUS SERVICES | 4,072,236 | 4,710,145 | 5,041,440 | 4,840,146 |
| INVENTORY | 24,827 | | 2,961 | |
| CAPITAL OUTLAY | 719,313 | 922,679 | 1,016,430 | 656,760 |
| PUBLIC WORKS TOTAL | \$ 11,717,303 | \$ 12,912,065 | \$ 14,729,299 | \$ 13,457,097 |



PUBLIC WORKS

OVERVIEW

The Public Works Department and the Engineering & Capital Projects Department report to the Assistant City Manager and are responsible for maintaining the City's infrastructure and mobility. The Administration Division oversees Facilities Maintenance, Custodial Services, Fleet Maintenance, Traffic Operations & Maintenance, Streets & Drainage, and Grounds Maintenance within the General Fund. In addition, the Public Works Department manages the Water/Wastewater operations of the City within the Enterprise Fund.

Within the General Fund, the Public Works Department provides the maintenance of building roof, electrical, mechanical and plumbing systems and custodial services, manages maintenance of all City vehicles, heavy equipment and rolling stock, including preventive maintenance and minor repairs; maintains and manages the City's streets, traffic signals, landscapes, sidewalk, ditches and drainage channels, including but not limited to, street paving, street sweeping, pothole patching, culvert setting, cleaning storm drains, inlets and lines throughout the City.

The Engineering and Capital Projects Department develops, implements, and manages City infrastructure capital projects including facilities, parks, streets, drainage, water and wastewater projects. In addition, this department oversees the preparation of the Regional Detention Pond Master Plan, Transportation Master Plan, Water and Wastewater Master Plans, Impact Fee updates and Traffic Impact analysis.

STRATEGIC COUNCIL PRIORITIES: The Public Works, Engineering, Capital Projects, and other functions within this domain of the City's government structure are designed to support the installation, maintenance and improvement of roads, streets, drainage, water production and treatment, and other public goods in ways that deliver citizens Sustainable Infrastructure and provides for a Safe Community.

Key Budget Items for FY 2018 include:

- ◆ Two (2) Mechanics - \$85,092.
- ◆ Public Safety Building Chiller - \$165,691.
- ◆ Rental of office trailer at Hillhouse - \$42,900.
- ◆ F250 Replacement - \$28,000.
- ◆ Survey Benchmark Monuments - \$102,000.

GOALS

- ◆ Provide reliable, safe, and functional roads and sidewalk systems through systematic inspection and maintenance.
- ◆ Maintain and implement the City's traffic signal network through systematic inspection and maintenance and installing fiber for improved communication and reliability.
- ◆ Continue installing Flashing Yellow arrows at approved intersections.
- ◆ Complete the school flasher program to improve safety at schools and meet the current street requirements.
- ◆ Maintain and enhance the appearance of City ROW through street sweeping, turf, and landscape maintenance management practices.
- ◆ Reduce flooding and minimize the chance of property damage, injury or loss of life through a program of drainage facility maintenance and construction.
- ◆ Maintain a Project Management staff that is highly trained and proficient with the necessary tools to manage complex capital projects in a professional manner.
- ◆ Manage project scope, schedule and budget, and provide innovative solutions to deliver best value projects within budget and on schedule.
- ◆ Provide effective Right-of-Way coordination to resolve public and private utility conflicts in advance of project construction.
- ◆ Develop and maintain the City's Five-Year CIP in conjunction with the Finance Department.
- ◆ Develop and maintain the City's Design Criteria Manual, Specifications, Standard Details, and Infrastructure Master Plans.
- ◆ Develop a strategic department growth plan that efficiently provides support to our Capital Improvement Program, the Public Works Department, Parks & Recreation Department, and other City departments.

PUBLIC WORKS

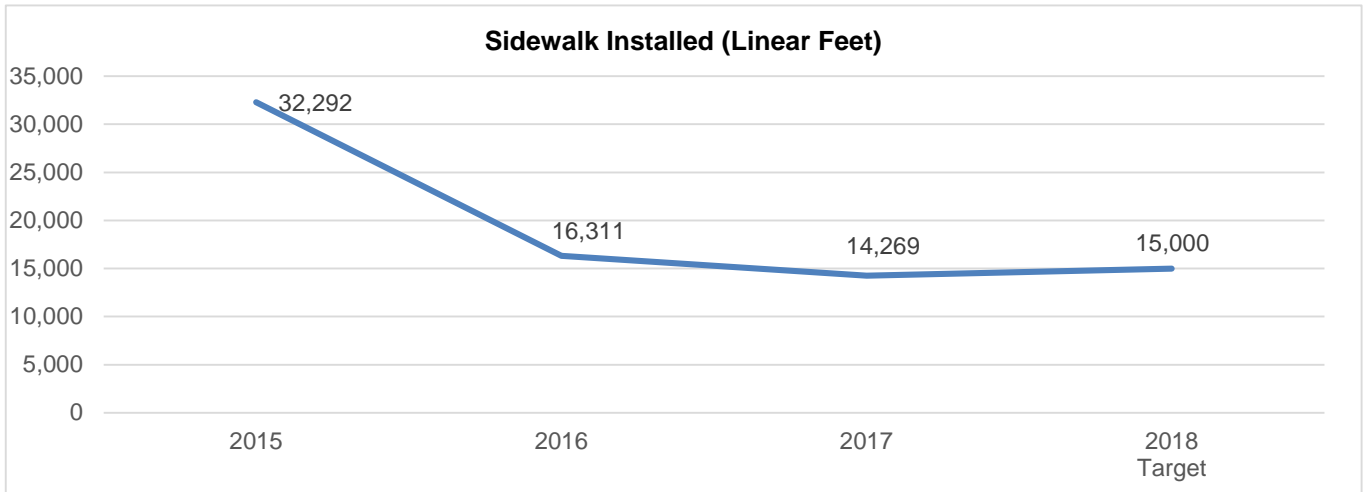
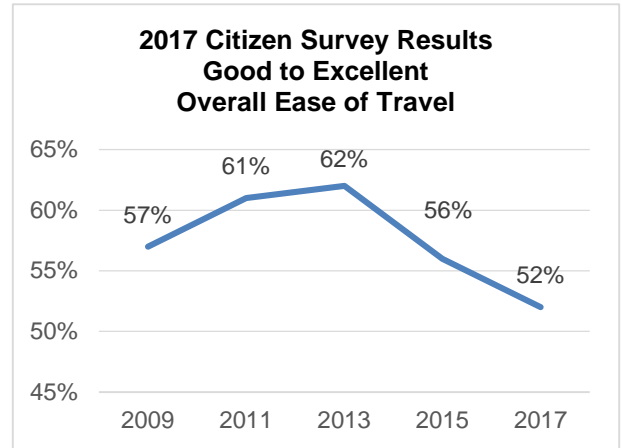
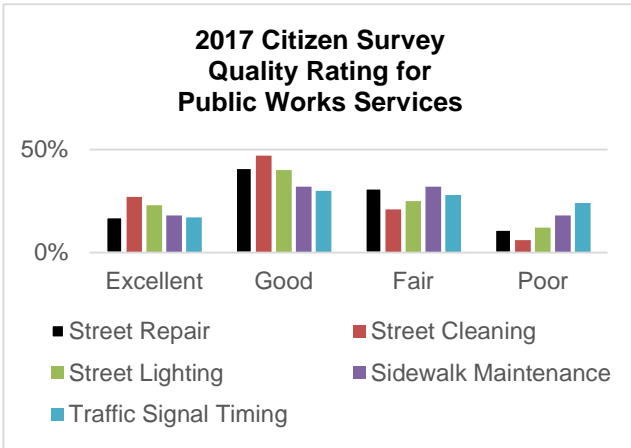
FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Began the development of a facility condition rating system that identifies the condition of major infrastructure at City facilities and identifies the remaining useful life of each.
- ◆ Completed six (6) miles of asphalt pavement overlay of roadways identified through ROW assessment.
- ◆ Installed/replaced 14,269 linear feet of sidewalk via sidewalk contract.
- ◆ Filled 2,499 potholes in asphalt streets.
- ◆ Continued work on City-wide Intelligent Traffic System traffic signal project upgrades.
- ◆ Implemented new signal timing plans and flashing left turn arrows along key corridors.
- ◆ Replaced street name signs in six subdivisions for improved visibility and safety.
- ◆ Designed and awarded contract for asphalt paving rehabilitation Hatfield Rd from FM 518 to North City Limits.
- ◆ Installed/replaced 186 linear feet of culvert pipe via City crews.
- ◆ Swabbed 32,743 linear feet of ditches via City crews and contractor.
- ◆ Flushed 15,720 linear feet of culvert pipe.
- ◆ Improved the effectiveness of our services by maintaining projects budget, scope, schedule and communication with the community, internal department partners, external partners and sponsors.
- ◆ Built quality into project management processes to ensure the community's expectations are met.
- ◆ Backflow prevention devices identified on GIS to efficiently manage City owned devices.
- ◆ Developed and adopted a Deep Ditch Mowing Policy and implemented contact management thereof, to provide maintenance of deeps ditches throughout the community.
- ◆ Developed standard operating procedures for services provided within the ROW Division.
- ◆ Revised and adopted the Memorandum of Understanding with Brazoria Drainage District No. 4 which governs the maintenance of drainage facilities and rights of ways throughout the community.
- ◆ Assisted in the successful completion of several gateway monument projects and completed numerous other median and facility landscape enhancements.
- ◆ Transitioned right-of-way permitting management and approval to TRAKiT software.
- ◆ Combined four landscape maintenance contracts into one major maintenance contract.
- ◆ Successful licensing of a Code Enforcement Officer within Public Works Department.
- ◆ Assisted the community and other departments in the recovery of Hurricane Harvey.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Achieve a more cost efficient fleet division and improve customer service for fleet services.
- ◆ Complete facility condition assessment and rating system that identifies the condition of major infrastructure at City facilities and the remaining useful life of each.
- ◆ Conduct ROW Assessment of asphalt roadways updating prior data from 2014.
- ◆ Continue rehabilitation of roadways identified through ROW assessment and funded through budget process.
- ◆ Complete the asphalt paving rehabilitation of Hatfield Rd from FM 518 to North City Limits.
- ◆ Complete City wide ITS traffic signal project upgrades.
- ◆ Implement new signal timing plans along key corridors (FM 518, Magnolia, FM 865 and FM 2234).
- ◆ Complete transition of online Right-of-Way permit application submittal process to TRAKiT.
- ◆ Combine the Rough Cut and Open Ditch Mowing contracts into one maintenance program/contract.
- ◆ Complete and adopt the Right-of-Way Policy that governs the design and maintenance of all City's ROWs.
- ◆ Successfully implement a grounds maintenance contract for all water treatment, water wells and lift stations.
- ◆ Successfully implement a "Hot Shot" maintenance team within the ROW division with a goal of proactively addressing needs within the community and managing public generated work requests.
- ◆ Install/replace 500 linear feet of culvert pipe via City crews and contractor.
- ◆ Install/replace 18,500 linear feet of sidewalk via sidewalk contract.
- ◆ Swab 30,000 linear feet of ditches via City crews and contractor.
- ◆ Flush 25,000 linear feet of culvert pipe.
- ◆ Fill 3,000 potholes in asphalt pavement streets.
- ◆ Continue installing fiber to connect city facilities and traffic signals.
- ◆ Complete the school flasher program.

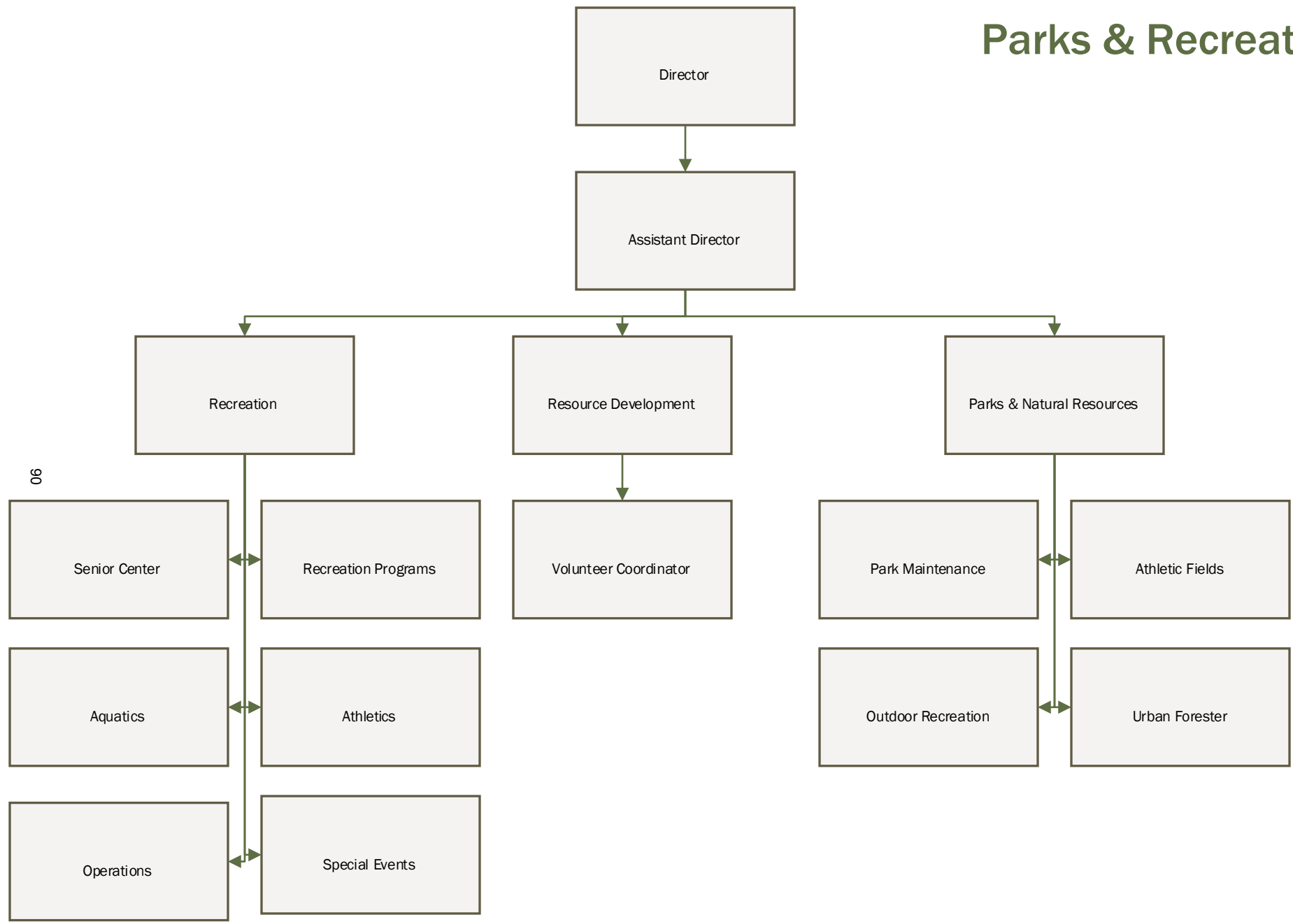
PUBLIC WORKS



PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|---|-------------------|-------------------|-------------------|-------------------|
| Percent of Water Plants Mowed Within the 2-week Schedule | 70% | 66% | 49% | 100% |
| Street Sweeping (miles) | 804 | 1,160 | 1,112 | 1,250 |
| Ditch/Culvert Cleaning (feet) | 20,542 | 55,519 | 48,463 | 30,000 |
| Percent of Lane Miles in Need of Repair (asphalt) | 37% | 37% | 37% | 36.5% |
| Number of Open Sidewalk Repair Work Orders | 522 | 637 | 674 | 600 |
| Number of Potholes Repaired | 4,769 | 4,158 | 2,499 | 3,500 |
| Culvert Pipe Installed/Replaced (feet) | 222 | 644 | 186 | 200 |
| Average Total Value of Current Active Projects (millions) | \$259 | \$305 | \$402 | \$300 |
| Percent of Change Orders to Total Contract Value | 4.64% | 3.48% | 1.72% | <5% |
| Average Number of Active Projects Being Administered | 38 | 28 | 34 | 30 |
| <i>Percent of Active Projects Started on Schedule</i> | 67% | 80% | 83% | 75% |
| <i>Percent of Active Projects Completed on Schedule</i> | 63% | 75% | 75% | 70% |

Parks & Recreation

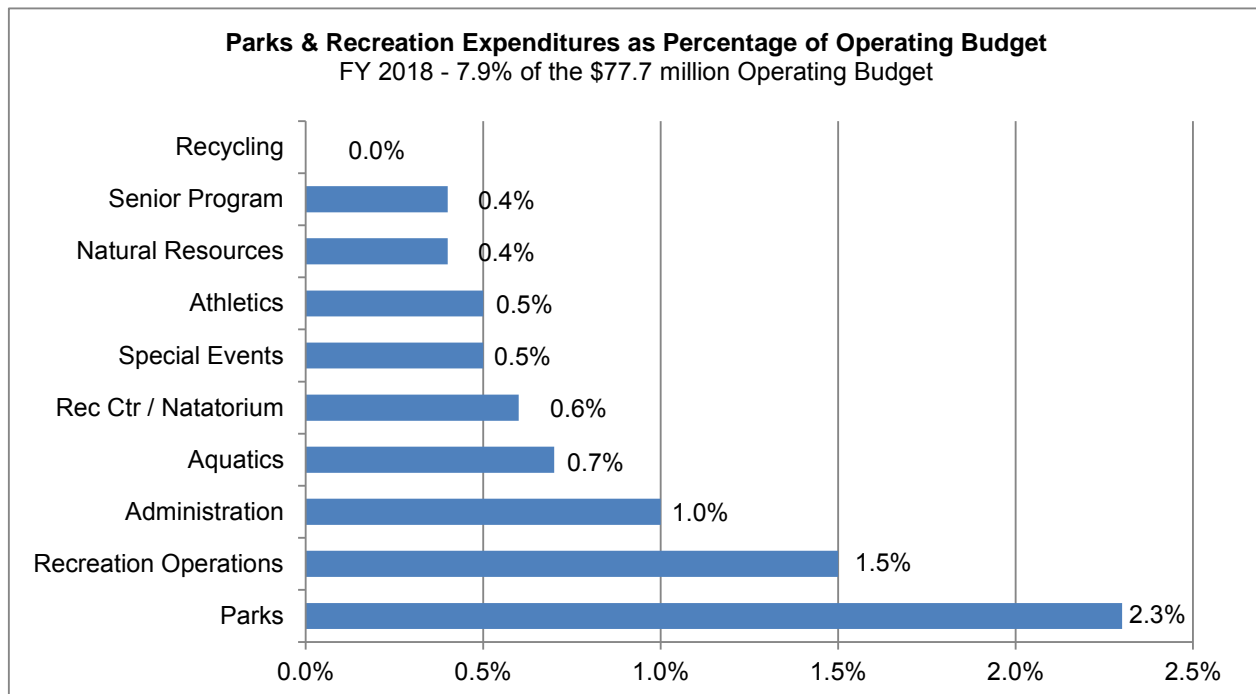


06

**PARKS & RECREATION
EXPENDITURE SUMMARY
FY 2018 ADOPTED BUDGET**

| EXPENDITURES BY DEPT / DIVISION | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|--|---------------------------|--|---|---------------------------------------|
| ADMINISTRATION | \$ 725,649 | \$ 609,133 | \$ 609,738 | \$ 772,304 |
| RECREATION CENTER/NATATORIUM | 2,592,470 | 2,102,125 | 2,524,682 | 429,780 |
| ATHLETICS | 257,168 | 306,571 | 287,162 | 374,840 |
| SPECIAL EVENTS | 344,643 | 328,866 | 387,975 | 402,941 |
| SENIOR PROGRAM | 274,759 | 289,634 | 280,759 | 285,317 |
| PARKS | 1,929,141 | 2,212,958 | 2,455,999 | 1,913,190 |
| NATURAL RESOURCES | 66,828 | 325,631 | 286,411 | 304,702 |
| AQUATICS | 97,654 | 30,829 | 22,404 | 544,495 |
| RECYCLING | 94,283 | | 1,992 | 1,525 |
| RECREATION OPERATIONS | | | | 1,129,007 |
| PARKS & RECREATION TOTAL | \$ 6,382,594 | \$ 6,205,747 | \$ 6,857,122 | \$ 6,158,101 |

| EXPENDITURES BY CATEGORY | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|-------------------------------------|---------------------------|--|---|---------------------------------------|
| SALARIES & WAGES | \$ 3,767,792 | \$ 3,693,480 | \$ 3,921,128 | \$ 4,066,222 |
| MATERIALS & SUPPLIES | 467,400 | 445,791 | 577,624 | 506,008 |
| BUILDINGS & GROUNDS | 609,086 | 646,692 | 761,038 | 440,186 |
| EQUIPMENT REPAIR & MAINTENANCE | 101,500 | 84,257 | 99,236 | 105,438 |
| MISCELLANEOUS SERVICES | 1,095,286 | 1,189,157 | 1,053,826 | 960,006 |
| INVENTORY | 179,805 | | 8,605 | |
| CAPITAL OUTLAY | 161,725 | 146,370 | 435,665 | 80,241 |
| PARKS & RECREATION TOTAL | \$ 6,382,594 | \$ 6,205,747 | \$ 6,857,122 | \$ 6,158,101 |



PARKS & RECREATION

OVERVIEW

Pearland Parks & Recreation, in collaboration with the Parks, Recreation and Beautification Board, local and regional partners as well as other City departments, administers a Parks and Recreation Master Plan that provides a comprehensive policy direction to the year 2020 to meet both current and future parks and recreation needs, and in turn, to enhance livability in the community. In addition to leisure classes, athletics and aquatics, adaptive/therapeutic special events, wellness, fitness and youth development programs and camps, senior citizens programs, and parks maintenance, the department maintains 10 neighborhood parks and 3 larger community parks, a Recreation Center/Natatorium, the Westside Events Center and the Melvin Knapp Activity Center.

STRATEGIC COUNCIL PRIORITY: The City aims to provide its citizens with Quality Parks, Recreation and Events.

Key Budget Items for FY 2018 include:

- ◆ Replace four Toro Mowers - \$42,351.
- ◆ Knapp Senior Center A/C Replacement (funded from the CDBG Grant Fund) - \$19,582.

GOALS

- ◆ Ensure that all parks & recreation facilities are maintained efficiently, safely, cost effectively, and in accordance with all standards and codes.
- ◆ Provide and maintain park land and recreational facilities that meet the present and future recreational needs of the community.
- ◆ Ensure that recreation programs meet the interests and needs of a variety of ages and abilities by providing and sponsoring programs independently and in cooperation with other community organizations or agencies.
- ◆ Provide access to programs and facilities to members within the community.
- ◆ Pearland Parks & Recreation will work to preserve our natural resources, conserve energy, and protect and enhance our environment.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Opened the Sports Complex at Shadow Creek Ranch.
- ◆ Installed shade structure over the playground at Southdown Park.
- ◆ Initiated Habitat Restoration Project at Shadow Creek Nature Trail.
- ◆ Installed certified way station at JHEC.
- ◆ Taught 841 children to swim in our youth Learn-to-Swim programs.
- ◆ Hosted a Speedo Photo Shoot with US and Canadian Olympic Swim Team Members.
- ◆ Increased marketing opportunities at the Westside Event Center by installing signage on the building and in the berm facing Hwy 288.
- ◆ Installed a new Welcome Center at Recreation Center entrance to improve customer service opportunities.
- ◆ Hosted the Special Olympics of Texas 2017 Softball Tournament at the Sports Complex at Shadow Creek Ranch.
- ◆ Hosted Women's Minor League Basketball games.
- ◆ Partnered with Pearland Gymnastics to host the Townsend Cup Gymnastics Meet.
- ◆ Developed & implemented Active Adaptive Recreation Programs.
- ◆ Partnered with Brazoria County Library System to house library programming through the Tom Reid Library closure.

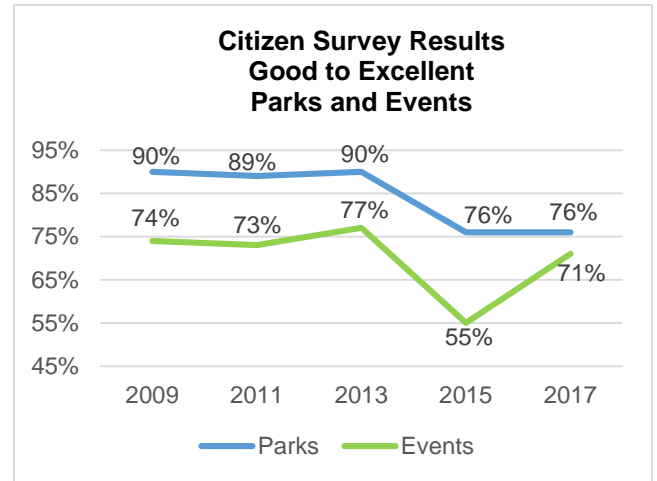
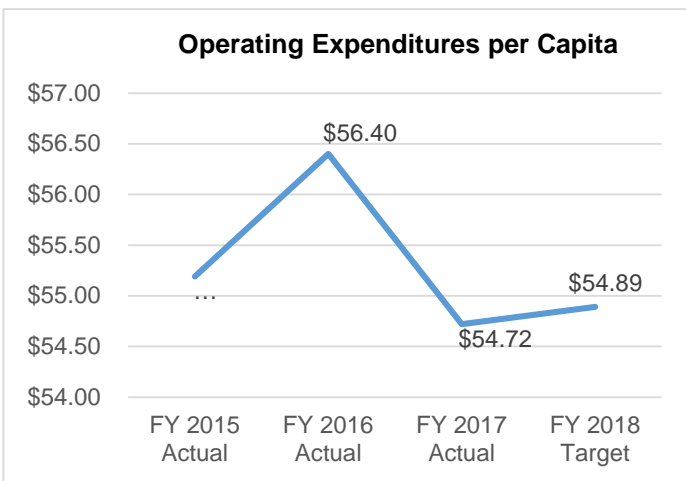
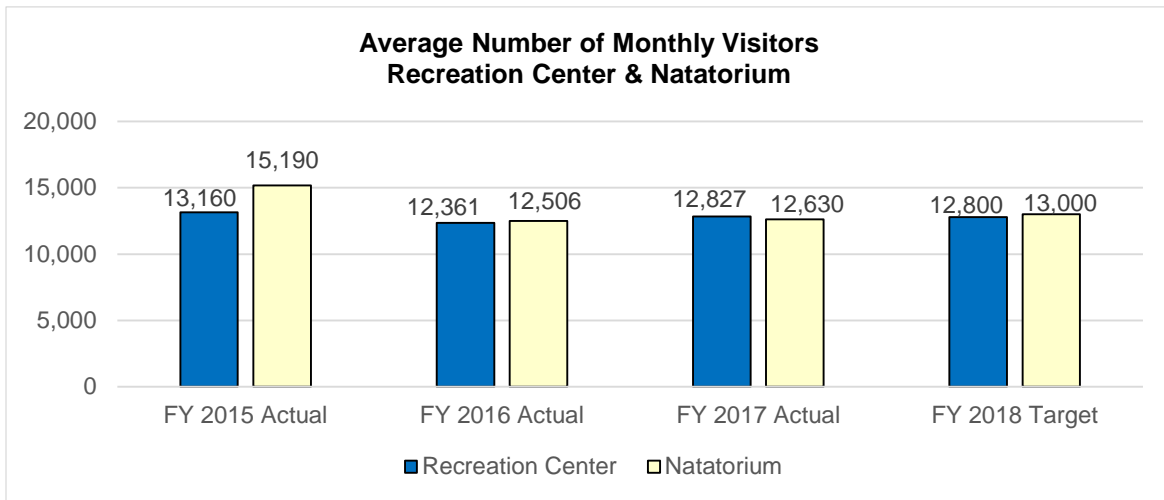
FISCAL YEAR 2018 OBJECTIVES

- ◆ Provide a comprehensive volunteer training and operating program for the Deloris Fenwick Nature Center.
- ◆ Sell naming rights for the Sports Complex at Shadow Creek Ranch and Independence Park Amphitheater.
- ◆ Complete Natural Area inventory.
- ◆ Update Park Amenity inventory.
- ◆ Develop popup outdoor recreation programs.
- ◆ Install new running track at the Recreation Center and Natatorium.
- ◆ Resurface the pool deck at the Recreation Center and Natatorium.

PARKS & RECREATION

- ◆ Incorporate interdepartmental training opportunities for front line staff.
- ◆ Develop a Youth Flag Football league.
- ◆ Increase alternate funding sources through partnerships.
- ◆ Enhance overall branding and event identity for all city sponsored special events.
- ◆ Develop engaging social media content to interact with local community.

PERFORMANCE MEASURES





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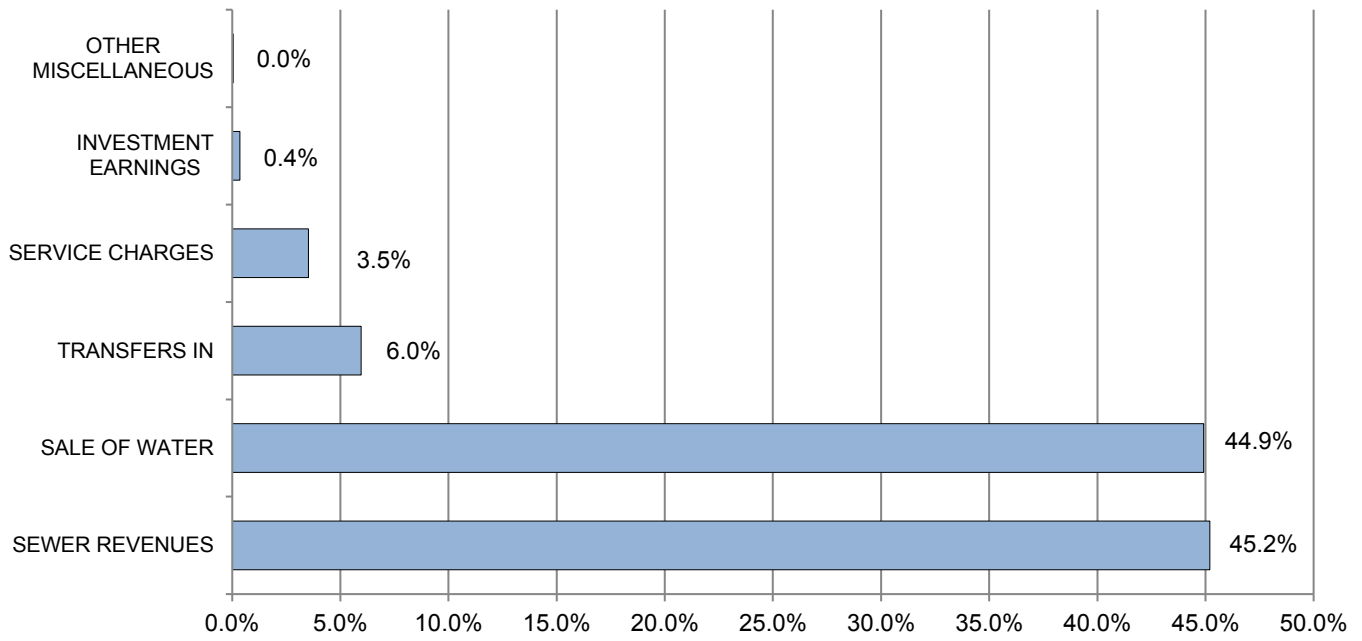
**ENTERPRISE (WATER AND SEWER) FUND
FY 2018 ADOPTED BUDGET**

OVERVIEW

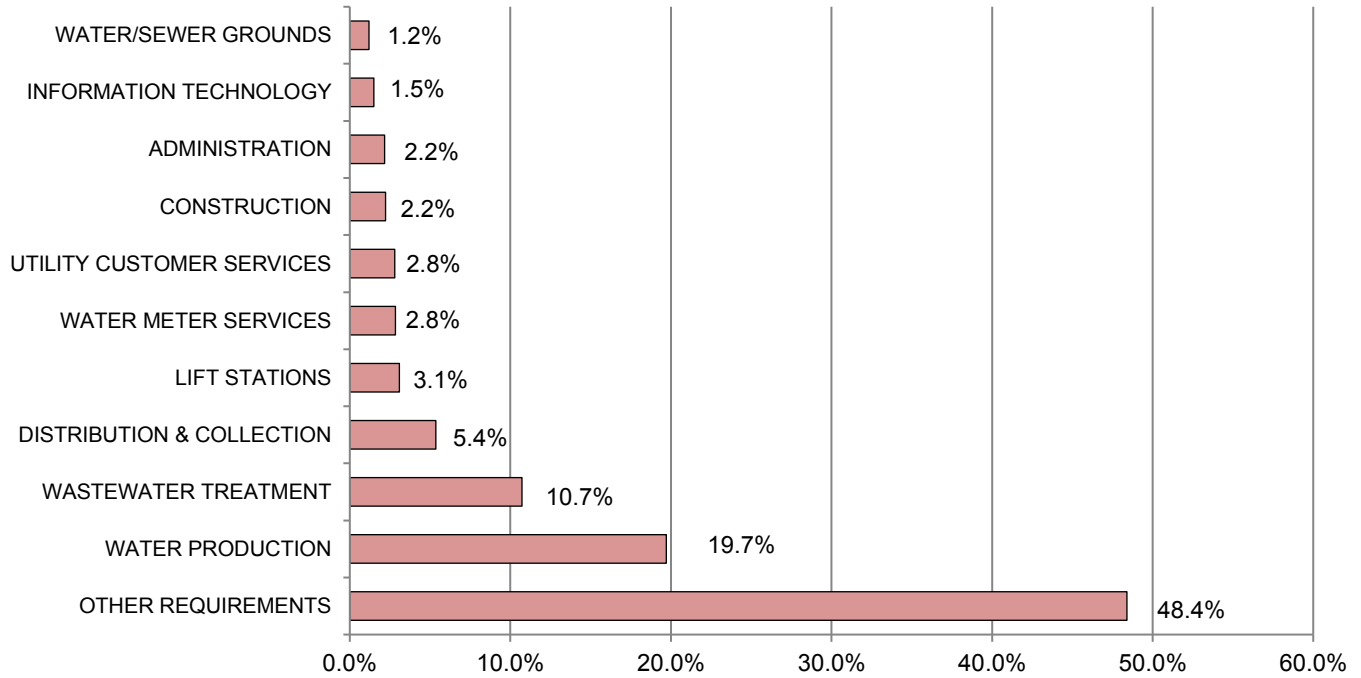
The Water & Sewer Fund is an enterprise fund that includes water and sewer system operations. The fund is operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The City provides water and sewer service to approximately 37,000 residential and commercial customers. Water & Sewer revenues provide 90.3% of the total revenue generated in the Water & Sewer Fund. As such, the City of Pearland continually monitors and evaluates the need to adjust water and sewer rates in order to ensure that the fund is self-supporting, that infrastructure rehabilitation is adequate, and that all bond covenants are in compliance. For fiscal year 2018, a water and sewer revenue increase of 10% is required to meet the needs of the system, which consists of \$1,042,993 from growth and \$3,956,297 from rate adjustments.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|--|---------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| SALE OF WATER | \$18,838,520 | \$19,793,158 | \$20,000,000 | \$22,233,388 |
| SEWER REVENUES | 16,503,543 | 20,442,367 | 21,400,000 | 22,374,169 |
| OTHER SERVICE CHARGES | 1,736,910 | 1,604,000 | 1,718,000 | 1,744,000 |
| INVESTMENT EARNINGS | 142,719 | 125,000 | 175,000 | 175,000 |
| OTHER MISCELLANEOUS INCOME | 165,783 | 195,500 | 89,500 | 22,500 |
| TRANSFERS IN | 2,582,700 | 2,650,000 | 2,650,000 | 2,950,000 |
| OTHER FINANCING SOURCES | | | | |
| TOTAL | 39,970,176 | 44,810,025 | 46,032,500 | 49,499,057 |
| EXPENSES | | | | |
| UTILITY CUSTOMER SERVICES | 1,184,464 | 1,283,371 | 1,200,995 | 1,366,734 |
| INFORMATION TECHNOLOGY | 233,476 | 466,890 | 540,921 | 731,363 |
| OTHER REQUIREMENTS | 15,146,683 | 19,867,217 | 21,453,564 | 23,627,901 |
| PUBLIC WORKS OPERATIONS ADMINISTRATION | 592,510 | 762,221 | 711,496 | 1,059,026 |
| WATER/SEWER GROUNDS | 411,797 | 406,965 | 415,016 | 583,155 |
| LIFT STATIONS | 1,258,432 | 1,628,002 | 2,278,640 | 1,507,709 |
| WASTEWATER TREATMENT | 5,511,431 | 6,039,220 | 6,231,895 | 5,234,716 |
| WATER PRODUCTION | 8,782,017 | 9,907,878 | 10,027,713 | 9,622,877 |
| DISTRIBUTION & COLLECTION | 2,393,520 | 2,479,306 | 2,549,873 | 2,611,210 |
| CONSTRUCTION | 740,605 | 789,777 | 916,080 | 1,086,984 |
| WATER METER SERVICES | 1,255,138 | 1,761,175 | 1,764,116 | 1,387,657 |
| TOTAL | 37,510,075 | 45,392,022 | 48,090,309 | 48,819,332 |
| REVENUES OVER/(UNDER) EXPENSES | 2,460,101 | (581,997) | (2,057,809) | 679,725 |
| Beginning Cash Equivalents | 15,624,805 | 14,256,654 | 18,729,709 | 16,671,900 |
| Reserve for Debt Service | 2,623,222 | 3,616,964 | 3,616,964 | 4,999,751 |
| Ending Cash Equivalents | \$15,461,684 | \$10,057,693 | \$13,054,936 | \$12,351,874 |
| Bond Coverage - 1.4 | 2.08 | | 1.64 | 1.82 |
| Cash Reserve Ratio - 25% | 41% | | 27% | 25% |

WATER AND SEWER REVENUES FY 2018



WATER AND SEWER FUND EXPENSES FY 2018



**ENTERPRISE (WATER & SEWER) FUND
REVENUE & EXPENSE SUMMARY
FY 2018 ADOPTED BUDGET**

FISCAL YEAR 2016-2017

Projected revenues of \$46,032,500 are \$1,222,475, or 2.7%, more than the original budget and \$6,062,324, or 15.2%, more than the fiscal year 2016 actual of \$39,970,176. The fiscal year 2017 projected revenue is primarily higher than the original budget due to the increase in water usage. Revenues from the sale of water and sewer services are projected to be \$1,164,475 or 2.9% higher than budgeted. Other service charges are projected to come in slightly more than the original budget amount. A new rate basis was adopted effective October 2016 relying upon more volumetric tiers for usage providing more revenue basis.

Fiscal Year 2017 expenses are anticipated to be \$48,090,309. This is \$2,698,287 more than the original budget of \$45,392,022, due to the defeasance of approximately \$1.5 million in debt and lift station repairs and maintenance of \$608,681. Expenses are estimated \$10,580,234 higher than the fiscal year 2016 actual. Debt payments have increased \$6.4 million. There was \$1.1 million in lift station repairs and projected expenses in water production were higher than the previous year due to an increase in water purchases for residential and commercial use. The ending balance at September 30, 2017 is estimated to be \$13,054,936 with a 27% cash reserve ratio and a bond coverage of 1.64, above the required indicators.

FISCAL YEAR 2017-2018

Fiscal Year 2018 budgeted revenues total \$49,499,057, a \$3,466,557 increase from the fiscal year 2017 projections. Water and sewer charges increased by \$3,207,557, or 7.7%, over the 2017 projections. This is mainly due to an anticipated revenue increase of 10%, or \$3,956,297, and an increase in customer growth of 2.85% or \$1,042,993.

Fiscal year 2018 expenses total \$48,819,332 and include annual debt service payments of \$17.36 million, an increase of \$1.75 million from fiscal year 2017. Expenses are \$729,023 or 1.5%, higher than the fiscal year 2017 projections and are \$3,427,310, or 7.6%, higher than the original budget.

Enhancements to the budget total \$1,018,600, \$508,801 recurring and \$509,799 non-recurring. Enhancements include additional funding for an infrastructure architect (\$72,778), an asset management solution software (\$350,000), grounds maintenance for Water Production and Reclamation Facilities (\$226,740), surface water plant manager (\$58,231), professional engineering services (\$50,000), a concrete mixer (\$157,849), a maintenance worker (\$48,802), and a heavy equipment operator (\$54,200).

The budget anticipates a water/sewer bond sale totaling \$45.77 million to fund infrastructure improvements in the capital improvement program.

Available ending balance at September 30, 2018 is expected to be \$12,351,874. With the 10% revenue increase, revenues exceed expenditures by \$679,725. Bond coverage is 1.82 and cash reserves are 25%.

Based on a 10% revenue increase and changes to the overall rate structure, example monthly bills based on consumption scenarios are as follows:

RESIDENTIAL 5/8" or 3/4" METER WITH SEWER CAP OF 6,000 GALLONS MONTHLY AMOUNT

| Consumption | Current Bill | 2018 Bill | Amount Changed |
|--------------------|---------------------|------------------|-----------------------|
| Base (0-2,000) | \$34.64 | \$38.04 | \$ 3.40 |
| 6,000 | \$67.20 | \$73.80 | \$ 6.60 |
| 8,000 | \$76.08 | \$83.66 | \$ 7.58 |
| 10,000 | \$84.96 | \$93.52 | \$ 8.56 |
| 15,000 | \$107.16 | \$118.17 | \$11.01 |

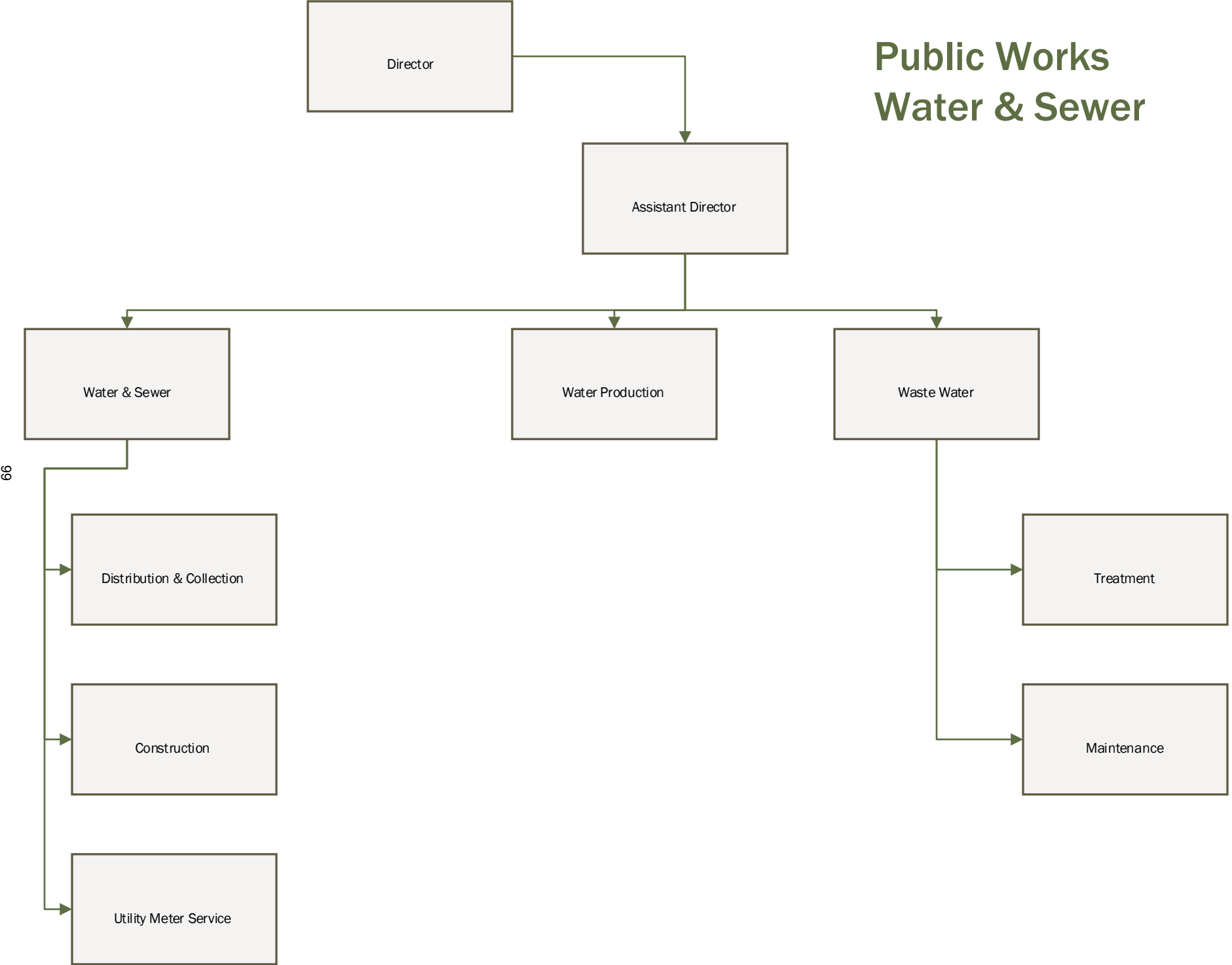
**ENTERPRISE (WATER & SEWER) FUND
EXPENSE SUMMARY
FY 2018 ADOPTED BUDGET**

| EXPENSES BY DEPT/DIVISION | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|-------------------------------------|---------------------------|--|---|---------------------------------------|
| UTILITY CUSTOMER SERVICE | 1,184,464 | 1,283,371 | 1,200,995 | 1,366,734 |
| INFORMATION TECHNOLOGY | 233,476 | 466,890 | 540,921 | 731,363 |
| OTHER REQUIREMENTS * | 15,146,683 | 19,867,217 | 21,453,564 | 23,627,901 |
| PUBLIC WORKS ADMINISTRATION | 592,510 | 762,221 | 711,496 | 1,059,026 |
| WATER/SEWER GROUNDS | 411,797 | 406,965 | 415,016 | 583,155 |
| LIFT STATIONS | 1,258,432 | 1,628,002 | 2,278,640 | 1,507,709 |
| WATER RECLAMATION | 5,511,431 | 6,039,220 | 6,231,895 | 5,234,716 |
| WATER PRODUCTION | 8,782,017 | 9,907,878 | 10,027,713 | 9,622,877 |
| DISTRIBUTION & COLLECTION | 2,393,520 | 2,479,306 | 2,549,873 | 2,611,210 |
| CONSTRUCTION | 740,605 | 789,777 | 916,080 | 1,086,984 |
| WATER METER SERVICES | 1,255,138 | 1,761,175 | 1,764,116 | 1,387,657 |
| WATER & SEWER FUND TOTAL | 37,510,075 | 45,392,022 | 48,090,309 | 48,819,332 |

| EXPENSES BY CATEGORY | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|-------------------------------------|---------------------------|--|---|---------------------------------------|
| SALARIES & WAGES | 6,522,362 | 6,946,836 | 6,858,660 | 7,553,331 |
| MATERIALS & SUPPLIES | 6,985,338 | 8,701,119 | 8,469,026 | 8,299,353 |
| BUILDING & GROUNDS | 67,445 | 110,340 | 147,514 | 104,050 |
| REPAIR & MAINTENANCE | 2,289,096 | 3,038,106 | 4,003,843 | 3,278,411 |
| MISCELLANEOUS SERVICES | 5,228,406 | 5,822,094 | 5,877,121 | 5,038,762 |
| INVENTORY | 21,992 | 25,000 | 52,112 | 44,615 |
| TRANSFERS/OTHER CHARGES | 14,852,937 | 19,585,935 | 21,073,564 | 23,446,478 |
| CAPITAL OUTLAY | 1,542,499 | 1,162,592 | 1,608,469 | 1,054,332 |
| WATER & SEWER FUND TOTAL | 37,510,075 | 45,392,022 | 48,090,309 | 48,819,332 |

*Includes W/S debt service (\$17.36 million) and transfers out (\$5.74 million).

Public Works Water & Sewer



PUBLIC WORKS - UTILITIES

OVERVIEW

Within the Water & Sewer Fund, the Public Works Administration Department oversees Lift Stations, Wastewater Treatment, Water Production, Distribution and Collection, Construction, Water Meter Services and Public Works Water and Sewer Facilities Mowing. These divisions manage all water facilities, including, but not limited to 80 lift stations and 5 treatment plants.

In addition to managing the above, the Lift Station division oversees the odor control operation and provides troubleshooting and programming to the SCADA system for this division. The Wastewater Treatment division provides sludge disposal services, laboratory testing, compliance documentation and reporting to maintain compliance with TCEQ regulations, and general plant maintenance and repairs. Water Production provides laboratory testing of water, collects water samples and submits reports to maintain compliance with TCEQ regulations, responds to residents' calls for services, and maintains water plant operations and maintenance. W&S Distribution and Collection conducts water and sewer repairs, sewer line inspections and preventive maintenance, as well as meter and ROW inspections, locates lines and responds to emergencies and residents' calls. The W&S Construction division repairs concrete streets and sidewalk trip hazards related to water and sewer repairs and aging utility infrastructure to meet ADA compliance, installs water and sewer lines, and provides assistance on City projects as needed.

STRATEGIC COUNCIL PRIORITIES: The Water-Sewer Fund provides additional support for Public Works functions of government for the City, and are designed to support the installation, maintenance and improvement of drainage, water production and treatment, and other similar public goods in ways that deliver citizens Sustainable Infrastructure.

Key Budget Items for FY 2018 Include:

- ◆ Surface Water Plant Manager - \$58,231.
- ◆ Heavy Equipment Operator - \$54,200.
- ◆ Maintenance Worker - \$48,802.
- ◆ Concrete Mixer Truck - \$157,849.
- ◆ Replace one Kubota Excavator - \$54,211.
- ◆ Asset Management software - \$350,000.
- ◆ Treatment Plant Facility Mowing Contract - \$226,740.

GOALS

- ◆ Provide efficient operation of the sanitary infrastructure by minimizing surcharges, overflows, and inflow and infiltration in the sanitary sewer system.
- ◆ Maintain the water distribution system to minimize cost of water loss while maintaining a high level of service.
- ◆ Identify water and sanitary lines that have outlived their expected life or are likely to fail, and replace or repair those lines as resources allow.
- ◆ Maintain water wells and pumping stations to reduce unplanned shutdowns and minimize maintenance costs.
- ◆ Protect the health of the public and the environment through proper treatment of wastewater, while maintaining compliance with state and federal agencies.
- ◆ Maintain wastewater treatment facilities to reduce unplanned excursions and minimize the cost of maintenance.
- ◆ Provide distinguished customer service by quickly and courteously responding to citizen complaints or requests, including requests from City departments.
- ◆ Maintain sanitary collection system in a manner to reduce unplanned overflows.

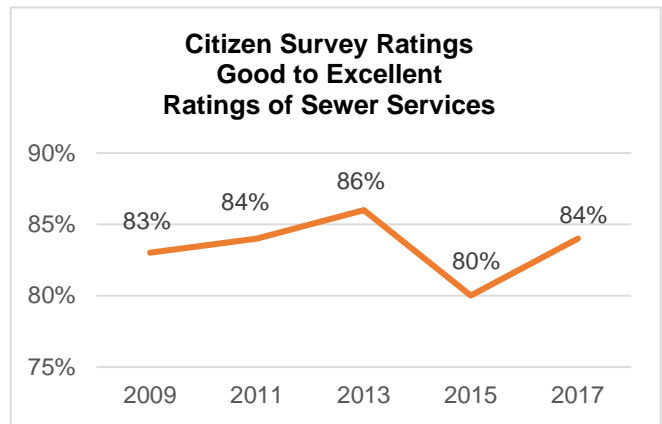
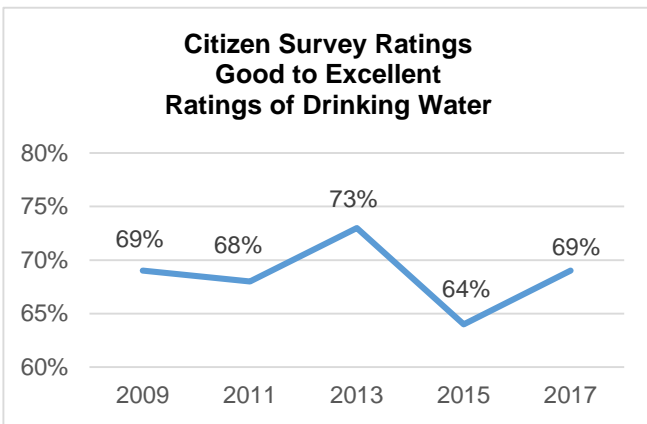
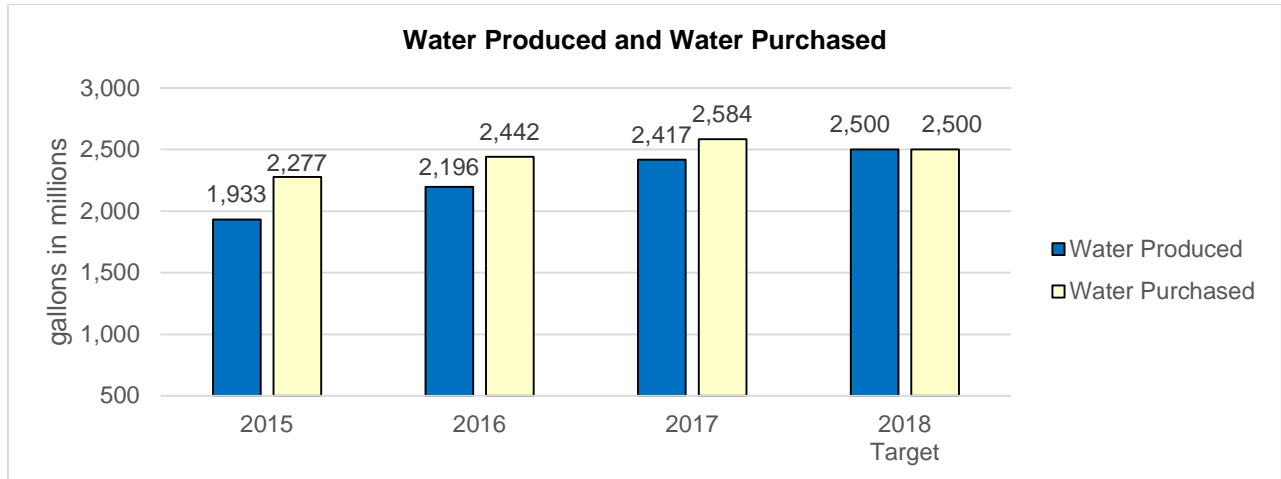
FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Continued to identify water and sanitary lines that have outlived their expected life or are likely to fail, and replace or repair those lines as resources allow.
- ◆ Initiated the installation of waterline in the Willow Crest and Mimosa Acres to replace aging transite water line.
- ◆ Rehabilitation of 4.3 miles of sanitary sewer via trenchless methods.
- ◆ Rehabilitated 47 manholes.
- ◆ Over 8 miles of sanitary line inspections to identify inflow and infiltration into the sanitary system and sanitary lines for rehabilitation.
- ◆ Completed water line cleaning in the Sunset Meadows, Sunset Lakes, Pine Hollow, and Oak Brook Subdivisions.
- ◆ Completed lift station rehabilitation at Liberty & Parkview lift stations.

PUBLIC WORKS - UTILITIES

FISCAL YEAR 2018 OBJECTIVES

- ◆ Continue to identify water and sanitary lines that have outlived their expected life or are likely to fail, and replace or repair those lines as resources allow.
- ◆ Complete upgrade of SCADA system software, graphics and communication network.
- ◆ Complete the installation of waterline in the Willow Crest and Mimosa Acres to replace aging transite water line.
- ◆ Install new water lines on North Washington Ave, North San Antonio Ave, and North Pearland Ave.
- ◆ Rehabilitate or eliminate one to three lift stations, including Pearland Heights, Independence Park and Springfield.



PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|---|-------------------|-------------------|-------------------|-------------------|
| Wastewater gallons treated in billion gallons | 3.331 | 3.515 | 3.513 | 3.724 |
| Cost per gallon to treat wastewater | \$0.0014 | \$0.0013 | \$0.0016 | \$0.0015 |
| Water main installation (feet) | 4,650 | 11,800 | 2,300 | 15,000 |
| Sewer main installation (feet) | 350 | 0 | 16,817 | 400 |
| Cost per gallon of water purchased | \$0.0041 | \$0.0043 | \$0.0044 | \$0.0045 |
| Percent of time Waste Water Treatment Plant over capacity | 71% | 20% | 0% | 0% |

FINANCE UTILITY CUSTOMER SERVICE

OVERVIEW

Water Utility Customer Service & Collections Division reports to the Director of Finance and is primarily responsible for customer service, billing and collection operations for water, sewer and garbage fees. The division is also responsible for the contract oversight, performance, and coordination of vendor resources for the collection of curbside residential solid waste.

STRATEGIC COUNCIL PRIORITY: The customer service and account management encounters with the residential and business customers require that the division interact in ways that meet or exceed Council goals of community engagement and financial accountability in a respectful, transparent, and fiscally accountable manner.

Key Budget Items for FY 2018 Include:

- ◆ No significant items.

GOALS

- ◆ Ensure timely and accurate billing and integrity of billing.
- ◆ Improve customer engagement by exemplifying professional customer service standards the Pearland Way.
- ◆ Ensure accurate account management of all billing, payments, refunds, and adjustments transacted and posted.
- ◆ Maintain high collection rate and low delinquency rate through service disconnection and collection policies.
- ◆ Provide excellent customer service to internal and external customers by exemplifying the Pearland Way.
- ◆ Update and maintain Water Utility Customer Service & Billing web information pertaining to all service operations.
- ◆ Identify delinquent customer waste accounts to pursue collection and resolution of outstanding balances.
- ◆ Collaborate with commercial customers and contract waste management partner to enhance awareness and compliance to prevent contaminants from entering recycling.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Implemented rate increases through newly adopted utility rates up to approximately 16%.
- ◆ Worked with waste service contractor to improve consistent service performance for all customers.
- ◆ Implemented new ERP utility management system.
- ◆ Refreshed staff training of customer service through a refresher of “The Pearland Way” ideology.
- ◆ Introduced Star 12 employee training and Excel training to increase employee efficiency and report development.
- ◆ Implemented automated call distributor (Cisco CallManager) to integrate departmental phones in multiple offices which provided leverage for staff to answer calls.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Complete City-wide MUD account audits to ensure proper identification and residential billing.
- ◆ Develop process documentation of internal operations plans to optimize consistent use of the New World System.
- ◆ Continue staff development through customer service training to exemplify the Pearland Way.
- ◆ Train key staff to produce better business intelligence reports through Excel pivot table training.
- ◆ Improve customer engagement through all contact channels.
- ◆ Identify and produce key call center data analytics for continuous process improvements.
- ◆ Initiate scheduled online updates to engage and educate community regarding water utility, garbage, and other services managed by the Division to inform citizens in a proactive manner.

PERFORMANCE MEASURES

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Annual meter reads | 428,265 | 407,406 | 461,502 | 460,000 |
| Percent of payments processed on-line | 50% | 52% | 41% | 50% |
| Number of cut-offs | 1,284 | 1,284 | 896 | 900 |

**ENTERPRISE FUND DEBT MATURITY SCHEDULE
FY 2018 ADOPTED BUDGET**

**ENTERPRISE FUND DEBT
REVENUE BONDS**

| Year | Principal | Interest | Total |
|--------------|--------------------|-------------------|--------------------|
| 2017-2018 | 9,195,000 | 5,328,365 | 14,523,365 |
| 2018-2019 | 9,385,000 | 5,094,849 | 14,479,849 |
| 2019-2020 | 9,545,000 | 4,899,939 | 14,444,939 |
| 2020-2021 | 9,765,000 | 4,687,669 | 14,452,669 |
| 2021-2022 | 9,850,000 | 4,460,994 | 14,310,994 |
| 2022-2023 | 10,685,000 | 4,220,997 | 14,905,997 |
| 2023-2024 | 9,870,000 | 3,935,756 | 13,805,756 |
| 2024-2025 | 10,150,000 | 3,666,475 | 13,816,475 |
| 2025-2026 | 10,660,000 | 3,378,007 | 14,038,007 |
| 2026-2027 | 10,980,000 | 2,993,011 | 13,973,011 |
| 2027-2028 | 10,260,000 | 2,592,381 | 12,852,381 |
| 2028-2029 | 10,610,000 | 2,194,997 | 12,804,997 |
| 2029-2030 | 10,895,000 | 1,862,497 | 12,757,497 |
| 2030-2031 | 9,685,000 | 1,549,726 | 11,234,726 |
| 2031-2032 | 7,180,000 | 1,269,356 | 8,449,356 |
| 2032-2033 | 7,350,000 | 1,050,172 | 8,400,172 |
| 2033-2034 | 7,530,000 | 822,921 | 8,352,921 |
| 2034-2035 | 5,010,000 | 616,149 | 5,626,149 |
| 2035-2036 | 4,215,000 | 479,844 | 4,694,844 |
| 2036-2037 | 3,825,000 | 379,060 | 4,204,060 |
| 2037-2038 | 2,735,000 | 289,345 | 3,024,345 |
| 2038-2039 | 2,775,000 | 241,091 | 3,016,091 |
| 2039-2040 | 2,145,000 | 191,084 | 2,336,084 |
| 2040-2041 | 2,155,000 | 163,861 | 2,318,861 |
| 2041-2042 | 2,165,000 | 136,219 | 2,301,219 |
| 2042-2043 | 2,175,000 | 108,156 | 2,283,156 |
| 2043-2044 | 2,185,000 | 79,671 | 2,264,671 |
| 2044-2045 | 2,200,000 | 50,762 | 2,250,762 |
| 2045-2046 | 505,000 | 21,370 | 526,370 |
| 2046-2047 | 515,000 | 10,815 | 525,815 |
| TOTAL | 196,200,000 | 56,775,536 | 252,975,536 |

**GENERAL OBLIGATION
& REFUNDING SERIES**

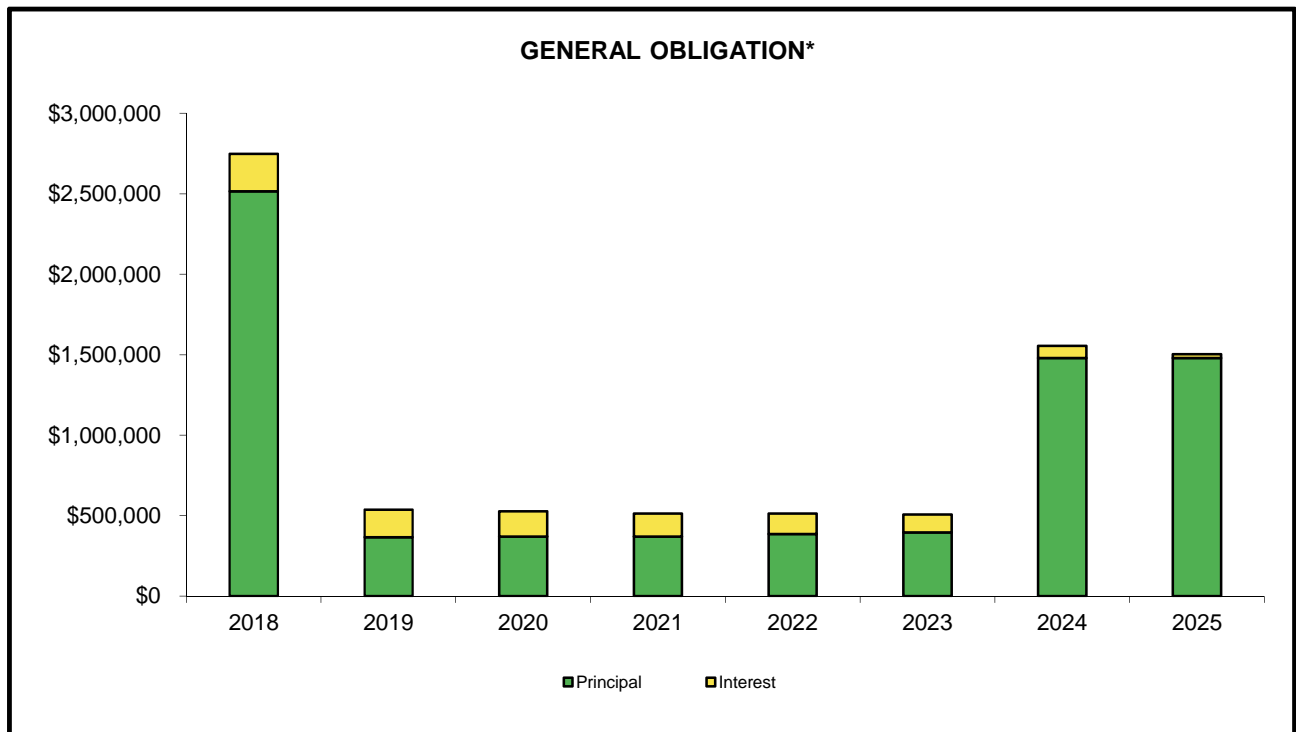
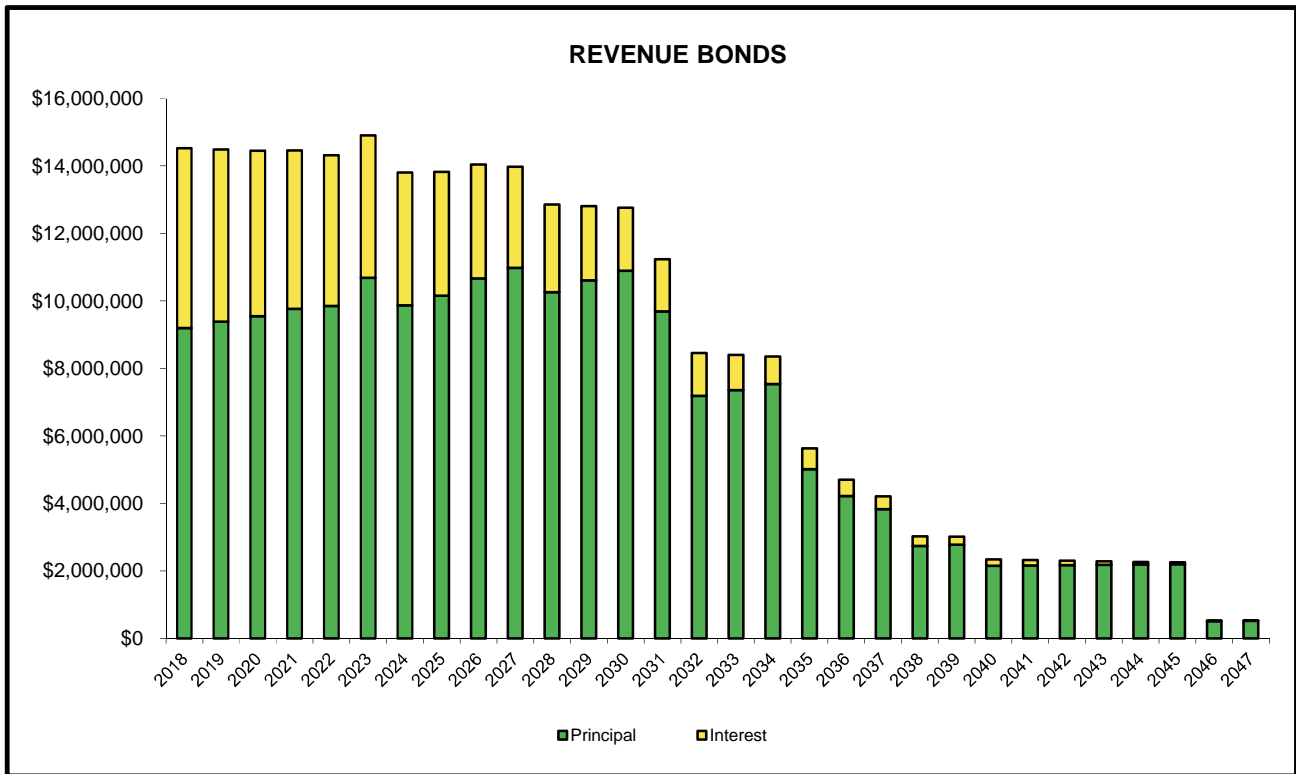
| Year | Principal | Interest | Total |
|--------------|------------------|------------------|------------------|
| 2017-2018 | 2,515,000 | 232,188 | 2,747,188 |
| 2018-2019 | 365,000 | 171,700 | 536,700 |
| 2019-2020 | 370,000 | 157,000 | 527,000 |
| 2020-2021 | 370,000 | 142,200 | 512,200 |
| 2021-2022 | 385,000 | 127,100 | 512,100 |
| 2022-2023 | 395,000 | 111,500 | 506,500 |
| 2023-2024 | 1,480,000 | 74,000 | 1,554,000 |
| 2024-2025 | 1,480,000 | 22,200 | 1,502,200 |
| 2025-2026 | | | |
| 2026-2027 | | | |
| 2027-2028 | | | |
| 2028-2029 | | | |
| 2029-2030 | | | |
| 2030-2031 | | | |
| 2031-2032 | | | |
| 2032-2033 | | | |
| 2033-2034 | | | |
| 2034-2035 | | | |
| 2035-2036 | | | |
| 2036-2037 | | | |
| 2037-2038 | | | |
| 2038-2039 | | | |
| 2039-2040 | | | |
| 2040-2041 | | | |
| 2041-2042 | | | |
| 2042-2043 | | | |
| 2043-2044 | | | |
| 2044-2045 | | | |
| TOTAL | 7,360,000 | 1,037,888 | 8,397,888 |

| <u>Series Name</u> | <u>Principal Amount Outstanding</u> |
|--|-------------------------------------|
| Water & Sewer Revenue Bonds Series 1999 | 1,760,000 |
| Water & Sewer Revenue Bonds Series 2007 | 11,390,000 |
| General Obligation Improvement and Refunding Bonds 2009* | 2,155,000 |
| Water & Sewer Revenue Bonds Series 2010A | 11,265,000 |
| Water & Sewer Refunding Bonds Series 2010B | 6,765,000 |
| Permanent Improvement Refunding Bonds Series 2012* | 5,205,000 |
| Water & Sewer Revenue Bonds Series 2012 | 6,605,000 |
| Water & Sewer Revenue Bonds Series 2014 | 8,655,000 |
| Water & Sewer Revenue Bonds Series 2016 | 8,435,000 |
| Water & Sewer Revenue Bonds Series 2016B (TWDB) | 9,865,000 |
| Water & Sewer Revenue Bonds Series 2016C (TWDB) | 48,240,000 |
| Water & Sewer Revenue Bonds Series 2017A (TWDB -DWSRF) | 10,225,000 |
| Water & Sewer Revenue Bonds Series 2017B (TWDB -DWSRF) | 12,025,000 |
| Water & Sewer Revenue & Refunding Bonds Series 2017C | 60,970,000 |
| TOTAL | 203,560,000 |

* Excluding portion associated with General Fund.

**Does not include new debt anticipated to be issued.

**ENTERPRISE FUND DEBT TO MATURITY
FY 2018 ADOPTED BUDGET**



* Issued as General Obligation, but paid for by water and sewer rates.

Note: Does not include new debt anticipated to be issued.

**ENTERPRISE FUND DEBT SERVICE SCHEDULE
FY 2018 ADOPTED BUDGET**

| DATE | DESCRIPTION | DATE ISSUED MATURITY | AMOUNT ISSUED | PRINCIPAL | INTEREST | PAYMENT TOTAL | AMOUNT OUTSTANDING AS OF 9/30/18 |
|----------------------|---|--------------------------|-------------------|--------------------|------------------------|------------------------|--|
| 3/1/2018 9/1/2018 | Series 1999 Revenue Bond | 1999 2020 | 4,000,000 | | 40,480 40,480 | 40,480 605,480 | |
| | | Fiscal Year Total | | 565,000 | 80,960 | 645,960 | 1,195,000 |
| 3/1/2018 9/1/2018 | Series 2007 Revenue Bond | 2007 2031 | 40,135,000 | | 199,325 199,325 | 199,325 199,325 | |
| | | Fiscal Year Total | | 0 | 398,650 | 398,650 | 11,390,000 |
| 3/1/2018 9/1/2018 | Series 2009 Permanent Improvement and Refunding Bonds* | 2009 2018 | 11,660,000 | 2,155,000 | 45,988 | 2,200,988 0 | |
| | | Fiscal Year Total | | 2,155,000 | 45,988 | 2,200,988 | 0 |
| 3/1/2018 9/1/2018 | Series 2010A Revenue Bond | 2010 2035 | 14,040,000 | | 233,741 233,741 | 233,741 673,741 | |
| | | Fiscal Year Total | | 440,000 | 467,481 | 907,481 | 10,825,000 |
| 3/1/2018 9/1/2018 | Series 2010B Refunding Bond | 2011 2023 | 8,970,000 | | 130,822 130,822 | 130,822 535,822 | |
| | | Fiscal Year Total | | 405,000 | 261,644 | 666,644 | 6,360,000 |
| 3/1/2018 9/1/2018 | Permanent Improvement and Refunding Bond Series 2012* | 2012 2025 | 6,230,000 | 360,000 | 96,700 89,500 | 456,700 89,500 | |
| | | Fiscal Year Total | | 360,000 | 186,200 | 546,200 | 4,845,000 |
| 3/1/2018 9/1/2018 | Series 2012 Revenue Bond | 2012 2037 | 8,670,000 | | 98,028 98,028 | 98,028 863,028 | |
| | | Fiscal Year Total | | 765,000 | 196,055 | 961,055 | 5,840,000 |
| 3/1/2018 9/1/2018 | Series 2014 Revenue Bond | 2014 2039 | 9,210,000 | | 154,209 154,209 | 154,209 374,209 | |
| | | Fiscal Year Total | | 220,000 | 308,419 | 528,419 | 8,435,000 |
| 3/1/2018 9/1/2018 | Series 2016A Revenue Bond | 2016 2036 | 8,880,000 | | 118,181 118,181 | 118,181 563,181 | |
| | | Fiscal Year Total | | 445,000 | 236,363 | 681,363 | 7,990,000 |
| 3/1/2018 9/1/2018 | Series 2016B Revenue Bond (TWDB) | 2016 2025 | 11,100,000 | | 3,762 3,762 | 3,762 1,233,762 | |
| | | Fiscal Year Total | | 1,230,000 | 7,524 | 1,237,524 | 8,635,000 |
| 3/1/2018 9/1/2018 | Series 2016C Revenue Bond (TWDB) | 2016 2045 | 50,100,000 | | 157,533 157,533 | 157,533 2,017,533 | |
| | | Fiscal Year Total | | 1,860,000 | 315,066 | 2,175,066 | 46,380,000 |
| 3/1/2018 9/1/2018 | Series 2017A Revenue Bond (TWDB-DWSRF) | 2017 2027 | 10,225,000 | | 29,539 29,539 | 29,539 1,034,539 | |
| | | Fiscal Year Total | | 1,005,000 | 59,079 | 1,064,079 | 9,220,000 |
| 3/1/2018 9/1/2018 | Series 2017B Revenue Bond (TWDB-DWSRF) | 2017 2047 | 12,025,000 | | 92,463 92,463 | 92,463 432,463 | |
| | | Fiscal Year Total | | 340,000 | 184,925 | 524,925 | 11,685,000 |
| 3/1/2018 9/1/2018 | Series 2017C Revenue Bond | 2017 2037 | 60,970,000 | | 1,458,735 1,353,466 | 1,458,735 3,273,466 | |
| | | Fiscal Year Total | | 1,920,000 | 2,812,201 | 4,732,201 | 59,050,000 |
| | TOTAL | | | 256,215,000 | 11,710,000 | 5,560,553 | 17,270,553 |
| | | | | | | | 191,850,000 |

*Excludes General Fund Component.

**Does not include new debt anticipated to be issued.

**SOLID WASTE FUND
SUMMARY OF REVENUES, EXPENSES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Solid Waste Enterprise Fund is used to account for residential and commercial solid waste. Governmental Accounting Standards state that the enterprise fund type may be used to account for operations that are financed and operated in a manner similar to private business, where the intent is that the costs of providing goods and services be financed or recovered through user charges. Services include the pick-up of residential solid waste twice a week, curbside recycling once a week and green waste pick-up. Residential curbside HHW pick-up is also provided by appointment, free of charge. Exclusive commercial solid waste pick-up is provided for in the contract, however the contractor directly bills and collects from the commercial customers. Commercial service ranges from once a week to daily with a variety of container sizes available, based on individual customer needs.

The City's contract with Waste Management, awarded in 2006 was renewed in 2011, with an amendment in December 2013, and expires September 30, 2021. The contract allows for service rates to adjust annually to the reported Consumer Price Index for the Houston MSA and allows for quarterly rate adjustments based on diesel fuel prices, up or down.

The fiscal year 2017 projection is based on a current rate of \$17.34 per household per month from October 2016 through September 2017 pursuant to quarterly fuel adjustments provided for in the Waste Management contract.

The fiscal year 2018 budget assumes no change to the base rate effective October 2017, based on CPI in April 2017, and includes growth in the customer base of 75 to 95 new units per month. No rate adjustments for fuel are included.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---------------------------------------|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| SALES TAX DISCOUNT | \$ 2,801 | \$ 2,700 | \$ 2,700 | \$ 2,800 |
| CHARGES FOR SERVICES | 6,942,206 | 7,145,789 | 7,145,789 | 7,384,239 |
| MISCELLANEOUS | 170 | 1,000 | 1,000 | 1,000 |
| INTEREST INCOME | 3,135 | 1,375 | 1,375 | 1,375 |
| TOTAL | 6,948,312 | 7,150,864 | 7,150,864 | 7,389,414 |
| EXPENSES | | | | |
| MISCELLANEOUS SERVICES | 6,833,125 | 7,145,789 | 7,145,789 | 7,384,239 |
| OTHER EXPENSES | (13,717) | | (12,000) | |
| INTER-FUND TRANSFERS | | | | |
| TOTAL | 6,819,407 | 7,145,789 | 7,133,789 | 7,384,239 |
| REVENUES OVER (UNDER) EXPENSES | 128,905 | 5,075 | 17,075 | 5,175 |
| BEGINNING CASH EQUIVALENTS | 293,118 | (3,591) | 422,023 | 439,098 |
| ENDING CASH EQUIVALENTS | \$ 422,023 | \$ 1,484 | \$ 439,098 | \$ 444,273 |

SOLID WASTE

GOALS

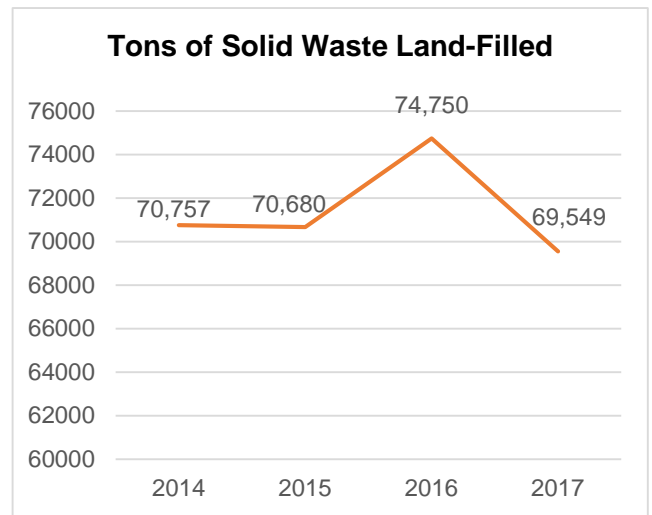
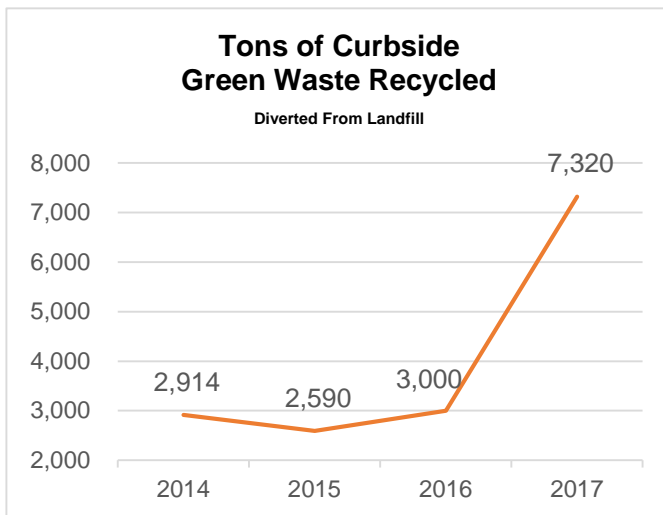
- ◆ Provide consistent, satisfying curbside service of solid, green waste, and recycle collection and disposal services to residents and commercial businesses within the City of Pearland.
- ◆ Provide public education and awareness to residents and businesses as necessary.
- ◆ Provide proactive client notification of changes that affect all customer services to City designee.
- ◆ Meet quarterly to mitigate customer issues and to collaborate on common objective affecting the City.
- ◆ Continuously improve customer service by promoting a customer-focused culture that is directly responsive to the residents and business customers of the City of Pearland.
- ◆ Provide oversight of the City's contractor to meet daily operational deliverables.

FISCAL YEAR 2017 ACCOMPLISHMENTS

- ◆ Improved communication protocols in cooperation with vendor to monitor completion of routes by deadlines.
- ◆ Launched Automated Side Loader trucks for the collection of curbside recycling, heading an interdepartmental team.
- ◆ Managed daily communications with vendor to ensure city-wide garbage collection for residents and customers within two days post-Harvey flooding in the City of Pearland.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Continue improvement of customer service performance through the use of e-notification and ticket assignment of complaints, service requests, and dispute resolutions which is conducted through the Water Customer Service & Billing division and WM Call Center.
- ◆ Assist local white goods curbside recycling capabilities by providing reports to Keep Pearland Beautiful and dispense collection bags to residents at cashier windows.
- ◆ Increase community awareness of curbside services by providing frequently scheduled online information to residents and customers.



*Source: Waste Management Monthly Report to the City of Pearland, August 2017.



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CAPITAL PROJECT FUNDS

The Capital Project Funds are used to account for specific revenues that are legally restricted for particular purposes. A description of the individual Capital Projects Funds follows and the budget schedules can be found following this document.

Fund 500 Pay-As-You-Go – A fund to pay for non-water and sewer projects in a pay-as-you-go (cash) basis.

Fund 501 Certificates of Obligation – A fund created to pay for non-water and sewer projects being funded by Certificates of Obligation.

Fund 502 Mobility Bonds – A fund used to account for mobility projects.

Fund 503 Certificates of Obligation Series 2006 – A fund set up to pay for non-water and sewer projects being funded by 2006 Series Certificates of Obligation.

Fund 504 Certificates of Obligation Series 2007 – A fund set up to pay for non-water and sewer projects being funded by 2007 Series Certificates of Obligation.

Fund 505 General Obligation Series 2007A – A fund set up to pay for non-water and sewer projects being funded by 2007A Series General Obligation bonds.

Fund 506 General Obligation Series 2009, 2010, 2011, 2014 – A fund set up to pay for non-water and sewer projects being funded by 2009, 2010, 2011, 2014 and future Series General Obligation bonds.

Fund 550 Utility Impact Fee – A fund created to account for impact fees collected and water and sewer projects from the development of property based on the impact to the water and sewer system.

Fund 555 Shadow Creek Ranch Impact Fee – A fund created to account for those fees collected and water and sewer projects from the development of property in the Shadow Creek Ranch area based on the impact to the water and sewer system.

Fund 560 Certificates of Obligation Series 1998 – A fund set up to pay for those projects being funded by 1998 Series Certificates of Obligation.

Fund 565 Water & Sewer Revenue Bonds – A fund set up to pay for water and sewer projects being funded by Revenue Bonds.

Fund 570 Water & Sewer Pay-As-You-Go – A fund set up to pay for water and sewer projects in a pay-as-you-go (cash) basis.

Fund 575 MUD 4 Capital Program – A fund created to pay for projects in the old MUD 4 area.

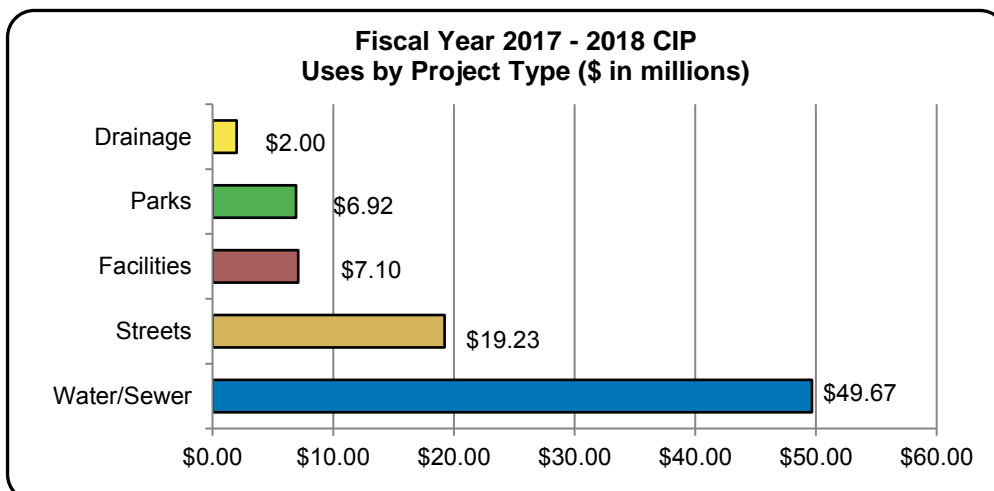
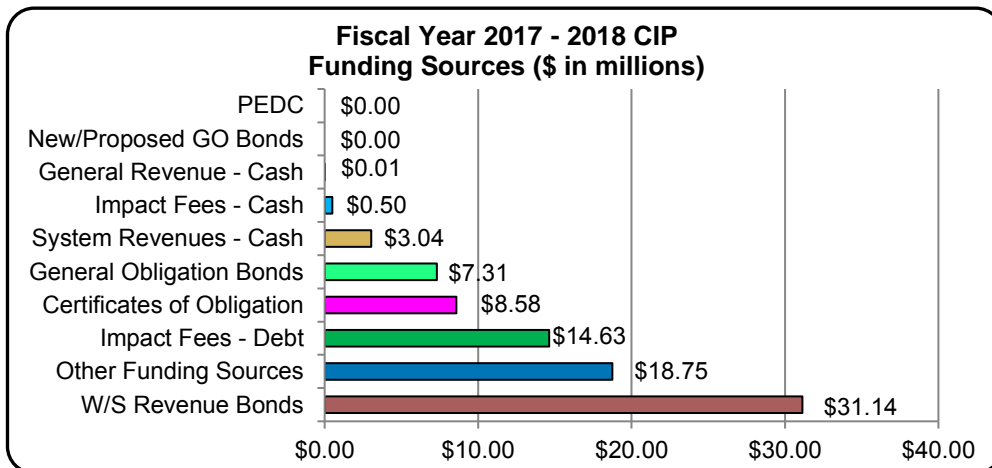
CAPITAL PROJECT FUNDS FY 2018 PROPOSED BUDGET

Capital Project Funds are created to account for the acquisition or construction of major capital activities. Funding is provided through the issuance of debt, developer fees, state and federal funding, user fees, general fund and utility revenues, and interest income.

The City maximizes every source of funding available and is constantly looking at leveraging funding through the use of federal, state and county dollars. Currently the City is working on several street improvement and trail projects that have received H-GAC TIP State and Federal funds in the amount of \$155 million. These projects are in various phases and will be completed over the next several years. Pearland places significant importance on infrastructure improvement and rehabilitation, as evidenced by a \$162 million bond referendum that passed in May 2007, as well as a Five-Year CIP (2018 - 2022) totaling \$566.2 million. The Five-Year CIP completes the 2007 bond referendum in 2021, due to the letting of TIP projects. New/proposed capital needs in the amount of \$124,202,880 have been identified, excluding potential projects that would arise from the completion of master plans, such as the parks master plan, the drainage master plan, the facilities assessment study or potential transportation improvement plan opportunities.

Keeping with Council's direction to have a manageable program that can be reasonably completed within a three to five year time period, the City has prioritized projects and has capped the next bond referendum at \$70,757,000, which is used in the Five-Year CIP and forecast. The target for the next bond referendum is when the City reaches approximately \$8 billion in taxable property valuation so as to not have an increase in the debt service tax rate.

The first year of the Five-Year Capital Improvement Program is incorporated into the annual budget to appropriate funds. Capital projects for fiscal year 2017 - 2018 total \$84,917,146 excluding transfers and bond issuance costs.



Water/Sewer projects total \$49.7 million, or 58.5%, of the capital improvement program. Major projects include the design to expand the Barry Rose Water Reclamation Facility from 3.1 MGD to 4 MGD, the JHEC Water Reclamation Facility from a 4 MGD facility to 9 MGD, the relocation and reconstruction of Mykawa/Scott lift station, update the 2008 Waste Water Master Plan, convert old Mary's Creek lift station to a manhole, rehabilitate failing sanitary collection system, install a course bar screen located up stream of the regional on-site lift station, installation of approximately 8,000 feet of 20" waterline along Alameda Rd from Broadway to Mooring Point, construction of a waterline extension along McHard Road from Cullen Parkway to Mykawa Road, design of underground piping infrastructure at water production facilities, replacement of transite waterline pipe throughout the city, design of 10 MGD surface water treatment plant, installation of third ground storage tank, and installation of the McHard Road Trunk Sewer from Garden to Southdown WWTP.

Street projects total \$19.2 million, or 22.6%, of the total and include funding for the widening of Max Road from the future Hughes Ranch alignment and connecting with Reid Boulevard and the reconstruction of Hughes Ranch Road (CR 403) from Cullen to Smith Ranch Road from a 2-lane asphalt open ditch roadway to a 4-lane concrete curb and gutter boulevard. Old Alvin Road will be widened from Plum Street to McHard Road from a 2-lane asphalt to a 4-lane undivided curb and gutter roadway. Max Road, Hughes Ranch Road and Smith Ranch Road are 80% funded by HGAC TIP funds.

Facilities total \$7.1 million, or 8.4%, and include construction for a new 12,000 square foot office facility at the Orange Street Service Center. Also, the City will begin design of Fire Station 8, approximately 18,000 square foot facility located in Shadow Creek Ranch, and Fire Station 7, approximately 11,000 square foot facility to be located near Main Street and Oiler Drive. The city will also continue to extend the fiber network to reach all city facilities. Funding is included to start an assessment plan to evaluate all city facilities for building system lifespan and condition.

Drainage projects to be \$2.0 million, or 2.4%, of the total and include \$1.5 million for Old Townsite Drainage to be used to construct a detention pond location along Old Alvin utilizing a collection and conveyance system along Walnut and Old Alvin streets.

Parks projects total \$6.9 million, or 8.1%, of the total. Included is \$1.8 million to begin construction related to the construction of 10 foot wide hike and bike trail along the southern bank of Clear Creek beginning on the east side of Kingsley Drive and extending east approximately 1,300 feet terminating at Kirby Drive and extension of approximately 8,000 LF of 10-foot wide hike and bike trail along the Clear Creek Corridor from Broadway through Province Village to Clear Creek over the creek to Hughes Road in conjunction with Gehan Homes.

For the Water/Sewer component, the City anticipates selling revenue bonds totaling \$45.8 million to fund infrastructure improvements in the capital improvement program.

For the remaining \$38.2 million, the City anticipates selling \$7.3 million in GO Bonds approved by the voters in 2007 and selling Certificates of Obligation in the amount of \$8.6 million mainly for facility projects not anticipated with the 2007 bond referendum but needed for Public Safety (Fire Station 1, 7 and 8), Public Works, Hike & Bike Trails and City Hall. A total of \$18.1 million will come from HGAC Transportation Improvement Program funds and developer contributions, mainly for street projects and hike and bike trails. Cash and future bonds proceeds make up the remaining sources.

**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES
FY 2018 ADOPTED BUDGET**

GOVERNMENTAL FUND

| | FUND 500 | FUND 501 | FUND 502 | FUND 503 | FUND 506 | TOTAL |
|---------------------------------------|-------------------|-------------------|-----------------|------------------|-------------------|-------------------|
| REVENUES: | | | | | | |
| INTEREST INCOME | 5,000 | 75,000 | | | 100,000 | 180,000 |
| BOND PROCEEDS | | 7,679,983 | | | 8,732,720 | 16,412,703 |
| IMPACT FEES | | | | | | |
| MISCELLANEOUS | | | | | | |
| INTERGOVERNMENTAL | | 4,560,702 | | | 13,447,280 | 18,007,982 |
| TRANSFERS IN | 200,000 | 51,531 | | | 402,000 | 653,531 |
| TOTAL REVENUES | 205,000 | 12,367,216 | | | 22,682,000 | 35,254,216 |
| EXPENDITURES: | | | | | | |
| DRAINAGE | | 500,000 | | | 1,500,000 | 2,000,000 |
| PARKS | | 6,526,685 | | | 390,000 | 6,916,685 |
| FACILITIES | 200,000 | 6,890,631 | | | 12,000 | 7,102,631 |
| STREETS | | 1,050,000 | | | 18,180,000 | 19,230,000 |
| WATER | | | | | | |
| SEWER | | | | | | |
| TOTAL PROJECTS | 200,000 | 14,967,316 | | | 20,082,000 | 35,249,316 |
| ISSUANCE COSTS | | | | | | |
| OTHER NON-OPERATING | | | | | | |
| TRANSFERS OUT | 213,721 | 224,935 | | | 536,350 | 975,006 |
| TOTAL NON-OPERATING | 213,721 | 224,935 | | | 536,350 | 975,006 |
| TOTAL EXPENDITURES | 413,721 | 15,192,251 | | | 20,618,350 | 36,224,322 |
| REVENUES OVER/(UNDER) EXPENDITURES | (208,721) | (2,825,035) | | | 2,063,650 | (970,106) |
| BEGINNING BALANCE | 378,987 | 2,971,637 | (0) | 29,045 | (1,681,339) | 1,698,330 |
| ENDING BALANCE | \$ 170,266 | \$ 146,602 | \$ (0) | \$ 29,045 | \$ 382,311 | \$ 728,224 |

Note - Each fund may have different restrictions or assignments based on funding source, therefore ending balances may not be available for other purposes.

**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES
FY 2018 ADOPTED BUDGET**

ENTERPRISE FUND

| | FUND 550 | FUND 555 | FUND 560 | FUND 565 | FUND 570 | FUND 575 | TOTAL | GRAND TOTAL |
|---------------------------------------|----------------------|---------------------|------------------|-------------------|-------------------|-----------------|----------------------|------------------------|
| REVENUES: | | | | | | | | |
| INTEREST INCOME | 125,000 | 15,000 | | 20,000 | 2,000 | | 162,000 | 342,000 |
| BOND PROCEEDS | 30,080,000 | | | 15,172,120 | | | 45,252,120 | 61,664,823 |
| IMPACT FEES | 5,500,000 | 900,000 | | | | | 6,400,000 | 6,400,000 |
| MISCELLANEOUS INTERGOVERNMENTAL | | | | | | | | 18,007,982 |
| TRANSFERS IN | 500,000 | | | 200,000 | 2,135,710 | | 2,835,710 | 3,489,241 |
| TOTAL REVENUES | 36,205,000 | 915,000 | | 15,392,120 | 2,137,710 | | 54,649,830 | 89,904,046 |
| EXPENDITURES: | | | | | | | | |
| DRAINAGE | | | | | | | | 2,000,000 |
| PARKS | | | | | | | | 6,916,685 |
| FACILITIES | | | | | | | | 7,102,631 |
| STREETS | | | | | | | | 19,230,000 |
| WATER | 14,465,000 | | | 7,475,000 | 1,850,000 | | 23,790,000 | 23,790,000 |
| SEWER | 17,645,000 | | | 7,947,120 | 285,710 | | 25,877,830 | 25,877,830 |
| TOTAL PROJECTS | 32,110,000 | | | 15,422,120 | 2,135,710 | | 49,667,830 | 84,917,146 |
| ISSUANCE COSTS | 1,000,000 | | | | | | 1,000,000 | 1,000,000 |
| OTHER NON-OPERATING TRANSFERS OUT | 2,312,732 | 700,000 | | 222,600 | 139,560 | | 3,374,892 | 4,349,898 |
| TOTAL NON-OPERATING | 3,312,732 | 700,000 | | 222,600 | 139,560 | | 4,374,892 | 5,349,898 |
| TOTAL EXPENDITURES | 35,422,732 | 700,000 | | 15,644,720 | 2,275,270 | | 54,042,722 | 90,267,044 |
| REVENUES OVER/(UNDER) EXPENDITURES | 782,268 | 215,000 | | (252,600) | (137,560) | | 607,108 | (362,998) |
| BEGINNING BALANCE | 17,885,110 | 2,072,676 | 28,021 | 365,805 | 242,151 | 188 | 20,593,952 | 22,292,282 |
| ENDING BALANCE | \$ 18,667,378 | \$ 2,287,676 | \$ 28,021 | \$ 113,205 | \$ 104,591 | \$ 188 | \$ 21,201,060 | \$ 21,929,284 |

Note - Each fund may have different restrictions or assignments based on funding source, therefore ending balances may not be available for other purposes.

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

| Project # | Project Name | Project Description | | | | |
|------------------------------|---|---|-------------|-------------|-------------|-------------|
| Drainage Projects | | | | | | |
| DR1302 | Southeast Quadrant of Old Townsite Drainage | The 71.4-acre service area boundary is approximately 150 ft. south of FM 518 on the north side, Old Alvin Rd on the east, Beechcraft St. on the south and S. Houston Ave. on the west and is within the southeast quadrant of the Old Townsite. The scope of the project is the development of a sub-regional drainage and detention plan to serve the 71.4 acre area. The project will utilize the 8 acre feet of volume in the Baker's Landing pond and develop a proposed detention pond location along Old Alvin utilizing a collection and conveyance system along Walnut and Old Alvin streets. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$6,240,308 | \$1,500,000 | \$0 | \$6,100 | \$6,100 | \$6,100 | \$6,100 |
| DR1701 | PER for Future Bond Referendum | Provide funding for preliminary engineering on future projects yet to be identified from the Drainage Master Plan. Preliminary engineering would tighten down scopes and provide for estimated construction dollars that would be needed to take a proposition to the voters. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$500,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Drainage Total Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$6,740,308 | \$2,000,000 | \$0 | \$6,100 | \$6,100 | \$6,100 | \$6,100 |

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

| Project # | Project Name | Project Description | | | | |
|---------------------------|--|--|-------------|-------------|-------------|-------------|
| Parks Projects | | | | | | |
| P20001 | Independence Park Ph I | Phase I Improvements include a reorientation of the entry into the park, relocation and replacement of the existing playground, improvements to electrical in the existing pavilion, upgrade electrical and water around the park for vendor access, lighting, the construction of additional parking, additional 4-6 restrooms, a small stage and sloped earthen berm type amphitheater for special events and landscaping. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$4,366,050 | \$390,000 | \$0 | \$67,345 | \$69,723 | \$72,191 | \$74,751 |
| PK1401 | Shadow Creek Ranch Trail (Nature Park to Kirby Dr) | Construction of a 10 foot wide hike and bike trail along the southern bank of Clear Creek beginning on the east side of Kingsley Drive and extending east approximately 1,300 feet terminating at Kirby Drive. Project will include shaded seating areas, bike facilities, educational and/or themed signage and may include improvements to the existing trail head parking area. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$2,315,458 | \$1,854,755 | \$0 | \$5,460 | \$11,466 | \$12,039 | \$12,641 |
| PK1402 | Green Tee Terrace Trail | Extension of approximately 8,000 LF of 10-foot wide hike and bike trail along the Clear Creek Corridor from Broadway through Province Village to Clear Creek over the creek to Hughes Road in conjunction with Gehan Homes. Project includes benches, bike racks, trail signage, trash receptacles, water fountains, shade structures, and a pedestrian bridge over Clear Creek. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$4,963,050 | \$4,371,930 | \$0 | \$9,800 | \$17,640 | \$18,522 | \$19,448 |
| PK1801 | PER for Future Bond Referendum | Provide funding for preliminary engineering on future projects to be identified that would be funded with the City's next bond referendum. Preliminary engineering would tighten down scopes and provide for estimated construction dollars that would be needed to take a proposition to the voters. Projects may include Independence Park Phase II, Shadow Creek Ranch Park Phase II, and JHEC Nature Trails Phase II. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$300,000 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Parks Total Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$11,944,558 | \$6,916,685 | \$0 | \$82,605 | \$98,829 | \$102,752 | \$106,840 |

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

Project # Project Name Project Description

Facility Projects

| | | |
|--------|-------------------------------|--|
| FA0904 | City Hall Complex Renovations | The existing Community Center was constructed in 1983 and City Hall in 1986. Departmental Space Programming was completed in 2014. This program incorporates the remodel of approximately 23,110 square feet of the former Community Center for Community Development and Finance & UB departments, renovations to the HVAC, Electrical and Plumbing systems and the installation of a sprinkler system for that building. It includes the remodel of 27,800 square feet in City Hall, the replacement of HVAC systems, including modifications to the Council Chambers, Administration, City Secretary, Legal, HR and Receptionist spaces and will include security and safety (exterior lighting) improvements for both buildings. |
|--------|-------------------------------|--|

| Project Budget | 2018 Budget | O & M Impact | | | | |
|----------------|-------------|--------------|------|------|------|------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$7,778,011 | \$51,531 | \$0 | \$0 | \$0 | \$0 | \$0 |

| | | |
|--------|--------------------------------------|---|
| FA1404 | Orange Street Service Center Phase 1 | Phase 1A consists of the remodel of the former EMS building into the Field Operations Support building with parking improvements and Phase 1B consists of the demolition of the existing administration and two story operations support buildings and the construction of a new 12,000 square foot Administration Building and new parking area to house approximately 50 staff including the Assistant City Manager, Public Works Administration and the Engineering and Projects Department. The Field Operations Support building will provide a training room, small conference room, staff area, men's and women's locker facilities/restrooms/showers for approximately 100 employees. |
|--------|--------------------------------------|---|

| Project Budget | 2018 Budget | O & M Impact | | | | |
|----------------|-------------|--------------|---------|---------|---------|---------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$5,828,100 | \$3,285,100 | \$6,800 | \$6,800 | \$6,800 | \$6,800 | \$6,800 |

| | | |
|--------|-----------------|--|
| FA1501 | Fire Station #8 | Construction of approximately 16,000 - 18,000 sq. ft. fire station designed to house two - 4 person engine crews, one - 4 person ladder crew and one - 2 person ambulance crew. The station will include dorm rooms, restrooms with showers, a kitchen/dining area, a day room, a Captain's office and Lieutenant's office, an EMS decontamination area and an exercise room along with storage areas for bunker gear, and medical supplies. The facility will be constructed to 140 mph/3 second gust wind load standards and will include four 80 feet deep drive through equipment bays and adequate parking for full staffing on 24/7 operation. |
|--------|-----------------|--|

| Project Budget | 2018 Budget | O & M Impact | | | | |
|----------------|-------------|--------------|-------------|-------------|-------------|-------------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$9,980,800 | \$1,169,000 | \$0 | \$2,600,000 | \$3,368,220 | \$3,443,702 | \$3,537,310 |

| | | |
|--------|-----------------|--|
| FA1601 | Fire Station #1 | Construction of approximately 10,300 sq. ft. station to house one - 4 person Engine Crew and one - 2 person EMS Ambulance Crew, and 2 trainees. Station will include sleeping rooms, restrooms with showers, and a kitchen dining area, a dayroom, a Lieutenant office, a station command office, and exercise room. Equipment area will consist of 3-60 foot deep drive-thru apparatus bays, a bunker gear storage area, medical supply storage, and an EMS decontamination area. Also the station will support a separation of dirty/clean areas for firefighter health, which will include showers and restroom shower for decontamination. The facility will be located on McHard Road near Pearland Parkway on City owned land. The building will be designed to add 2 - 60 foot deep apparatus bays in the future. |
|--------|-----------------|--|

| Project Budget | 2018 Budget | O & M Impact | | | | |
|----------------|-------------|--------------|------|------|------|------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$5,119,557 | \$350,000 | \$0 | \$0 | \$0 | \$0 | \$0 |

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

| Project # | Project Name | Project Description | | | | |
|------------------------------|--|--|-------------|-------------|-------------|-------------|
| FA1702 | Facilities Assessment and Maintenance Plan | This assessment plan is to evaluate all city facilities for building system lifespan and condition. Information from this initial evaluation will assist with budget forecasts for each year by having a clear understand of building systems, their age and forecast lifespan, and when they should be budgeted for replacement. This would include HVAC/ Electrical/ Plumbing/ Flooring/ Ceilings/ Lighting upgrades/ Fixtures/ Insulation/ Structural....etc. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$500,000 | \$250,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FA1801 | PER for Future Bond Referendum | Provide funding for preliminary engineering of future facility projects including Orange Street Service Center Phase II, Shadow Creek Ranch Library, and Animal Services Shelter. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$300,000 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FA1802 | Fiber Backbone | To extend and build out the fiber network to reach all city facilities (buildings, lift stations, parks, traffic signals, and water facilities). Funds in 2018 will bring fiber from Broadway at Dixie Farm Road to the Longwood treatment plant and interconnect the water towers to buildings that are in close proximity to them. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$650,000 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FA1803 | Animal Services Shelter | New 7,000 sq. ft. animal shelter on 4 acres to house 16 staff members, medical suite, dog runs to house 75 canine clients, and cat runs for 120 felines, quarantine area for up to 10 quarantined animals, grazing area needed for 20 livestock, adoption center with 2 rooms for possible interaction observation, and laundry area. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$5,379,000 | \$12,000 | \$0 | \$0 | \$0 | \$0 | \$14,917 |
| FA1804 | Fire Station #7 | Construction of approximately 11,000 sq. ft. station to house one - 4 person Engine Crew and one - 2 person EMS Ambulance Crew, and 2 trainees. Station will include sleeping rooms, restrooms with showers, & a kitchen dining area, a dayroom, a Lieutenant office, a station command office, & exercise room. Equipment area will consist of 3-60 foot deep drive-thru apparatus bays, a bunker gear storage area, medical supply storage, & an EMS decontamination area. Also the station will support a separation of dirty/clean areas for firefighter health, which will include showers & restroom shower for decontamination. The facility will be located near the vicinity of SH 35 and Bailey. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$7,974,000 | \$1,485,000 | \$0 | \$0 | \$0 | \$1,516,156 | \$1,557,805 |
| Facility Total Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$43,509,468 | \$7,102,631 | \$6,800 | \$2,606,800 | \$3,375,020 | \$4,966,658 | \$5,116,832 |

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

| Project # | Project Name | Project Description | | | | |
|------------------------|--|---|-------------|-------------|-------------|-------------|
| Street Projects | | | | | | |
| T20002 | Old Alvin Road Widening - Plum Street to McHard Road | Reconstruction of approximately 5,700 feet of Old Alvin Rd from Plum St to McHard Rd from a 2-lane asphalt to a major collector 44 wide BC-BC 4-lane undivided curb and gutter roadway. Project includes underground drainage with 6' sidewalks along the east side and will tie into the existing bridge across town ditch. Project includes fiber from Broadway to McHard to serve Fire Station 1 and service to the Orange Street Service Center. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$11,741,862 | \$540,000 | \$18,720 | \$18,720 | \$18,720 | \$18,720 | \$18,720 |
| TR1201 | Hughes Ranch Road (CR 403) - Cullen to Smith Ranch Road | Reconstruction of CR403 from Cullen to Smith Ranch Road from a two lane asphalt open ditch roadway to a four lane concrete curb and gutter boulevard for a distance of 2 miles. Environmental clearance issued in 2011, currently acquiring right of way. The project includes approximately 13,000 LF of Noise Barrier. Installation of additional water line infrastructure will be constructed in coordination with this project to fill in the gaps of the current system. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$36,621,000 | \$13,980,000 | \$0 | \$0 | \$0 | \$96,590 | \$96,590 |
| TR1205 | Max Road Expansion - Hughes Ranch to Reid Blvd. | Widen 3,700 LF of Max Road from the future Hughes Ranch alignment and connecting with Reid Boulevard, just west of the Food Town shopping center. The roadway will be four lanes, divided, with concrete curb and gutter, including storm sewers, outfalls and detention. A traffic signal will be installed at the intersection of Hughes Ranch Road and Max Road, and a new bridge will be constructed over Hickory Slough. A 10-ft multi-use path will be incorporated on the west side of the roadway from Hughes Ranch to Broadway per the Trail Master Plan. Run approximately 4,500' of fiber from FM 518 to Hughes Ranch Road west of lift station. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$10,801,836 | \$880,000 | \$18,593 | \$40,523 | \$42,549 | \$44,677 | \$46,910 |
| TR1501 | Smith Ranch Road Extension (CR 94) - Hughes Ranch Road to Broadway | Expansion of Smith Ranch Road from 2-lanes of asphalt into 4-lanes, divided, with raised medians, concrete curb and gutter, storm sewer, and landscaping. Project will include planning and construction of provisions for utility services along both sides of the right of way. Limits are from Hughes Ranch Road, south approximately 3,250 LF to 2,040 LF north of Broadway. Run approximately 7,000' of fiber from FM 518 to Westside Event Center. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$7,466,803 | \$2,780,000 | \$0 | \$15,057 | \$31,620 | \$33,201 | \$34,861 |
| TR1801 | PER for Future Bond Referendum | Provide funding for preliminary engineering on future projects yet to be identified that would be funded with the City's next bond referendum. Preliminary engineering would tighten down scopes and provide for estimated construction dollars that would be needed to take a proposition to the voters. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$300,000 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$0 |

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

| Project # | Project Name | Project Description | | | | |
|-----------------------|---------------------------|--|-------------|-------------|-------------|-------------|
| TR1803 | Intersection Improvements | <p>With the continuous development driven evolution of traffic patterns and counts, intersections encounter increasing traffic flows than they were originally constructed to handle increasing congestion and raising safety concerns. Rapidly changing traffic patterns make this hard to predict, so this is a “reactive” effort aimed at modifying intersection geometry or signalization to address these conditions as and where they occur. The 2015 Traffic Management Plan identifies short term intersection improvements through out the city. The high priority intersections are the Broadway at Dixie Farm dual left turn lanes in all directions and the Broadway at FM 1128 dual left turn lanes north and south bound which is targeted for 2018 & 2019. In 2020 we are targeting the Broadway at Pearland Parkway Northbound dual left turn lanes and additional right turn lanes north and south bound.</p> | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| \$3,750,000 | \$750,000 | 2018 | 2019 | 2020 | 2021 | 2022 |
| | | \$0 | \$0 | \$0 | \$0 | \$0 |

| Streets Total Budget | 2018 Budget | O & M Impact | | | | |
|-----------------------------|--------------------|-------------------------|-------------|-------------|-------------|-------------|
| \$70,681,501 | \$19,230,000 | 2018 | 2019 | 2020 | 2021 | 2022 |
| | | \$37,313 | \$74,300 | \$92,889 | \$193,188 | \$197,081 |

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

Project # Project Name Project Description

| Water Projects | | | | | | |
|-----------------------|--|---|-------------|-------------|-------------|-------------|
| WA1505 | FM 521 Waterline (Broadway to Mooring Pointe) | Install approximately 8,000 feet of 20" water line along Alameda Rd from Broadway to Mooring Pointe. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$3,688,000 | \$1,215,000 | \$0 | \$0 | \$1,000 | \$2,500 | \$2,500 |
| WA1601 | McHard Rd. 16" Waterline Phase II | Phase II of the transmission line extends from Cullen Parkway to Mykawa a total of 17,340 linear feet. This portion of the project is timed to coincide with Right of Way approval and acquisition for the McHard Road project. Run 45,000' of fiber from Barry Rose WRF to Business Center Drive. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$6,936,480 | \$1,000,000 | (\$374,500) | (\$749,000) | (\$747,500) | (\$747,500) | (\$747,500) |
| WA1605 | Surface Water Plant | Pilot testing, design, and construction of a pre-sedimentation basin, 10 MGD Surface Water Treatment Plant and associated distribution system. This project will treat raw water from the Gulf Coast Water Authority (GCWA) canal for distribution throughout the City's water system. The plant will be located on City property on CR 48 south of CR 59, which is adjacent to the GCWA canal. Pilot testing will begin in FY 2017 followed by design and construction. The project is scheduled to be completed over a five year period with new capacity available by 2022/2023. Phase 1 of the distribution system is planned to include 24" - 36" pipelines along CR 48, CR 59, and east/west corridor to FM 1128 to connect to the plant. Installation of fiber to serve the City's SCADA system. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$149,275,000 | \$8,650,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| WA1701 | FM 521 Ground Storage Tank Expansion | Installation of an estimated third ground storage tank (estimated to be 1 MG) and related piping and controls to provide additional storage and redundancy at the Far Northwest Water Treatment Facility. Includes a 3,600' run of conduit and fiber to connect the plant to the fiber located on Shadow Creek Parkway. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$3,905,050 | \$3,600,000 | \$500 | \$121,172 | \$122,672 | \$122,672 | \$122,672 |
| WA1702 | Water Meter Changeout | Change out of approximately 37,000 water meters and drive-by reading system with a wireless remote read and addition of Customer Portal Technology. The change out will include remote antennae, meters, external antennae on meter lids, installation, hardware and software, and vaults as needed. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$18,000,000 | \$7,475,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| WA1801 | Underground Piping Infrastructure at Water Production Facilities | This program will replace significant portions of the aging large diameter water conveyance pipe located at water production facilities. This program will inspect each of the 10 facilities and make recommendations for the design and replacement of failing piping within each facility. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$1,250,000 | \$250,000 | \$0 | \$0 | \$0 | \$0 | \$0 |

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

| Project # | Project Name | Project Description | | | | |
|---------------------------|--|--|-------------|-------------|-------------|-------------|
| WA1802 | Transite Pipe Water Line Replacement Program | Replace approximately 63 miles of failing Transite pipe water lines (over 30 years old) in the City with PVC water lines. The program will replace the water line infrastructure in the following locations over a period of years - Corrigan, Old Town Site, Sommersetshire, Country Place, Green Tee, Westminster, Brookside Acres, Shadycrest, Creek View, Parkview, Wood Creek, Heritage Green, Clear Creek Estates, and Southdown subdivisions. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$6,500,000 | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| WA1803 | FM 1128 16" Water Line - Bailey to CR 100 | To install approximately 5,300 feet of water line along FM 1128 (Manvel Rd) from Bailey Rd. to CR 100. The timing of this project is developer driven and the city cost is for line oversizing only, not 100% of the estimated cost. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$125,000 | \$125,000 | \$0 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| WA1804 | CR 100 16" Water Line - Veterans Dr to FM 1128 | To install approximately 13,200 feet of water line along CR 100 from Veterans Dr. to FM 1128 (Manvel Rd). The timing of this project is developer driven and the city cost is for line oversizing only, not 100% of the estimated cost. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$250,000 | \$250,000 | \$0 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| WA1805 | Veterans Dr. 16" Water Line - Bailey Rd. to CR 128 | To install approximately 5,300 feet of water line on Veterans Dr. from Bailey Rd. south to CR 100 and continue an additional 5,300 feet with a line from CR 100 to CR 128. The timing of this project is developer driven and the city cost is for line oversizing only, not 100% of the estimated cost. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$225,000 | \$225,000 | \$0 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Water Total Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$190,154,530 | \$23,790,000 | (\$374,000) | (\$624,828) | (\$620,828) | (\$619,328) | (\$619,328) |

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

| Project # | Project Name | Project Description | | | | |
|-----------------------------|--|---|-------------|-------------|-------------|-------------|
| Waste Water Projects | | | | | | |
| WW1406 | McHard Rd Trunk Sewer (Garden to Southdown WWTP) | Install, along McHard Rd, approximately 4,500 feet of 24" trunk sewer from Cullen to Southdown WRF; 5,800 feet of 18" trunk sewer from Cullen to Max Road; and approximately 4,000 LF of 15" trunk sewer from Max Road to Garden Road. The first 4,500' will be constructed in the Developer Agreement with Lake Park Subdivision. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$6,122,761 | \$1,990,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| WW1502 | Barry Rose WRF Expansion | In 2016 a Preliminary Engineering Report began to determine the specific design parameters required for the plant expansion, including volume and biological loading. Expansion of the plant capacity design will begin in 2017. In 2020 construction of the expansion of treatment plant will begin, which will be a separate plant to be run in parallel with the existing plant. Run approximately 7,500' of fiber from FM 518 to the Plant. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$62,980,000 | \$6,380,000 | \$0 | \$0 | \$168,241 | \$168,241 | \$168,241 |
| WW1601 | Mykawa Lift Stations | Relocation and reconstruction of Mykawa-Scott Lift Station, and installation of new 8-inch force main for approximately 2,500 LF from Mykawa to SH 35; installation of approximately 1,200 LF of 12-inch gravity line north along Mykawa from Hickory Slough to Scott, approximately 4,000 LF of 12-inch gravity line along Mykawa south from Hickory Slough to Shank, and 600 LF of 8-inch gravity line south from Shank to Orange; abandonment of Shank Street Lift Station; relocation and upgrade of Orange-Mykawa Lift Station outside of Mykawa right-of-way just north of Town Ditch, and installation of new 6-inch force main from Orange-Mykawa Lift Station to 24-inch trunk sewer on Hatfield. Project will be coordinated with Mykawa Road Widening project. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$6,847,920 | \$5,551,620 | (\$8,200) | (\$8,200) | (\$8,200) | (\$8,200) | (\$8,200) |
| WW1603 | JHEC WRF Expansion | A 5 MGD expansion to the existing 4 MGD water reclamation facility that will increase the treatment capacity to 9 MGD facility at the John Hargrove Water Reclamation Facility. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$68,325,000 | \$7,550,000 | \$0 | \$0 | \$240,344 | \$240,344 | \$240,344 |
| WW1604 | Green Tee 1 to Riverstone Wastewater Diversion (Longwood Service Area Phase 1) | Work includes running the remaining 780 equivalent connections from Green Tee basin and redirecting these flows through Riverstone Ranch to Barry Rose plant by running approximately 2600' of 8-10" line from lift station on Golf Crest & Country Club to receiving manhole in Riverstone Ranch and diverting flows from Lift Station #34 via force main on Country Club Drive into the Riverstone collection system. Work also includes the rehabilitation of Lift Station #34. This project works in conjunction with the Riverstone Ranch Oversizing agreement. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$1,546,080 | \$532,500 | \$0 | \$0 | \$0 | \$0 | \$0 |
| WW1704 | Waste Water Master Plan Update | This project will be to update the 2008 Waste Water Master Plan. Since 2008 there has been significant growth and development along with system rehabilitation and the model has not been updated to reflect these changes. The project will include the updating of the system changes. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$500,000 | \$285,710 | \$0 | \$0 | \$0 | \$0 | \$0 |

**SUMMARY OF CAPITAL PROJECTS
FY 2018 ADOPTED BUDGET**

| Project # | Project Name | Project Description | | | | |
|---------------------------|--|---|-------------|-------------|-------------|-------------|
| WW1801 | Lift Station Program | FY 18: Convert 30 year old Mary's Creek lift station to a manhole. It is the last of four below ground stations that are confined space entry facilities. The flow from this manhole would flow to a new site about 20ft. north on city easement and right of way for the construction of a conventional submersible pump lift station. The new station would consist of submersible pumps with guide rail systems, wet well top would be above flood elevation, and a new control panel with remote alarming system. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$3,103,000 | \$863,000 | (\$8,200) | (\$8,200) | (\$8,200) | (\$8,200) | (\$8,200) |
| WW1802 | Sanitary Sewer Rehabilitation | Inflow and infiltration program to rehabilitate failing sanitary collections system over thirty years of age in the following areas over a period of years - Corrigan Subdivision, Old Townsite, Sommersetshire, Country Place, Green Tee, Westminster, Brookside Acres, Shadycrest, Creek View, Parkview, Wood Creek, Heritage Green, Clear Creek Estates, and Twin Creek Woods. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$7,000,000 | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| WW1803 | Reflection Bay Lift Station Bar Screen | Install a course bar screen located up stream of the regional on-site lift station. This will be an automated system with a control panel that is connected into the Reflection Bay SCADA system. | | | | |
| Project Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$1,725,000 | \$1,725,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| WW Total Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$158,149,761 | \$25,877,830 | (\$16,400) | (\$16,400) | \$392,185 | \$392,185 | \$392,185 |
| Grand Total Budget | 2018 Budget | O & M Impact | | | | |
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$481,180,126 | \$84,917,146 | (\$346,287) | \$2,128,577 | \$3,344,195 | \$5,041,555 | \$5,199,710 |



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SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for specific revenues that are legally restricted for particular purposes. A description of the individual Special Revenue Funds follows and the budget schedules can be found following this document.

Hotel/Motel Occupancy Tax – A fund created to account for hotel/motel occupancy tax revenue.

Court Security – Article 102.017 of the Code of Criminal Procedures allows a city to collect, when a defendant is convicted, a \$3.00 fee. A fund designated by this article is created to govern this collection and the money may only be used for the purpose of providing security services for buildings housing a municipal court.

Citywide Donation – A fund used to account for miscellaneous donations for all City Departments except the Parks and Recreation Department.

Court Technology – Article 102.0172 of the Code of Criminal Procedures allows a city to collect, when a defendant is convicted, a \$4.00 fee. A fund designated by this article is created to account for this collection, which may be used only to finance technological enhancements of the municipal court.

Street Assessment – Chapter 313 of the Texas Transportation Code, allows the city to levy assessments against various persons and their property for the payment of a part of the cost of a portion of public improvements. A fund is created to account for this collection, which is used for designated street improvements.

Park Donations – A fund used to account for special events donations and expenditures provided by the Parks & Recreation Department and for the development of City parks.

Tree Trust – A fund created to account for tree trust donations.

Police State Seizure – A fund created to account for state seizure funds, which are used solely for law enforcement purposes.

Federal Police – A fund created to account for federal seizure funds and can only be used to support activities that result in further seizures.

Park and Recreation Development – A fund created to account for the development of parks with parkland dedication fees.

Sidewalk – A fund created to account for resources designated for sidewalks.

Grant Fund – To account for all revenues and expenditures associated with federal, state and local grants, except CDBG.

Community Development Block Grant (CDBG) – A fund used to account for revenues and expenditures associated with the Federal Community Development Block Grant.

Traffic Improvement – A fund that accounts for resources to be used for traffic improvements based on traffic analysis.

Court Juvenile Management – Article 102.0174 of the Code of Criminal Procedures allows a city to collect up to a \$5.00 fee from each Class C misdemeanor conviction related to salaries and benefits for a Juvenile Case Manager. The City charges a \$5.00 fee for Class C misdemeanor convictions as well as a \$1 Truancy fee, pursuant to Article 45.056 for the same.

Municipal Channel (PEG) – Fund created to account for the revenues and expenditures associated with equipment for public-access television broadcasting under rules set forth by the Federal Communications Commission (FCC).

University of Houston Operating – Fund created to account for the revenues and expenditures associated with a development lease agreement between the City, University of Houston, and Pearland Economic Development Corporation.

University of Houston Capital Renewal – Fund created to account for the accumulation of capital renewal funds to be used for the replacement of FF&E pursuant to the lease agreement.

Regional Detention – A fund created to account for regional detention development.

Lower Kirby Urban Center – Fund created to account for the revenues and expenditures associated with the financing agreements for infrastructure for the Lower Kirby management districts.

**HOTEL/MOTEL OCCUPANCY TAX FUND
CONVENTION & VISITORS' BUREAU
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Hotel/Motel Occupancy Tax Fund is used to account for revenues realized from hotel occupancy taxes. Local hotel occupancy tax revenues may only be spent to establish or enhance a convention center, cover the administrative expenses for registering convention delegates, pay for tourism-related advertising and promotions, fund programs that enhance the arts or pay for historic preservation or restoration projects, and pay for sports related expenses pursuant to state law that will enhance tourism. By law, cities with populations of less than 125,000 must spend at least 1% of hotel tax receipts on advertising, no more than 15% on art programs and a maximum of 15% on historic preservation. In fiscal year 2017, the CVB was successfully awarded the TAAF Winter Games of Texas bid and completed the Pear-Scape Art Sculpture Trail.

Pearland is home to eleven hotels, totaling 884 rooms: Best Western, Hampton Inn, La Quinta, The Courtyard by Marriott, Comfort Suites, Hilton Garden Inn, Candlewood Suites, two Holiday Inn Express's, Sleep Inn & Suites and Springhill Suites hotels.

Fiscal year 2018 revenue is anticipated to be \$1,460,800 with occupancy tax revenue at \$1,450,000, and total expenditures of \$1,453,009. The budget includes continued co-sponsorship of annual events, such as, International Festival, the Arts & Crafts Show, and the Winefest, as well as office space rental at the Pearland Town Center (PTC), and one part-time receptionist in the Visitors' Center. The budget also continues familiarization trips for hosting planners and press to network for future business and showcasing Pearland workshops for hotels. In January 2018, Pearland will host the TAAF Winter Games of Texas, which will attract amateur athletes from across the state of Texas to participate in fifteen different sporting events resulting in new business. Additionally, the CVB is planning a \$390,000 contribution to the construction of a new stage at Independence Park for arts and cultural performances.

Fund balance at September 30, 2018 is estimated to be \$4,544,459.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|---------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| HOTEL/MOTEL OCCUPANCY TAX | \$ 1,409,043 | \$ 1,550,000 | \$ 1,400,000 | \$ 1,450,000 |
| INVESTMENT EARNINGS | 30,509 | 1,500 | 13,700 | 10,800 |
| MISCELLANEOUS | 12,542 | | 19,436 | |
| TOTAL | 1,452,094 | 1,551,500 | 1,433,136 | 1,460,800 |
| EXPENDITURES | | | | |
| SALARIES & WAGES | 270,364 | 286,567 | 279,330 | 285,791 |
| MATERIALS & SUPPLIES | 104,103 | 133,336 | 165,761 | 132,336 |
| MISCELLANEOUS SERVICES | 284,859 | 389,226 | 387,581 | 368,366 |
| REBATE TO HILTON HOTEL | 214,139 | 216,276 | 216,276 | 220,602 |
| TRANSFERS | 772 | 772 | 772 | 390,914 |
| INVENTORY | 1,003 | 1,003 | 1,003 | |
| ARTS PROMOTION | 27,000 | 30,000 | 25,000 | 40,000 |
| HISTORIC PRESERVATION | | 15,000 | 15,000 | 15,000 |
| CAPITAL OUTLAY | 46,477 | | | |
| TOTAL | 948,717 | 1,072,180 | 1,090,723 | 1,453,009 |
| REVENUES OVER (UNDER) EXPENDITURES | 503,377 | 479,320 | 342,413 | 7,791 |
| FUND BALANCE - BEGINNING | 3,690,878 | 4,235,503 | 4,194,255 | 4,536,668 |
| FUND BALANCE - ENDING | \$ 4,194,255 | \$ 4,714,823 | \$ 4,536,668 | \$ 4,544,459 |

**COURT BUILDING SECURITY FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

City Council adopted ordinance 812 on August 11, 1997 authorizing Municipal Court to collect a \$3 fee from each defendant found guilty of a misdemeanor. Pursuant to the Texas Code of Criminal Procedure, revenues generated from this fee must be deposited into a special fund. The money collected may be used only to fund court security and includes such items as metal detectors, surveillance equipment, security personnel, security hardware, personnel security training, or other security measures. The revenues generated from this fee partially cover the cost of a full-time Court Bailiff and one part-time Court Bailiff, in addition to operating costs.

In FY 2016, the second part-time bailiff was increased to full-time and partially funded by both this fund and the General Fund. Beginning in fiscal year 2017, a larger portion of the costs are needed to be funded by the General Fund as the Court Security Fund is currently drawing down fund balance for annual expenditures. Court Efficiency (10% of time pay fees) is also part of this fund.

The fund balance at September 30, 2018 is estimated to be \$20,308.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| FINES & FORFEITURES | \$ 47,969 | \$ 53,000 | \$ 47,100 | \$ 48,500 |
| INVESTMENT EARNINGS | 47 | 50 | 34 | 30 |
| TOTAL | 48,015 | 53,050 | 47,134 | 48,530 |
| EXPENDITURES | | | | |
| SALARY & WAGES | 80,857 | 38,565 | 26,197 | 35,577 |
| MATERIALS & SUPPLIES | | 5,000 | 4,645 | 1,726 |
| EQUIPMENT REPAIR & MAINTENANCE | | 17,266 | 17,266 | 7,266 |
| MISCELLANEOUS SERVICES | | 1,200 | 960 | 960 |
| INVENTORY | 6,866 | | | 10,000 |
| TOTAL | 87,723 | 62,031 | 49,068 | 55,529 |
| REVENUES OVER (UNDER) EXPENDITURES | (39,707) | (8,981) | (1,934) | (6,999) |
| FUND BALANCE - BEGINNING | 68,948 | 16,203 | 29,241 | 27,307 |
| FUND BALANCE - ENDING | \$ 29,241 | \$ 7,222 | \$ 27,307 | \$ 20,308 |

**CITYWIDE DONATION FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Citywide Donation Fund is used to account for miscellaneous donations for all City Departments, except the Parks and Recreation Department. Donations received for specific reasons or for specific departments shall be spent for those purposes.

Fiscal year 2017 expenditures included FY16 carryovers of \$22,123 for the completion of the first phase of the Animal Services facility renovation and \$478 for the Police Chaplain Program. Major expenditures planned for FY18 include stainless steel kennels (\$10,000) and veterinary expenses (\$20,000) for the Animal Shelter and a new vehicle for the Fire Marshal's Office (\$44,052).

The total fund balance estimated is \$13,426 on September 30, 2018.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| INVESTMENT EARNINGS | \$ 59 | \$ 100 | \$ 100 | \$ 100 |
| MISCELLANEOUS DONATIONS | 30,059 | 21,800 | 31,800 | 31,800 |
| TOTAL | 30,118 | 21,900 | 31,900 | 31,900 |
| EXPENDITURES | | | | |
| MATERIALS & SUPPLIES | | | | 16,100 |
| BUILDING & GROUNDS | 8,903 | | 22,123 | 12,000 |
| REPAIR & MAINTENANCE | | | | 4,000 |
| MISCELLANEOUS SUPPLIES | | | 478 | 20,000 |
| INVENTORY | | | | |
| CAPITAL OUTLAY | 12,960 | | | 44,052 |
| TOTAL | 21,863 | | 22,601 | 96,152 |
| REVENUES OVER (UNDER) EXPENDITURES | 8,255 | 21,900 | 9,299 | (64,252) |
| FUND BALANCE - BEGINNING | 60,124 | 34,046 | 68,379 | 77,678 |
| FUND BALANCE - ENDING | \$ 68,379 | \$ 55,946 | \$ 77,678 | \$ 13,426 |

**COURT TECHNOLOGY FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

City Council adopted ordinance 989-1 on September 10, 2001 pursuant to the Texas Code of Criminal Procedure, authorizing Municipal Court to collect a \$4 fee from each defendant found guilty of a misdemeanor. The revenues generated from this fee may only be used to fund court technology and includes such items as computer equipment, imaging systems, electronic kiosks, docket management systems, and electronic ticket writers. Expenditures include the annual fee to access law enforcement warrant data, court software annual maintenance and internet service.

Beginning in FY 2018, a portion of the expenditures are needed to be funded by the General Fund as the Court Technology Fund is currently drawing down fund balance for annual expenditures. Fund Balance at September 30, 2018 is estimated to be \$3,453.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| FINES & FORFEITURES | \$ 52,628 | \$ 60,000 | \$ 52,000 | \$ 60,000 |
| INVESTMENT EARNINGS | 12 | 10 | 5 | 10 |
| TOTAL | 52,640 | 60,010 | 52,005 | 60,010 |
| EXPENDITURES | | | | |
| MATERIALS & SUPPLIES | 3,479 | 4,948 | 2,709 | |
| EQUIPMENT REPAIR & MAINTENANCE | 51,228 | 55,992 | 51,599 | 55,000 |
| MISCELLANEOUS SERVICES | 9,880 | 10,300 | 10,147 | 6,777 |
| INVENTORY | | 2,339 | 2,239 | |
| TOTAL | 64,587 | 73,579 | 66,694 | 61,777 |
| REVENUES OVER (UNDER) EXPENDITURES | (11,947) | (13,569) | (14,689) | (1,767) |
| FUND BALANCE - BEGINNING | 31,856 | 15,975 | 19,909 | 5,220 |
| FUND BALANCE - ENDING | \$ 19,909 | \$ 2,406 | \$ 5,220 | \$ 3,453 |

**STREET ASSESSMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

City Council adopted an Ordinance pursuant to Chapter 313 of the Texas Transportation Code, authorizing the City to levy assessments against various persons and their property for the payment of a portion of the cost of public improvements. In fiscal year 2012, the City ordered improvements and levied assessments for Business Center Drive, from Broadway south to County Road 59. Landowner assessments total \$2,484,917, excluding interest. Assessments mature and become due and payable upon the earlier of: within thirty days of a sale of all or portion of the property or upon the filing of any plat or application for a permit with the City for the development of the property.

The Pearland Economic Development Corporation (PEDC) funded a portion of the construction of the roadway improvements and the City entered into a reimbursement agreement with PEDC to reimburse with the road assessments collected plus the interest collected by the City up to the amount PEDC paid towards the construction. As the funds are received, the City then transfers them to PEDC.

Since 2012, the City has collected \$1,240,138 in assessments, leaving a balance at September 30, 2018 of \$1,244,779 due, excluding interest.

Since the City does not know when the sale or the development of the property might occur, the FY 2018 budget reflects no activity.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|---------------------------|--|---|---------------------------------------|
| REVENUES | | | | |
| INVESTMENT EARNINGS | \$ 44,234 | \$ | \$ | \$ |
| STREET ASSESSMENTS | 475,757 | | | |
| TOTAL | 519,991 | | | |
| EXPENDITURES | | | | |
| INTERFUND TRANSFER | 519,991 | | | |
| TOTAL | 519,991 | | | |
| REVENUES OVER (UNDER) EXPENDITURES | | | | |
| FUND BALANCE - BEGINNING | | | | |
| FUND BALANCE - ENDING | | | | |
| | \$ | \$ | \$ | \$ |

**PARK DONATIONS FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Park Donations Fund was created to account for donations and sponsorships made in support of Parks and Recreation Department events and programs. In accordance with the established Ordinance, the fund is also used to account for the receipt and use of donation collections through water bill statements, which beginning fiscal year 2015, are used to fund the Parks Forever Foundation. Sponsorship funds are allocated to specific events/programs/facilities as identified with the sponsorship agreement.

Fiscal year 2017 expenditures included payments to the Parks Forever Foundation for water bill donations and funding for special events.

For fiscal year 2018, in addition to funding special events, \$2,500 is budgeted for a volunteer appreciation banquet and \$20,000 for TAAF Winter Games of Texas.

Fund balance at September 30, 2018 is estimated to be \$132,813.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| INVESTMENT EARNINGS | \$ 104 | \$ 100 | \$ 200 | \$ 200 |
| DONATIONS | 1,202 | 1,000 | 1,114 | 1,000 |
| SPONSORSHIPS | 132,467 | 100,000 | 100,326 | 125,000 |
| TOTAL | 133,773 | 101,100 | 101,640 | 126,200 |
| EXPENDITURES | | | | |
| ADMINISTRATION | 1,703 | | 11,460 | 17,500 |
| PARKS FOUNDATION | 954 | 1,000 | 1,114 | 1,000 |
| RECREATION | 203 | | | |
| ATHLETICS | | | | 20,000 |
| SENIOR CENTER EVENTS | 588 | 6,500 | 4,807 | 1,500 |
| SPECIAL EVENTS | 104,415 | 120,000 | 92,608 | 95,000 |
| TOTAL | 107,863 | 127,500 | 109,989 | 135,000 |
| REVENUES OVER (UNDER) EXPENDITURES | 25,910 | (26,400) | (8,349) | (8,800) |
| FUND BALANCE - BEGINNING | 124,052 | 93,240 | 149,962 | 141,613 |
| FUND BALANCE - ENDING | \$ 149,962 | \$ 66,840 | \$ 141,613 | \$ 132,813 |

**TREE TRUST FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Tree Trust Fund was created for the purpose of purchasing, growing, and/or maintaining trees and associated plants within the City limits. Funds for tree trust donations are from developers who cannot mitigate for trees they have taken down for development. The fee is determined by a tree survey and how many caliper inches they have to mitigate. Funds can be used to plant and replace trees in City right-of-ways and in City parks.

Fiscal year 2018 expenditures include \$12,000 for new development and/or the replacement of damaged trees.

Fund balance at September 30, 2018 is estimated to be \$62,135.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| TREE TRUST | \$ | \$ | \$ 67,300 | \$ |
| INVESTMENT EARNINGS | 6 | 10 | 40 | 40 |
| TOTAL | 6 | 10 | 67,340 | 40 |
| EXPENDITURES | | | | |
| CAPITAL OUTLAY | | 6,000 | | 12,000 |
| TOTAL | | 6,000 | | 12,000 |
| REVENUES OVER (UNDER) EXPENDITURES | 6 | (5,990) | 67,340 | (11,960) |
| FUND BALANCE - BEGINNING | 6,749 | 6,751 | 6,755 | 74,095 |
| FUND BALANCE - ENDING | \$ 6,755 | \$ 761 | \$ 74,095 | \$ 62,135 |

**POLICE STATE SEIZURE FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Police State Seizure Fund is used to account for state seizure funds, which are acquired through the sale of seized property that is used in the commission of a crime. State seizure funds are to be deposited into a special fund and used solely for law enforcement purposes, such as salaries and overtime pay for officers, officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties.

In fiscal year 2017, funds were utilized for the maintenance of the FARO Crime Scene Scanner system. Costs in subsequent fiscal years will be absorbed in the General Fund. The fiscal year 2018 budget includes the cost for undercover vehicles and informants.

Fund balance at September 30, 2018 is estimated to be \$182,680.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| INVESTMENT EARNINGS | \$ 199 | \$ 250 | \$ 295 | \$ 240 |
| SEIZURE FUNDS | 60,186 | | 27,192 | |
| MISCELLANEOUS | 31 | | | |
| TOTAL | 60,416 | 250 | 27,487 | 240 |
| EXPENDITURES | | | | |
| MATERIALS & SUPPLIES | 1,200 | 15,000 | 10,981 | 16,200 |
| REPAIR & MAINTENANCE | | | 5,219 | |
| MISCELLANEOUS | 21,569 | 20,100 | 20,100 | 21,000 |
| TOTAL | 22,769 | 35,100 | 36,300 | 37,200 |
| REVENUES OVER (UNDER) EXPENDITURES | 37,647 | (34,850) | (8,813) | (36,960) |
| FUND BALANCE - BEGINNING | 190,806 | 204,495 | 228,453 | 219,640 |
| FUND BALANCE - ENDING | \$ 228,453 | \$ 169,645 | \$ 219,640 | \$ 182,680 |

**FEDERAL POLICE FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Federal Police Fund is used to account for seizure funds received from the U.S. Attorney General's Office. Federal seizure funds are used to support community policing activities, training, and law enforcement operations calculated to result in further seizures and forfeitures. These include activities to enhance future investigations, including payments to informants, reward money, law enforcement training, and the purchase of equipment such as body armor and firearms.

In fiscal year 2017, a seized vehicle (2016 Dodge Ram 3500) was purchased from the United States Marshals Service for \$10,673. There are no expenditures budgeted for fiscal year 2018.

Fund balance at September 30, 2018 is estimated to be \$17.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| POLICE DRUG REVENUE | \$ | \$ | \$ 3,942 | \$ |
| INVESTMENT EARNINGS | 59 | 65 | 12 | 10 |
| TOTAL | 59 | 65 | 3,954 | 10 |
| EXPENDITURES | | | | |
| WEARING APPAREL | | | | |
| CAPITAL OUTLAY | 68,000 | | 10,673 | |
| TOTAL | 68,000 | | 10,673 | |
| REVENUES OVER (UNDER) EXPENDITURES | (67,941) | 65 | (6,719) | 10 |
| FUND BALANCE - BEGINNING | 74,667 | 6,767 | 6,726 | 7 |
| FUND BALANCE - ENDING | \$ 6,726 | \$ 6,832 | \$ 7 | \$ 17 |

**PARK DEVELOPMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

Pursuant to the Unified Development Code, new development either must dedicate parkland or pay the City a fee in lieu of parkland. The City had thirteen parkland areas or zones, which were pared down to three zones upon Council approval in May 2016. Fees, when paid, are identified by zone and use of the funds must be spent within that zone.

Fiscal year 2017 major expenditures included \$190,000 each for the John Hargrove Environmental Center (JHEC) and Green Tee Trails in Zones 1 and 2, along with fund balance appropriation of \$130,000 for Independence Park. There are no planned expenditures in fiscal year 2018.

Estimated fund balance as of September 30, 2018 is \$863,591.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|---------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| PARKLAND FEES/DONATIONS | \$ 174,432 | \$ 50,000 | \$ 50,000 | \$ 120,000 |
| INTEREST INCOME | 10,133 | 3,000 | 5,400 | 3,420 |
| TOTAL | 184,565 | 53,000 | 55,400 | 123,420 |
| EXPENDITURES | | | | |
| BUILDING & GROUNDS | 2,000 | | | |
| TRANSFERS OUT | 196,000 | | 510,000 | |
| CAPITAL OUTLAY | 27,434 | 418,250 | | |
| TOTAL | 225,434 | 418,250 | 510,000 | |
| REVENUES OVER (UNDER) EXPENDITURES | (40,869) | (365,250) | (454,600) | 123,420 |
| FUND BALANCE - BEGINNING | 1,235,640 | 1,092,136 | 1,194,771 | 740,171 |
| FUND BALANCE - ENDING | \$ 1,194,771 | \$ 726,886 | \$ 740,171 | \$ 863,591 |

**SIDEWALK FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

Per City Ordinance, sidewalks are to be installed when development occurs. However, in certain instances when the City knows that future streets and roadways will be constructed, the City accepts payment in lieu of installation of sidewalks. Thus, the Sidewalk Fund is used to account for revenues and expenditures associated with the installation of these sidewalks. The cost per square foot is \$7.00 and changes to reflect the City's current contract price at any given time. The City then uses these monies to install the sidewalks once the roadway is complete. Specific sidewalk locations identified with the original payments will be constructed out of the City's General Fund annual sidewalk program, when identified for construction.

Fiscal year 2017 expenditures are related to a refunding. Fund balance at September 30, 2018 is estimated to be \$11,002. There is \$4,220 identified in the fund balance for future Mykawa Road construction.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| INTEREST INCOME | \$ 16 | | \$ 10 | \$ 5 |
| SIDEWALK REVENUE | | 5,000 | | 5,000 |
| TOTAL | 16 | 5,000 | 10 | 5,005 |
| EXPENDITURES | | | | |
| INTERFUND TRANSFERS | | | 11,520 | |
| OTHER EXPENSES | | | | |
| TOTAL | | | 11,520 | |
| REVENUES OVER (UNDER) EXPENDITURES | 16 | 5,000 | (11,510) | 5,005 |
| FUND BALANCE - BEGINNING | 17,491 | 17,509 | 17,507 | 5,997 |
| FUND BALANCE - ENDING | \$ 17,507 | \$ 22,509 | \$ 5,997 | \$ 11,002 |

**GRANT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Grant Fund is used to account for revenues and expenditures associated with federal, state and local grants. Fiscal year 2017 grant expenditures totaled \$586,970 and include: \$200,000 for Recreational Trail funding for Phase II of the City's Trail Connectivity capital improvements; \$39,790 in remaining expenditures associated with the construction of a decomposed granite trail at the John Hargrove Environmental Center; \$155,550 in salaries and benefits for personnel expenditures associated with local emergency management activities, and those aimed at providing citizens with victim assistance resources in the aftermath of a crime; and \$182,573 in expenditures for body-worn surveillance cameras for certified peace officers and recycling receptacles for placement in local parks. Other expenditures totaling \$7,315 are associated with grant funding for professional development of police officers and firefighters, and \$242 for teen driver safety resources from a grant from State Farm Insurance. The Grant Fund balance will cover small authorized expenditures necessary to facilitate the City's ability to cover certain non-grant funded public safety costs, which for fiscal year 2017 include: an indirect cost of \$500 that will cover staff-related program administration expenditures; and \$1,000 for crime victim assistance program case-management software.

The Grant Fund for fiscal year 2018 is budgeted to account for \$315,537 in federal funding from two State "pass-thru" sources: the Office of the Governor and the Texas Division of Emergency Management (TDEM). The Governor's administration of the U.S. Department of Justice's Victim of Crime Act (VOCA) program will provide the City with two years of staffing for the Police Department's crime victim assistance activities, in the amount of \$268,896. In addition, the City will receive Emergency Management Performance Grant (EMPG) funding in the amount of \$46,641 from TDEM, for staffing to coordinate Pearland preparedness efforts in support of local multi-hazard mitigation priorities. The City anticipates receiving additional mid-year grant funds that cover certain public safety expenditures, which will be budgeted for as they are applied for, awarded and received during the 2018 fiscal year.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| GRANT REVENUE | \$ 194,804 | \$ 196,926 | \$ 580,538 | \$ 315,537 |
| INTEREST INCOME | 47 | 29 | 50 | |
| TOTAL | 194,851 | 196,955 | 580,588 | 315,537 |
| EXPENDITURES | | | | |
| SALARY & WAGES | 158,127 | 155,550 | 155,550 | 315,537 |
| MATERIALS & SUPPLIES | 19,157 | | 242 | |
| MISCELLANEOUS SERVICES | 40 | 1,625 | 10,325 | |
| TRANSFERS | | 1,000 | 239,790 | |
| INVENTORY | 2,995 | | | |
| CAPITAL OUTLAY | 26,064 | 38,751 | 181,063 | |
| TOTAL | 206,383 | 196,926 | 586,970 | 315,537 |
| REVENUES OVER (UNDER) EXPENDITURES | (11,532) | 29 | (6,382) | |
| FUND BALANCE - BEGINNING | 69,254 | 10,063 | 57,722 | 51,340 |
| FUND BALANCE - ENDING | \$ 57,722 | \$ 10,092 | \$ 51,340 | \$ 51,340 |

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Community Development Block Grant Fund is funded through annual allocations of Entitlement Jurisdiction disbursements from the U.S. Department of Housing and Urban Development (HUD). Also known as CDBG, these funds are restricted for use in providing programs, services and local infrastructure improvements that benefit low and moderate income families. For fiscal year 2017, the City's available balance of HUD funding totaled \$975,830 in the form of available revenue for a variety of uses. A total of \$310,574 has been programmed for use in replacing old transite waterlines in certain areas of the Old Townsite in Pearland, \$158,430 was budgeted for the completion of eligible repairs on single-family owner-occupied homes in the community, and \$450,185 was available for the construction of an outdoor vocational facility and other improvements at Forgotten Angels Day Hab Center on Industrial Drive (\$156,670), and other unprogrammed revenue from prior year unexpended funding that can be allocated for future local infrastructure projects. Social services funding was made available to community-based organizations totaling \$48,814. Disbursements totaling \$15,612 were made to Pearland Neighborhood Center for rent and utility assistance for low-moderate income Pearland residents; \$9,997 was provided to Counseling Connections for Change to serve eligible residents with mental health counseling; \$11,205 was allocated to ActionS of Brazoria for a "meals on wheels" program; and a local health and wellness initiative was the Subrecipient of CDBG funds totaling \$12,000. The City budgeted 20% of its 2017 annual CDBG allocation of grant funding for general program administration, providing \$65,086 for personnel and other resources involved in the planning, compliance, oversight and management of the program.

The 2018 fiscal year allocation of CDBG funding totals \$338,534. A total of \$190,000 will be used for local street and drainage improvements in the Old Townsite, facility improvements at the Knapp Senior Center in Pearland, and continuation of the City's housing rehab program. An additional \$10,825 is budgeted for oversight and management of the program, as well as \$10,000 for a consultant that provides support for compliance with environmental laws and the process of vetting housing program applicants for eligibility. Two social service agencies will receive \$20,000 and \$10,000, respectively, to provide emergency rent and utility assistance and mental health counseling services to eligible Pearland residents. The City's code enforcement efforts that take place in the CDBG Target Area will continue, with \$30,000 available to ensure local properties are in compliance with Pearland ordinances. The City's available allocation for general program administration is \$67,709, which is 20% of the CDBG annual allocation for fiscal year 2018.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| GRANT REVENUE | \$ 187,454 | \$ 325,431 | \$ 975,830 | \$ 338,534 |
| TOTAL | 187,454 | 325,431 | 975,830 | 338,534 |
| EXPENDITURES | | | | |
| SALARY & WAGES | 55,118 | 81,641 | 81,641 | 93,091 |
| MATERIALS & SUPPLIES | 563 | | | 1,643 |
| MISCELLANEOUS SERVICES | 34,778 | 124,640 | 88,430 | 53,800 |
| TRANSFERS | | 1,000 | | |
| CAPITAL OUTLAY | 96,995 | 118,150 | 805,759 | 190,000 |
| TOTAL | 187,454 | 325,431 | 975,830 | 338,534 |
| REVENUES OVER (UNDER) EXPENDITURES | | | | |
| FUND BALANCE - BEGINNING | | | | |
| FUND BALANCE - ENDING | | | | |
| | \$ | \$ | \$ | \$ |

**TRAFFIC IMPROVEMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Traffic Improvement Fund accounts for resources for traffic improvements. Funds are collected as a result of a traffic analysis performed for new developments. Traffic engineers analyze the proposed traffic patterns and trips generated by the development and then estimate the costs of the improvements needed to mitigate the impact the development has on the transportation system. For those improvements that cannot be constructed at the time of development, the funds are received from the developer and held until the projects can be incorporated into a City project.

Fiscal year 2017 revenues total \$1,917 with projected expenditures of \$44,800 transferred to the CIP fund for Pearland Parkway and FM 518.

Anticipated fiscal year 2018 revenues total \$1,000 with no anticipated expenditures. The fund balance at September 30, 2018 is estimated to be \$554,241.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| MISCELLANEOUS | \$ 28,509 | | \$ 1,017 | |
| INTEREST INCOME | 687 | 2,500 | 900 | 1,000 |
| TOTAL | 29,196 | 2,500 | 1,917 | 1,000 |
| EXPENDITURES | | | | |
| MISCELLANEOUS SERVICES | 143,548 | | | |
| INTERFUND TRANSFERS | | | 44,800 | |
| TOTAL | 143,548 | | 44,800 | |
| REVENUES OVER (UNDER) EXPENDITURES | (114,353) | 2,500 | (42,883) | 1,000 |
| FUND BALANCE - BEGINNING | 710,476 | 527,829 | 596,124 | 553,241 |
| FUND BALANCE - ENDING | \$ 596,124 | \$ 530,329 | \$ 553,241 | \$ 554,241 |

**COURT JUVENILE MANAGEMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The State of Texas has authorized the governing body of a municipality to collect a fee up to \$5 from each Class C misdemeanor conviction for the expenditures related to the employment of a Juvenile Case Manager. Pursuant to the Texas Code of Criminal Procedure, Article 102.0174, revenues generated from this fee must be deposited into a special fund.

This new fund began with the 2010 fiscal year. An increase in the fee from \$1 to \$4 for each Class C misdemeanor conviction was approved via Ordinance 1404-2 on September 19, 2016 and an increase from \$4 to \$5 per Class C misdemeanor conviction was approved via Ordinance 1404-3 on September 25, 2017 in order to cover the costs related to the Juvenile Case Manager. There is also a \$2 per conviction Truancy fee pursuant to Article 45.056.

The fund balance at September 30, 2018 is estimated to be \$11,810.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| FINES & FORFEITURES | \$ 28,140 | \$ 85,000 | \$ 49,500 | \$ 52,000 |
| INVESTMENT EARNINGS | 30 | 100 | 30 | 30 |
| TOTAL | 28,170 | 85,100 | 49,530 | 52,030 |
| EXPENDITURES | | | | |
| SALARY & WAGES | 45,264 | 60,051 | 49,823 | 53,456 |
| MATERIALS & SUPPLIES | 376 | 1,650 | 1,250 | 1,350 |
| MISCELLANEOUS SERVICES | 448 | 1,600 | 1,600 | 4,000 |
| TOTAL | 46,088 | 63,301 | 52,673 | 58,806 |
| REVENUES OVER (UNDER) EXPENDITURES | (17,918) | 21,799 | (3,143) | (6,776) |
| FUND BALANCE - BEGINNING | 39,647 | 10,293 | 21,729 | 18,586 |
| FUND BALANCE - ENDING | \$ 21,729 | \$ 32,092 | \$ 18,586 | \$ 11,810 |

**MUNICIPAL CHANNEL (PEG) FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Municipal Channel Fund was established in fiscal year 2012 to account for revenues and expenditures associated with the City's Public, Education and Government (PEG) channel. The State legislature approved a legislative bill (S.B. 1087) during the 2011 82nd legislative session that allows for municipalities to receive 1% of gross revenues, labeled "State Franchise Fee," on customer bills to fund capital expenditures associated with public, education and government programming for the City's PEG channel. The funds can only be used for capital purchases such as cameras, monitors, cables, microphones, software programs or upgrades, computers, etc. Funds from the PEG fee are received quarterly.

Fiscal year 2017 expenditures include \$25,646 for arri lights, camera housing, lenses, photography and video cameras, recorder, steadicam and slider. Expenditures also include an additional \$466,258 for the build-out of the studio and council chambers.

Expenditures for fiscal year 2018 include studio camera, studio lighting, studio furniture, backdrops, video stabilizer, video slider, and voice over recorder and mic. Additional funding for the City Hall Renovation is also included. Fund balance at September 30, 2018 is anticipated to be \$786,417.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| FRANCHISE FEES | \$ 309,126 | \$ 307,000 | \$ 300,000 | \$ 300,000 |
| INVESTMENT EARNINGS | 719 | 800 | 1,000 | 1,000 |
| MISCELLANEOUS | (640) | | | |
| TOTAL | 309,206 | 307,800 | 301,000 | 301,000 |
| EXPENDITURES | | | | |
| MATERIALS & SUPPLIES | 21,983 | 5,462 | 29,500 | 21,950 |
| EQUIPMENT REPAIR & MAINTENANCE | 3,376 | 3,829 | 15,500 | 24,300 |
| MISCELLANEOUS SERVICES | 2,933 | 1,480 | 5,000 | 10,000 |
| INVENTORY | 108,541 | 25,646 | 25,646 | 23,500 |
| CAPITAL OUTLAY | 22,876 | | 30,000 | |
| TRANSFERS OUT | 20,250 | 466,258 | 466,258 | 51,531 |
| TOTAL | 179,959 | 502,675 | 571,904 | 131,281 |
| REVENUES OVER (UNDER) EXPENDITURES | 129,247 | (194,875) | (270,904) | 169,719 |
| FUND BALANCE - BEGINNING | 758,355 | 852,580 | 887,602 | 616,698 |
| FUND BALANCE - ENDING | \$ 887,602 | \$ 657,705 | \$ 616,698 | \$ 786,417 |

**UNIVERSITY OF HOUSTON FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

In fiscal year 2009, the City and the University of Houston, Clearlake (UofH) entered into a development lease agreement where the City would construct a 31,554 square foot building on City land, and UofH would lease 23,621 square feet with the Pearland Economic Development Corporation (PEDC) occupying 3,281 square feet and 4,652 square feet would be used as a conference center/meeting area. The facility was completed in July 2010. As such, with the 2010 fiscal year this fund was created to account for the lease revenues and expenditures associated with the campus. Full year funding began October 1, 2010 for fiscal year 2011.

In 2015, the Texas State Legislature approved \$24.5 million for UofH Clear Lake to build a Health Science Building at the Pearland Campus. The City of Pearland will donate the land for the facility. It is anticipated that the building will be open for classes fall 2018. UofH Clear Lake began using the entire building, an additional 7,933 square feet, on August 11, 2016. As such, UofH Clear Lake is picking up 100% of the operating costs via direct expense and the City is no longer managing and operating the facility, resulting in discontinuance of this fund.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|---------------------------|--|---|---------------------------------------|
| REVENUES | | | | |
| MISCELLANEOUS | \$ 224,971 | | | |
| INTEREST INCOME | 34 | | | |
| TRANSFERS IN | 56,801 | | | |
| TOTAL | 281,806 | | | |
| EXPENDITURES | | | | |
| PERSONNEL | 45,576 | | | |
| MATERIALS & SUPPLIES | 2,827 | | | |
| BUILDINGS & GROUNDS | 17,446 | | | |
| MISCELLANEOUS SERVICES | 215,957 | | | |
| TOTAL | 281,806 | | | |
| REVENUES OVER (UNDER) EXPENDITURES | | | | |
| FUND BALANCE - BEGINNING | | | | |
| FUND BALANCE - ENDING | \$ | \$ | \$ | \$ |

**UNIVERSITY OF HOUSTON CAPITAL RENEWAL FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

In fiscal year 2009 the City and the University of Houston (UofH) entered into a development lease agreement where the City would construct a 31,554 square foot building on City land, and UofH would lease 23,621 square feet with the Pearland Economic Development Corporation (PEDC) occupying 3,281 square feet and 4,652 square feet would be used as a conference center/meeting area. The facility was completed in July 2010.

As of May 1, 2016, UofH increased their occupation of the building by 4,652 square feet (conference center/meeting area) and as of August 11, 2016, UofH occupied the building in its entirety. Per the provisions of the lease agreement, UofH will receive the balance of the funds left in the Capital Renewal Fund for future capital improvements to the building with no further contributions to the fund by either the City, PEDC or UofH.

Fiscal year 2017 shows the close out of the fund, with a payment to UofH for the balance of the fund.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| INTEREST | \$ 239 | | \$ 127 | |
| TRANSFERS IN | 37,112 | | | |
| TOTAL | 37,351 | | 127 | |
| EXPENDITURES | | | | |
| MISCELLANEOUS | | 302,171 | 285,927 | |
| TOTAL | | 302,171 | 285,927 | |
| REVENUES OVER (UNDER) EXPENDITURES | 37,351 | (302,171) | (285,800) | |
| FUND BALANCE - BEGINNING | 248,449 | 302,171 | 285,800 | |
| FUND BALANCE - ENDING | \$ 285,800 | \$ | \$ | \$ |

**REGIONAL DETENTION FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Regional Detention Fund accounts for regional detention development. A certain amount of capacity in a regional detention facility is allocated to the watershed and a certain amount of capacity is reserved for future detention needs based on new development. Developers can buy into the regional detention based on capacity needs versus capacity available. The current regional detention pond program is based on five regional detention ponds throughout the City. The City completed a regional detention study in September 2010, which proposed various sub-regional detention ponds. Capacity from the pond would be purchased at a per acre feet fee based on construction cost of the pond. The fee structure will help recover the cost to purchase the property, design and construct the pond.

A total of \$18,955 was transferred in fiscal year 2017 to the Debt Service Fund toward payment of debt for regional detention pond.

Since the City does not know when a developer may buy into the program, the budget reflects no activity for FY 2018.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| CHARGES FOR SERVICES | \$ 171,424 | | \$ 18,955 | |
| INVESTMENT EARNINGS | 88 | | | |
| TOTAL | 171,512 | | 18,955 | |
| EXPENDITURES | | | | |
| TRANSFERS OUT | 171,512 | | 18,955 | |
| TOTAL | 171,512 | | 18,955 | |
| REVENUES OVER (UNDER) EXPENDITURES | | | | |
| FUND BALANCE - BEGINNING | | | | |
| FUND BALANCE - ENDING | \$ | \$ | \$ | \$ |

**LOWER KIRBY URBAN CENTER FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

One of the City's priorities is the development of the Lower Kirby Urban Area that will encourage employment, commerce, recreation, arts, entertainment and overall economic development.

The Lower Kirby Pearland Management District (LKPMMD) was created as Spectrum Management District, a political subdivision of the State of Texas, by a special act of the 80th Texas Legislature, effective June 2007. The name was changed March 2012 to Lower Kirby Pearland Management District. The District operates in accordance with Chapter 3840 of the Texas Special District Local Code and Chapter 375 of the Local Government Code.

The Pearland Management District No. 1 was created as a political subdivision of the State of Texas under Chapter 3838 of the Texas Special District Local Laws Code.

In 2014 the City entered into Master Financing Agreements (R2014-117) with the Lower Kirby Pearland Management District (LKPMMD) and the Pearland Municipal Management District No. 1. The City and Districts, along with private developers, would over time finance \$48 million in infrastructure in the Districts. The City and Districts agree, on a case by case basis, which infrastructure the City would advance funds in order to facilitate development. The Districts, based on valuation on the ground, would reimburse the City through the sale of bonds when economically feasible; therefore, activity is not expected annually. The Pearland Economic Development Corporation (PEDC) provides funding for the projects to the City to advance to the Districts, so the City also has reimbursement agreements with the PEDC.

In 2014 the City entered into a financing agreement (R2014-119) in association with the Hooper Road Reconstruction Project and Financing Agreement (R2014-25) associated with Regional Detention Facilities. In 2015, financing agreements for Kirby Ditch Improvements (R2015-136 & R2015-203) and preliminary engineering for South Spectrum Blvd. (R2015-147) and North Spectrum Traffic Signal (R2015-204) were approved. Financing agreements for Lower Kirby TxDOT Ditch Acquisition (R2016-51) and an amendment to Hooper Road (R2016-40) were approved in 2016. In 2017 the City entered into financing agreements for South Spectrum West (R2017-37), Lower Kirby West Conveyance Pond (R2017-93) and SH288 Waterline Connection & Lower Kirby Park Improvements (R2017-95).

Financing by District is as follows:

| | <u>LKMD</u> | <u>PMMD</u> |
|---|---------------------|---------------------|
| Regional Detention (R2014-25) | 1,598,149 | 612,292 |
| Hooper Rd (R2014-119 & R2016-40) | 5,233,602 | |
| Kirby Ditch (R2015-136 & R2015-203) | 1,919,796 | |
| South Spectrum (R2015-147) | 119,462 | 94,676 |
| North Spectrum (R2015-204) | 250,000 | |
| LK TxDOT Ditch (R2016-51) | 292,000 | 108,000 |
| South Spectrum West (R2017-37) | | 1,228,378 |
| LK West Conveyance Pond (R2017-93) | | 277,000 |
| SH288 Waterline & LK Park Imp. (R2017-95) | 1,189,000 | |
| | <u>\$10,602,009</u> | <u>\$ 2,320,346</u> |

| | <u>FY 2016 ACTUAL</u> | <u>FY 2017 ORIGINAL BUDGET</u> | <u>FY 2017 YEAR END AMENDED</u> | <u>FY 2018 ADOPTED BUDGET</u> |
|---|---------------------------|--|---|---------------------------------------|
| REVENUES | | | | |
| INTEREST EARNINGS | \$ 19,006 | | \$ 195 | \$ |
| INTERGOVERNMENTAL | 1,780,439 | | 2,043,082 | |
| TOTAL | <u>1,799,445</u> | | <u>2,043,277</u> | |
| EXPENDITURES | | | | |
| INTERGOVERNMENTAL | 1,686,743 | | 1,413,777 | |
| TRANSFERS OUT | 112,561 | | 350,125 | |
| TOTAL | <u>1,799,304</u> | | <u>1,763,902</u> | |
| REVENUES OVER (UNDER) EXPENDITURES | <u>141</u> | | <u>279,375</u> | |
| FUND BALANCE - BEGINNING | | | 141 | 279,517 |
| FUND BALANCE - ENDING | <u>\$ 141</u> | | <u>\$ 279,517</u> | <u>\$ 279,517</u> |



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INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods or services provided by one fund or department to another fund or department on a cost reimbursement basis. The City of Pearland has two Internal Service Funds.

Property/Liability Insurance Fund

Accounts for the activities of the City's property and casualty insurance.

Medical Self Insurance Fund

Accounts for the accumulation of monies for the payment of medical claims.

**PROPERTY/LIABILITY INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2018 ADOPTED BUDGET**

OVERVIEW

The Property/Liability Insurance Fund has been created to account for the activities of the City's property and casualty insurance. Coverage includes general liability, law enforcement, public official and employees' liability, auto liability, physical damage and multi-peril, mobile equipment, real and personal property, and windstorm coverage. The fund not only accounts for the annual premiums but also accounts for uninsured and deductible claims and insurance recovery funds on those claims.

Premiums for fiscal year 2018 total \$1,103,232, which amounts to a \$2,032 decrease from FY17 projected premiums. Fund balance at September 30, 2018 is estimated to be \$150,094, which approximates the amount needed for uninsured or deductible claims.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---------------------------------------|-------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| TRANSFERS | \$ 1,245,477 | \$ 1,400,772 | \$ 1,310,994 | \$ 914,181 |
| INSURANCE RECOVERY | 54,982 | 70,000 | 70,000 | 70,000 |
| INTEREST | 36 | 40 | 200 | 100 |
| MISCELLANEOUS | | | 45 | 50 |
| TOTAL | 1,300,495 | 1,470,812 | 1,381,239 | 984,331 |
| EXPENSES | | | | |
| SALARIES & BENEFITS | | 50,574 | 54,324 | 53,200 |
| MATERIALS & SUPPLIES | | 1,450 | 1,450 | 1,450 |
| MISCELLANEOUS SERVICES | | 4,350 | 4,350 | 4,350 |
| INSURANCE PREMIUMS | 1,093,900 | 1,218,893 | 1,105,264 | 1,103,232 |
| CLAIMS | 84,359 | 95,000 | 85,000 | 75,000 |
| CAPITAL OUTLAY | | | | 31,100 |
| TOTAL | 1,178,259 | 1,370,267 | 1,250,388 | 1,268,332 |
| REVENUES OVER (UNDER) EXPENSES | 122,236 | 100,545 | 130,851 | (284,001) |
| BEGINNING NET ASSETS | 181,008 | 309,420 | 303,244 | 434,095 |
| ENDING NET ASSETS | \$ 303,244 | \$ 409,965 | \$ 434,095 | \$ 150,094 |

**MEDICAL SELF INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2018 ADOPTED BUDGET**

OVERVIEW

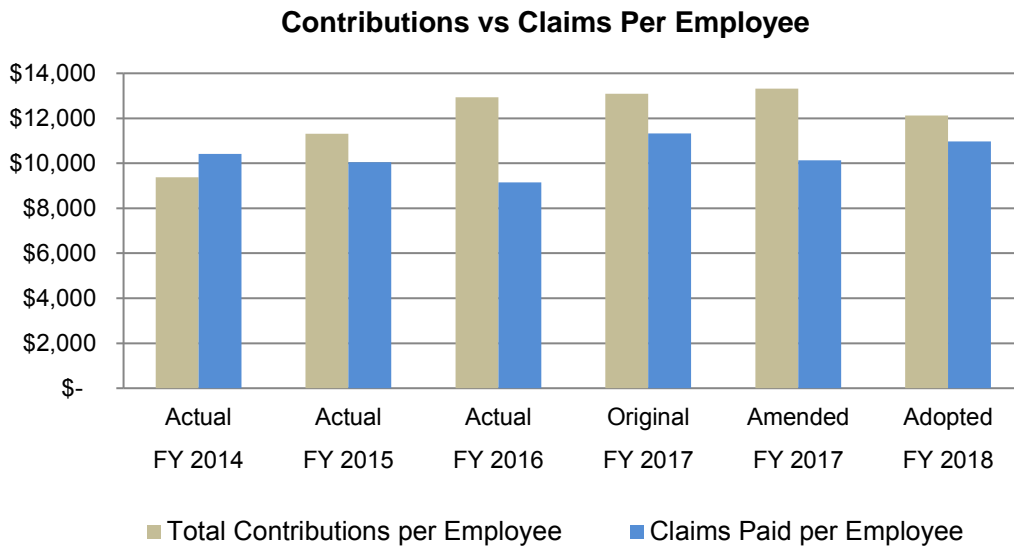
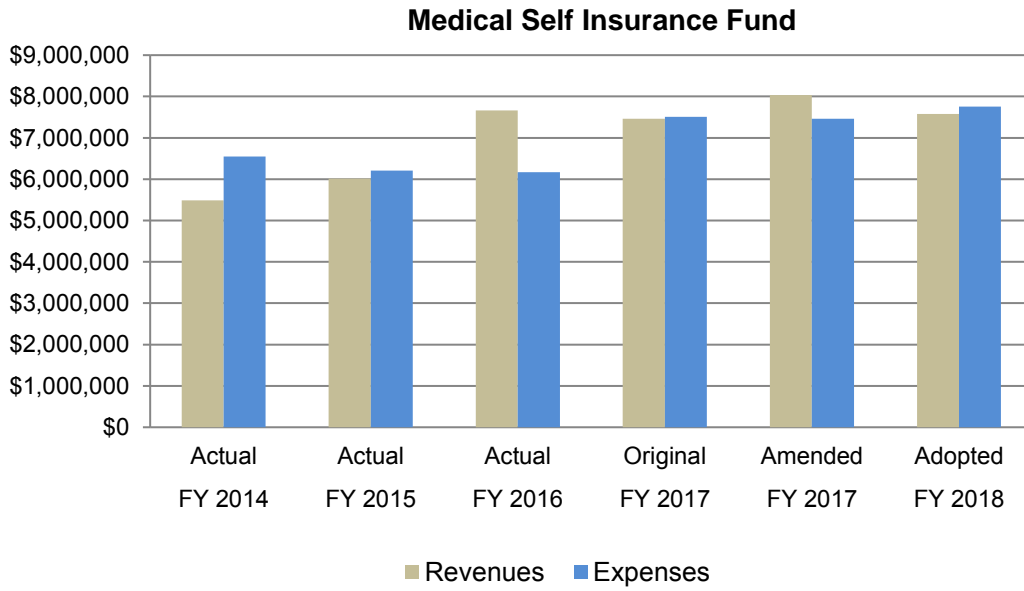
The Medical Self Insurance Fund was created to account for the activities of the City's employee insurance. The fund accounts for retiree and COBRA contributions, claims and coverage. In a self insurance fund, the employer is ultimately responsible for all health care costs, and pays for those costs plus administrative fees.

For FY 2018 the City is budgeting for an increase in claims based on the total number of full-time eligible employees, including vacant positions. However, in order to maintain the fund balance around the targeted 30% of plan cost, the City is planning a drawdown of \$178,146 in fund balance. As in previous years, \$25,000 has been budgeted for the Wellness Program. The estimated fund balance as of September 30, 2018 is \$2,479,415, or 31.9% of total expenditures.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|---------------------------------------|---------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| INTEREST INCOME | \$ 1,280 | \$ 1,000 | \$ 2,000 | \$ 2,000 |
| CONTRIBUTIONS - CITY | 6,056,018 | 6,110,000 | 6,454,405 | 5,869,041 |
| CONTRIBUTIONS - EMPLOYEE | 1,329,370 | 1,300,188 | 1,323,565 | 1,451,664 |
| RETIREE AND COBRA CONTRIBUTIONS | 62,059 | 50,000 | 60,000 | 60,000 |
| MISCELLANEOUS | 215,542 | | 193,873 | 197,829 |
| TOTAL | 7,664,269 | 7,461,188 | 8,033,843 | 7,580,534 |
| EXPENSES | | | | |
| ADMINISTRATIVE FEES | 898,740 | 969,666 | 956,803 | 1,042,833 |
| CLAIMS | 5,221,373 | 6,410,188 | 5,918,311 | 6,625,376 |
| MISCELLANEOUS | 50,483 | 125,500 | 90,471 | 90,471 |
| TRANSFER OUT | | | 500,000 | |
| TOTAL | 6,170,596 | 7,505,354 | 7,465,585 | 7,758,680 |
| REVENUES OVER (UNDER) EXPENSES | 1,493,673 | (44,166) | 568,258 | (178,146) |
| BEGINNING NET ASSETS | 595,630 | 2,058,949 | 2,089,303 | 2,657,561 |
| ENDING NET ASSETS | \$ 2,089,303 | \$ 2,014,783 | \$ 2,657,561 | \$ 2,479,415 |
| | | | | \$ 0.3196 |

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|--|-------------------|-------------------------------|--------------------------------|------------------------------|
| Number of Employees on Medical Insurance: | 571 | 566 | 584 | 604 |
| City-Paid Contributions per Employee: | \$ 10,606 | \$ 10,795 | \$ 11,052 | \$ 9,717 |
| Employee-Paid Contributions: | \$ 2,328 | \$ 2,297 | \$ 2,266 | \$ 2,403 |
| Total Contributions per Employee: | \$ 12,934 | \$ 13,092 | \$ 13,318 | \$ 12,120 |
| Claims Paid per Employee: | \$ 9,144 | \$ 11,325 | \$ 10,134 | \$ 10,969 |

**MEDICAL SELF INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2018 ADOPTED BUDGET**



COMPONENT UNITS

The City of Pearland has three entities that are considered component units of the City. They are the Pearland Economic Development Corporation (PEDC), Pearland Tax Increment Reinvestment Zone #2 (TIRZ), and the Development Authority of Pearland. The PEDC is the only entity that requires budget approval by the City. Thus, it is the only component unit included in the Citywide summary.

A component unit is defined as a legally separate organization for which elected officials of the primary government (the City) are financially accountable.

**PEARLAND ECONOMIC DEVELOPMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2018 ADOPTED BUDGET**

OVERVIEW

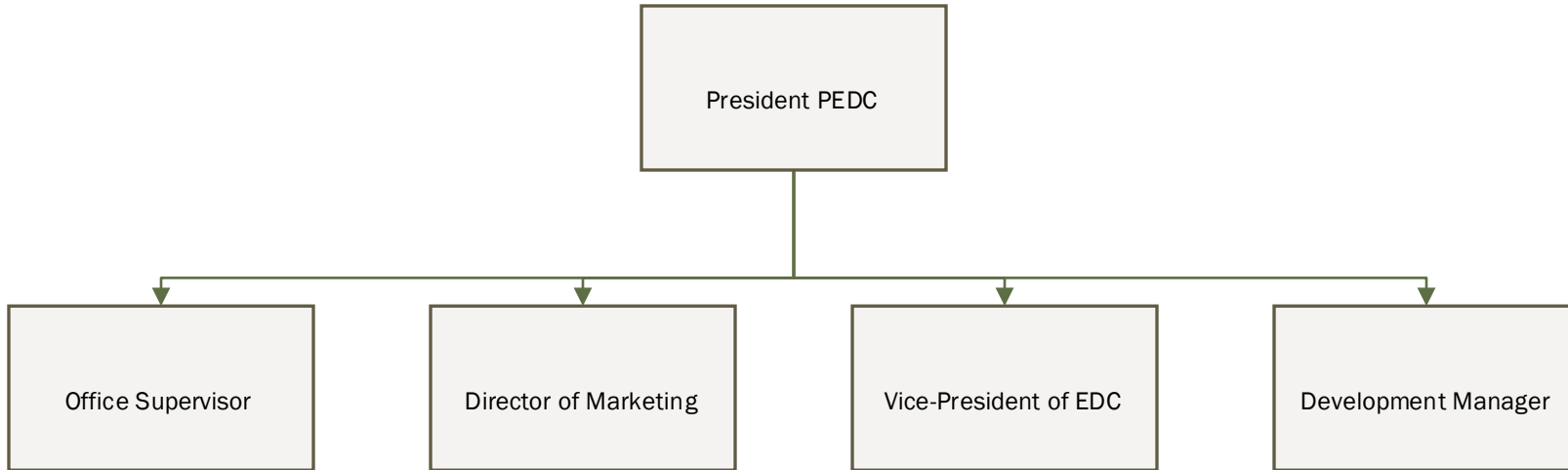
The Pearland Economic Development Corporation (PEDC) was created in 1995 by the voters under the Texas Development Corporation Act of 1979. The Corporation is financed by sales tax of a half-cent. State law allows the City to collect this sales tax to assist in the promotion, enhancement, and development on behalf of the City.

The Board of Directors are appointed by and serve at the discretion of the City Council. City Council approval is required for annual budgets and bonded debt issuance. The role of the Corporation is to provide guidance and funding for the operations of the City's economic development program and provide business incentives to support and promote the growth and diversification of the City's economic base.

Fund balance at September 30, 2018 is estimated to be \$16,730,163.

| | FY 2016 ACTUAL | FY 2017 ORIGINAL BUDGET | FY 2017 YEAR END AMENDED | FY 2018 ADOPTED BUDGET |
|--|----------------------|-------------------------------|--------------------------------|------------------------------|
| REVENUES | | | | |
| SALES TAX | \$ 9,870,744 | \$ 10,240,926 | \$ 10,240,926 | \$ 10,752,972 |
| INTEREST INCOME | 143,842 | 110,000 | 110,000 | 110,000 |
| INTERGOVERNMENTAL | 487,757 | 12,000 | 3,765,867 | 12,000 |
| MISCELLANEOUS | 723,315 | 470,000 | 475,500 | 475,000 |
| TOTAL | 11,225,658 | 10,832,926 | 14,592,293 | 11,349,972 |
| EXPENDITURES | | | | |
| OPERATING | 1,398,444 | 2,233,068 | 1,712,443 | 2,557,221 |
| BOND PAYMENTS | 16,054,920 | 1,426,256 | 1,230,286 | 1,231,000 |
| INVENTORY | | 5,000 | 5,000 | 5,000 |
| CAPITAL OUTLAY | 1,047,553 | 2,365,000 | 1,167,904 | 3,648,413 |
| TOTAL | 18,500,917 | 6,029,324 | 4,115,633 | 7,441,634 |
| REVENUES OVER/(UNDER) EXPENDITURES | (7,275,259) | 4,803,602 | 10,476,660 | 3,908,338 |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS OUT | (4,738,201) | (8,531,729) | (9,272,223) | (5,505,904) |
| INCENTIVES | (804,362) | (1,342,515) | (840,929) | (2,037,890) |
| BOND PROCEEDS | 14,640,000 | | | |
| TOTAL | 9,097,437 | (9,874,244) | (10,113,152) | (7,543,794) |
| NET CHANGE IN FUND BALANCE | 1,822,178 | (5,070,642) | 363,508 | (3,635,456) |
| BEGINNING FUND BALANCE | 18,179,933 | 18,565,439 | 20,002,111 | 20,365,619 |
| ENDING FUND BALANCE | \$ 20,002,111 | \$ 13,494,797 | \$ 20,365,619 | \$ 16,730,163 |

Economic Development Corporation



PEARLAND ECONOMIC DEVELOPMENT CORPORATION FUND

GOALS

- ◆ Attract high-wage professional employment opportunities that diversify Pearland's economic base and facilitate the expansion and retention of existing Pearland businesses. Design and execute effective marketing strategies that ensure Pearland's place in the region as a cornerstone of future development.
- ◆ Support key capital improvement and transportation planning efforts to ensure that key high-impact road projects are completed.
- ◆ Continue efforts to implement plans to develop the Lower Kirby Urban Center as Pearland's most intensive mixed-use employment, residential and entertainment district. Ensure the recommendations in the Lower Kirby Urban Center Master Plan and Implementation Strategy, including the regulatory framework and infrastructure plans, support the long-term vision of a mixed use employment center.
- ◆ Actively pursue redevelopment and beautification efforts for continued improvement and investment in Pearland with a special focus on the 288 corridor, Main Street, Old Townsite and Broadway. These efforts should improve the appearance and enhance the image of Pearland to its citizens and to individuals outside the area.
- ◆ Coordinate a process to inform the development of a multi-use events center. Proceed with multi-use events center development based on expressed public preferences and leadership consensus around funding and operational dynamics.
- ◆ Continue to make organizational improvements that allow for the implementation of a consistent, quality economic development effort able to implement initiatives essential for the long-term economic growth of the community.

FISCAL YEAR 2017 ACCOMPLISHMENTS

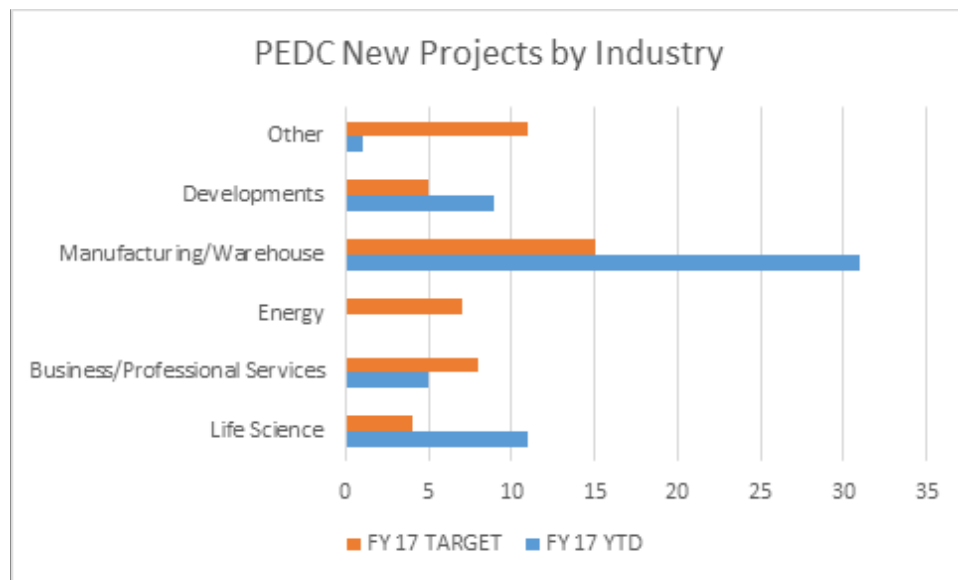
- ◆ Opened 42 business attraction projects and conducted 65 visits with potential primary employers. Major announcements included Tool Flo's 80,000 square foot headquarter and manufacturing facility in the Lower Kirby District which began construction in May. Tool Flo is a subsidiary of IMC Group, a Berkshire Hathaway owned company. IMC Group announced in August that they would also build a 50,000 square foot warehouse facility adjacent to Tool Flo. Tool Flo will initially employ 150 workers, but they anticipate the hiring of additional production workers in the next couple of years. Both phases combined, this project is expected to bring approximately \$26 million in investment to the community. West Texas Cooling (WTC) opened a new 20,000 square foot regional headquarter and distribution facility in Pearland. Lonza, who announced in September 2016 the addition of 150,000 square feet to its 100,000 square-foot facility currently under construction, will be operational by the end of 2017. FloWorks also opened a 225,000 square foot facility on South Main in 2017.
- ◆ Opened 6 business retention and expansion projects and conducted 57 visits with existing employers. Announcements included Base Pair Biotechnologies' new 5,000 square foot office and R&D facility, Shawcor's new concrete pipe coating plant and Frontier Forklift's relocation to a new building on South Main Street.
- ◆ Opened 8 new development/redevelopment projects, including the expansion of the Pearland Regional Airport and Buc-ee's office site development. The Modern Green Ivy District project continues to move forward. Modern Green is currently constructing Promenade and South Spectrum streets and they have submitted their master plat for subdividing the property. PEDC is working with them on the next phase of construction on the interior roads.
- ◆ Continued the implementation of two beautification plans for the community: the 288 Master Plan and a City Gateway plan. PEDC worked with the City to complete the construction of entry features on Dixie Farm Road, Pearland Parkway and Kirby Drive. In the Lower Kirby District, PEDC replaced the existing median landscaping with newly designed medians and added new District signage. As part of the redesign, PEDC worked with the district to formalize the identity for the area with the development of a Lower Kirby branding strategy.
- ◆ The SH 35 Redevelopment Strategy & Streetscape project continues to move forward. A design kick-off meeting was held with former steering committee members to review the draft design and provide input. The identification of field conditions has been addressed for the design. Once plans are finalized, the project will be scheduled for bid and construction.
- ◆ Continued implementation of the 288 Corridor Master Improvements Plan, including working with Brazoria County, HDR Engineers, Clark Condon Associates (CCA), and TxDOT on coordinating our hardscape enhancements in the Brazoria County section of the Hwy 288 Managed Lanes project. This work included the finalization of the landscaping construction plans for the BW8, McHard Rd., T-ramp, and FM518 interchanges.
- ◆ Continued to work with the City and Management Districts on the development of regional detention for the eastern portion of the Lower Kirby District, including acquisition of the TxDOT draining ditch and a West

Conveyance Pond. Additionally the South Detention was widened just south of future South Spectrum Blvd. to accommodate drainage flows from Lonza’s development.

- ◆ Continued implementation of the Pearland 20/20 Community Strategic Plan, including quarterly progress meetings of the steering committee. An event center feasibility study was conducted by CSL to determine the type of multi-use event center that would be most successful in Pearland. The development of a Community Marketing Campaign began in August and the research phase of this campaign is complete.

FISCAL YEAR 2018 OBJECTIVES

- ◆ Recruit new primary employers to the community.
- ◆ Reach out to existing targeted primary employers to offer assistance, including expansion assistance, access to local and state resources and regulatory compliance.
- ◆ Provide assistance to developers looking to make investments in our community.
- ◆ Continue efforts to ensure that the lanes under the SH 288 bridge at Broadway between Business Center Drive and Smith Ranch Road are widened appropriately to facilitate additional lanes on Broadway/FM 518 as part of the toll road project.
- ◆ Continue to assist developers and prospective investors such as Ivy District in the Lower Kirby Area.
- ◆ Work with Lower Kirby Management District on the design and construction of South Spectrum Boulevard to complete a four-lane boulevard roadway connection from SH 288 to Kirby Drive.
- ◆ Continue the implementation of the SH 35 Corridor Redevelopment Strategy catalyst projects to address infrastructure needs, redevelopment potential, underdeveloped sites and market opportunities.
- ◆ Continue implementation of the SH 35 Redevelopment Strategy Catalyst #1, Northern Gateway Entrance and Corridor Streetscape Improvements, by completing the designing, bidding and constructing the entire project from Broadway to BW8, including a gateway entry at Clear Creek and corridor aesthetics.
- ◆ Continue implementation of the City Gateways Beautification Strategy by beginning preliminary designs for two additional entry features.
- ◆ Continue implementation efforts for the Pearland 20/20 Strategic Plan.



PERFORMANCE MEASURES

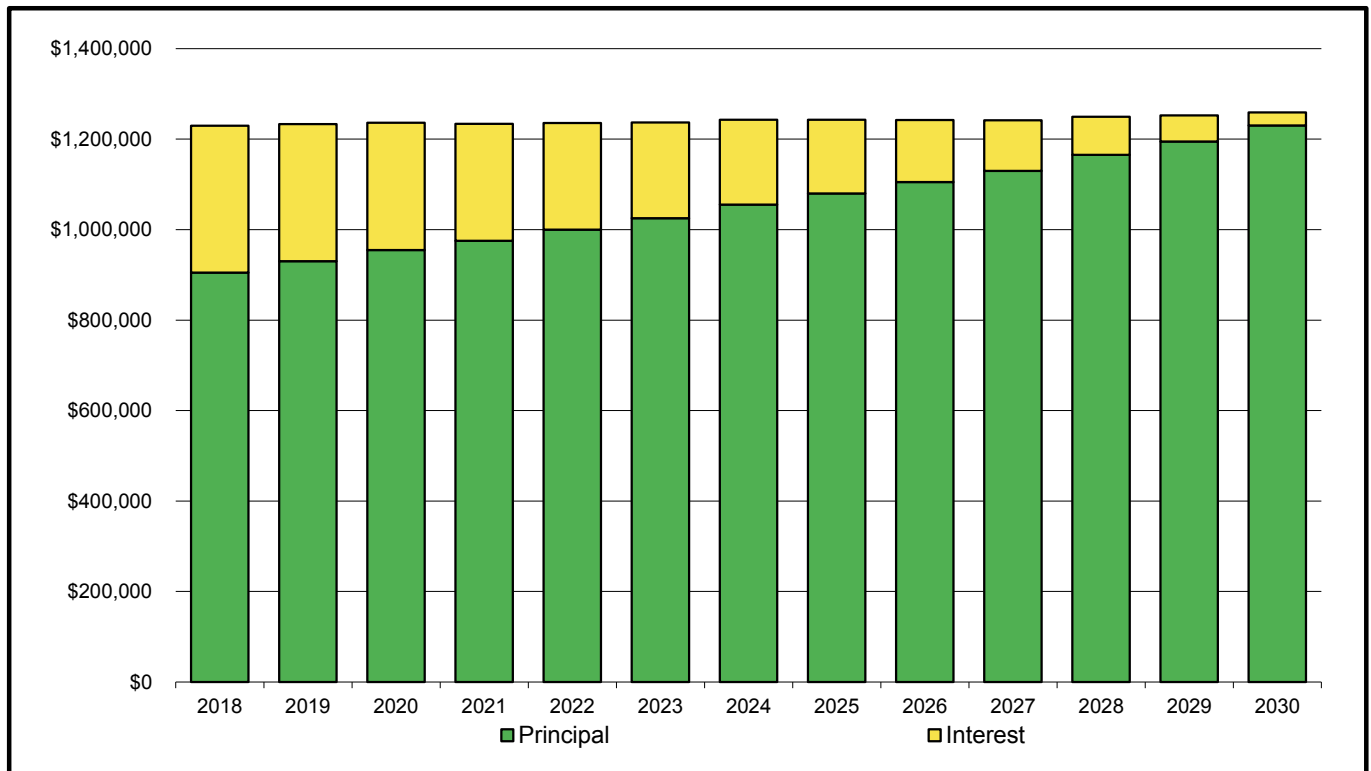
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Target |
|------------------------------|----------------|----------------|----------------|----------------|
| Number of announced projects | 9 | 14 | 10 | 10 |
| Number of new projects | 57 | 42 | 55 | 50 |
| Number of visits | 163 | 183 | 164 | 170 |

**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
DEBT TO MATURITY**

| Year | Principal | Interest | Total |
|--------------|---------------------|--------------------|---------------------|
| 2017-2018 | 905,000 | 324,500 | 1,229,500 |
| 2018-2019 | 930,000 | 303,142 | 1,233,142 |
| 2019-2020 | 955,000 | 281,194 | 1,236,194 |
| 2020-2021 | 975,000 | 258,656 | 1,233,656 |
| 2021-2022 | 1,000,000 | 235,646 | 1,235,646 |
| 2022-2023 | 1,025,000 | 212,046 | 1,237,046 |
| 2023-2024 | 1,055,000 | 187,856 | 1,242,856 |
| 2024-2025 | 1,080,000 | 162,958 | 1,242,958 |
| 2025-2026 | 1,105,000 | 137,470 | 1,242,470 |
| 2026-2027 | 1,130,000 | 111,392 | 1,241,392 |
| 2027-2028 | 1,165,000 | 84,724 | 1,249,724 |
| 2028-2029 | 1,195,000 | 57,230 | 1,252,230 |
| 2029-2030 | 1,230,000 | 29,028 | 1,259,028 |
| TOTAL | \$13,750,000 | \$2,385,842 | \$16,135,842 |

| Series | Principal Amount Outstanding |
|---------------|-------------------------------------|
| Series 2016 | 13,750,000 |
| TOTAL | \$13,750,000 |

As of 9/30/2018 principal outstanding will be \$12,845,000 and interest outstanding will be \$2,061,342 for total debt to maturity at 9/30/2018 totaling \$14,906,342.



AUTHORITY

The City of Pearland's Operating Budget is proposed and approved in accordance with State Law, the City Charter and the City Code of Ordinances

PEARLAND CITY CHARTER ARTICLE 8 MUNICIPAL FINANCE

SECTION 8.01 - Fiscal Year:

The fiscal year of the City of Pearland shall begin at the first day of October and shall end on the last day of September of each calendar year. Such fiscal year shall constitute the budget and accounting year.

SECTION 8.02 - Preparation and Submission of Budget:

The City Manager, between sixty (60) and ninety (90) days prior to the beginning of each fiscal year, shall submit to the Council a proposed budget, which budget shall provide a complete financial plan for the fiscal year and shall contain the following:

- (a) A budget message, explanatory of the budget, which shall contain an outline of the proposed financial policies of the City for the fiscal year, shall set forth the reasons for salient changes from the previous fiscal year in expenditures and revenue items, and shall explain any major changes in financial policy.
- (b) A consolidated statement of anticipated receipts and proposed expenditures for all funds.
- (c) An analysis of property valuations.
- (d) An analysis of tax rates.
- (e) Tax levies and tax collections by years for at least the immediate past five (5) years.
- (f) General funds resources in detail.
- (g) Special funds resources in detail.
- (h) Summary of proposed expenditures by function, department and activity.
- (i) Detailed estimates of expenditures shown separately for each activity to support the summary (h) above.
- (j) A revenue and expense statement for all types of bonds, time warrants and other indebtedness.
- (k) A description of all bond issues, time warrants and other indebtedness outstanding, showing rate of interest, date of issue, maturity date, and amount authorized, amount issued and amount outstanding.
- (l) A schedule of requirements for the principal and interest of each issue of bonds, time warrants and other indebtedness.
- (m) The appropriation ordinance.
- (n) The tax-levying ordinance.

SECTION 8.03 - Anticipated Revenues Compared With Other Years in Budget:

In preparing the budget, the City Manager shall place in parallel columns opposite the several items of revenue, the actual amount of each item for the last completed fiscal year, the estimated amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SECTION 8.04 - Proposed Expenditures Compared With Other Years:

The City Manager, in the preparation of the budget shall place in parallel columns opposite the various items of expenditures the actual amount of such items of expenditures for the last completed fiscal year, the estimated amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SECTION 8.05 - Budget a Public Record:

The budget and all supporting schedules shall be filed with the person performing the duties of City Secretary, submitted to the Council and shall be a public record.

SECTION 8.06 - Notice of Public Hearing on Budget (Amended 5/19/2014):

In accordance with state law, the City Council shall cause to be published in the official newspaper of the City of Pearland a notice of the hearing setting forth the date time and place of the public hearing on the submitted budget.

SECTION 8.07 - Public Hearing on Budget:

At the time and place set forth in the notice required by Section 8.06, or at any time and place to which such public hearing shall from time to time be adjourned, the City Council shall hold a public hearing on the budget submitted and all interested persons shall be given an opportunity to be heard for or against any item or amount of any item therein contained.

SECTION 8.08 - Proceedings on Budget After Public Hearings (Amended 5/19/2014):

After the hearing, the City Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

SECTION 8.09 - Vote Required for Adoption:

The budget shall be adopted by a majority of the members of the whole City Council.

SECTION 8.10 - Date of Final Adoption (Amended 5/19/2014):

The budget shall be adopted no later than the last regularly scheduled Council meeting of September to allow compliance with the state tax laws, and should the City Council fail to so adopt a budget, the then existing budget, together with its tax levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

SECTION 8.11 - Effective Date of Budget; Certification; Copies Made Available (Amended 5/19/2014):

Upon final adoption, the budget shall be in effect for the fiscal year. A copy of the budget, as finally adopted, shall be filed with the person performing the duties of City Secretary and the County Clerk of Brazoria County. The final budget shall be published on the City's website made available for the use of all offices, departments, and agencies and for the use of interested persons and civic organizations.

SECTION 8.12 - Budget Established Appropriations:

From the effective date of the budget, the several amounts stated therein as proposed expenditures shall be and become appropriated to the several objects and purposes therein named.

SECTION 8.13 - Budget Established Amount to be Raised by Property Tax:

From the effective date of the budget, the amount stated therein as the amount to be raised by property tax shall constitute a determination of the amount of the levy for the purposes of the City in the corresponding tax year; provided, however, that in no event shall such levy exceed the legal limit provided by the laws and constitution of the State of Texas.

SECTION 8.14 - Contingent Appropriation: (Amended 5/19/2014)

Provision shall be made in the annual budget and in the appropriation ordinance for a contingent appropriation ordinance for a contingent appropriation in an amount not to exceed one (1) per centum of the general fund expenditures to be used in case of unforeseen items of expenditures. Such contingent appropriation shall be under the control of the City Manager and distributed by him/her after approval by the City Council.

SECTION 8.15 - Estimated Expenditures Shall Not Exceed Estimated Resources:

The total estimated expenditures of the general fund and debt service fund shall not exceed the total estimated resources of each fund (prospective income plus cash on hand). The classification of revenue and expenditure accounts shall conform as nearly as local conditions will permit to the uniform classification as promulgated by the National Committee on Government Accounting or some other nationally accepted classification.

SECTION 8.16 - Emergency Appropriations (Amended 5/7/1990):

At any time in any fiscal year, the Council may, pursuant to this section, make emergency appropriations to meet a pressing need for public expenditure, for other than regular or recurring requirements, to protect the public health, safety or welfare. Such appropriations shall be by ordinance adopted by the majority vote of the Council members at one (1) special or regular meeting.

SECTION 8.17 - Purchase Procedure: (Amended 4/15/1974; 4/5/1982)

All purchases made and contracts executed by the City shall be pursuant to a requisition from the head of the office, department or agency whose appropriation will be charged, and no contract or order shall be binding upon the City unless and until the City Manager certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation and allotment balance to pay for the supplies, materials, equipment, or contractual services for which the contract or order is issued. All purchases made and contract executed by the City shall be made in accordance with the requirements of this Charter and all applicable requirements of the Constitution and Statutes of the State of Texas. All contracts for purchases or expenditures must be expressly approved in advance by the Council, except that the Council may by ordinance confer upon the City Manager, general authority to contract for expenditures without further approval of the Council for all budgeted items the cost of which does not exceed the constitutional and statutory requirements for competitive bidding.

SECTION 8.18 - Disbursement of Funds (Amended 5/19/2014):

All checks, vouchers or warrants for the withdrawal of money from the City Depository shall be signed by the City Manager or the Mayor, and countersigned by the City Secretary, or the City Treasurer.

SECTION 8.19 - Power to Tax: (Amended 4/9/84)

The City Council shall have the power, and is hereby authorized to levy and collect an annual tax upon all real and personal property within the City not to exceed the maximum limits set by the Constitution and laws of the State of Texas as they now exist, or as they may be amended.

SECTION 8.20 - Property Subject to Tax; Rendition, Appraisal and Assessment: (Amended 4/7/84)

All real and tangible and intangible personal property within the jurisdiction of the City of Pearland not expressly exempted by law shall be subject to annual taxation. The method and procedures for the rendition, appraisal and assessment of all real and personal property within the City shall be in accordance with applicable provisions of the Property Tax Code of the State of Texas as now or hereafter amended.

SECTION 8.21 - Taxes, When Due and Payable: (Amended 4/9/84)

All taxes due the City of Pearland shall be payable to the office of the city assessor-collector on receipt of the tax bill and shall be considered delinquent if not paid before February first of the year following the year in which imposed. The postponement of any delinquency date and the amount of penalty, interest and costs to be imposed on delinquent taxes shall be in accordance with applicable ordinances of the City of Pearland and the Property Tax Code of the State of Texas.

SECTION 8.22 - Tax Liens (Amended 5/19/2014):

- (a) Except for such restrictions imposed by law, the tax levied by the City is hereby declared to be a lien, charge, or encumbrance upon the property upon which the tax is due, which lien, charge or encumbrance the City is entitled to enforce and foreclose in any court having jurisdiction over the same, and the lien, charge or encumbrance on the property in favor of the City, for the amount of taxes due on such property is such as to give the state courts jurisdiction to enforce and foreclose said lien on the property on which the tax is due, not only as against any resident of this state or person whose residence is unknown, but also as against nonresidents. All taxes upon real estate shall especially be a lien and a charge upon the property upon which the taxes are due, which lien may be foreclosed in any court having jurisdiction. The City's tax lien shall exist from January first in each year until the taxes are paid, and limitations as to seizures and suits for collection of taxes shall be as prescribed by state law.
- (b) Except for such exemptions and restrictions imposed by law, all persons, associations, corporations, firms and partnerships owning or holding personal property or real property in the City of Pearland on January first of each year shall be liable for City taxes levied thereon for each year. The tangible personal property of all persons, associations, corporations, firms or partnerships owing any taxes to the City of Pearland is hereby made liable for all said taxes, whether the same be due upon personal or real property or upon both.
- (c) All seizure and foreclosure proceedings shall be commenced no later than three (3) years after taxes first become delinquent.

SECTION 8.23 - Tax Remission and Discounts: (Amended 4/9/1984)

Except as provided by state law, neither the City Council nor any other official of the City shall ever extend the time for payment of taxes nor remit, discount or compromise any tax legally due the City, nor waive the penalty, interest and costs that may be due thereon to or for any person, association, firm or partnership owing taxes to the City for such year or years.

SECTION 8.24 - Issuance of Bonds (Amended 4/9/1984):

The City of Pearland shall have the power to issue bonds and levy a tax to support the issue of permanent improvements and all other lawful purposes.

- (a) General Obligation Bonds -
The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas and to issue refunding bonds to refund outstanding bonds of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas and shall be used only for the purpose for which they were issued.
- (b) Revenue Bonds -
The City shall have the power to borrow money for the purpose of construction, purchasing, improving, extending or repairing of public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the Constitution and laws of the State of Texas and to issue revenue bonds to evidence the obligation created thereby, and to issue refunding bonds to refund outstanding revenue bonds of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas and shall be used only for the purpose for which they were issued.
- (c) Sale of Bonds -
No bonds (other than refunding bonds issued to refund and in exchange of previously issued outstanding bonds) issued by the City shall be sold for less than par value accrued interest. All bonds of the City having been issued or sold in accordance with the terms of this section and having been delivered to the purchasers thereof shall thereafter be incontestable and all bonds issued to refund and in exchange of outstanding bonds previously issued shall, after said exchange, be incontestable.

CITY OF PEARLAND, TEXAS
COMPREHENSIVE FINANCIAL MANAGEMENT POLICY STATEMENTS

ADOPTED
SEPTEMBER 2011

Purpose

The Comprehensive Financial Management Policy Statements assembles all of the City's financial policies into one document. These statements are the tools used to ensure that the City is financially able to meet its current and future service needs. The individual statements contained herein serve as guidelines for both the financial planning and internal financial management of the City.

Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet immediate and long-term needs. These policy statements safeguard the fiscal stability required to achieve the City's objectives and ensure long-term financial health.

Objectives

- A. To guide City Council and management policy decisions that have significant fiscal impact.
- B. To employ balanced revenue policies that provide adequate funding for services and service levels.
- C. To maintain appropriate financial capacity for present and future needs.
- D. To maintain sufficient reserves so as to maintain service levels during periods of economic downturn.
- E. To promote sound financial management by providing accurate and timely information on the City's financial condition.
- F. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's debt obligations on all municipal debt.
- G. To ensure the legal use of financial resources through an effective system of internal controls.
- H. To promote cooperation and coordination with other governments and the private sector in financing and delivery of services.

I.
ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

Maintain accounting practices that conform to Generally Accepted Accounting Principles (GAAP) and comply with prevailing federal, state, and local statutes and regulations. Provide for, prepare and present regular reports that analyze and evaluate the City's financial performance and economic condition.

A. *Accounting Practices and Principles*

The City will maintain accounting practices that conform to Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. All City financial documents, except monthly interim financial reports, including official statements accompanying debt issues, Comprehensive Annual Financial Reports and continuing disclosures statements will meet these standards. Monthly interim financial reports are on a cash basis and will be reported as budgeted. At year-end, the general ledger and financials will be converted to GAAP and GASB.

B. *Financial and Management Reporting*

1. Interim Financial Reports will be provided monthly to management and City Council that explain key economic and fiscal developments and note significant deviations from the budget. These reports will be distributed monthly by the end of each month for the prior month.
2. Quarterly, departments will report on program measures and indicators as compared to target and last year to Finance. A quarterly report will be submitted to the City Manager, highlighting significant variations.
3. As an additional independent confirmation of the quality of the City's financial reporting, the City will annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.

C. *Annual Audit*

1. Pursuant to State Statute, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The audit shall be performed by certified public accounting (CPA) firm, licensed to practice in the State of Texas. The annual financial statement, including the auditor's opinion, shall be filed within 180 days after the last day of the City's fiscal year. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary. An official Comprehensive Annual Financial Report (CAFR) shall be issued no later than six (6) months following the end of the fiscal year. The Director of Finance shall be responsible for establishing a process to ensure timely resolution of audit recommendations.
2. *Audit Committee*
The Mayor shall appoint or confirm the audit committee, consisting of at least three members of the City Council, with the Mayor being one of the members. The primary purpose of the audit committee is to assist City Council and the City Manager in fulfilling oversight responsibilities for financial reporting, audit processes, and effective internal control systems. The City shall maintain an Audit Committee Charter which outlines the duties and responsibilities of the audit committee.
3. *Annual Financial Disclosure*
As required by the Securities and Exchange Commission (SEC) Rule 15c2-12, the City will provide certain annual financial information to various information repositories through disclosure documents or set of documents that include the necessary information. This will include any periodic materials event notices as required by the SEC.

D. *Signature of Checks*

Pursuant to the City Charter, all checks shall have two signatures, signed by the City Manager or Mayor and countersigned by the City Secretary, or the City Treasurer, or one member of Council. City Treasurer is further defined as the Director of Finance. Signatures shall be affixed on all City checks via facsimile signatures, either with a signature plate used with a check signing machine or with a secure laser check printing system. Component unit check signers are officers elected by the board, where applicable. Component unit's checks shall also have two signatures.

E. *Compliance with Council Policy Statements*

The Financial Management Policy Statements will be reviewed bi-annually and updated, revised or refined as deemed necessary. Policy statements adopted by City Council are guidelines, and occasionally exceptions may be appropriate and required. Exceptions will be identified, documented, and explained to City Council and/or the City Manager.

II.
BUDGET AND LONG RANGE FINANCIAL PLANNING

A. *Balanced Budget*

The City Manager shall file annually, a structurally balanced budget for the ensuing fiscal year with City Council pursuant to the prevailing state and local law. A structurally balanced budget is further defined as recurring revenues funding recurring expenditures and adherence to fund balance policies. Short-term loans will be avoided as budget balancing techniques.

B. *Current Funding Basis (Recurring Revenues)*

The City shall budget and operate on a current funding basis. Recurring expenditures shall be budgeted and controlled so as not to exceed current revenues. Recurring expenses will be funded exclusively with recurring revenue sources to facilitate operations on a current funding basis.

C. *Use of Non-Recurring Revenues*

Non-recurring revenue sources, such as a one-time revenue remittance of fund balance in excess of policy can only be budgeted/used to fund non-recurring expenditures, such as capital purchases or capital improvement projects. This will ensure that recurring expenditures are not funded by non-recurring sources.

D. *Tax Rate*

The City Manager will recommend a tax rate that the City finances require in order to operate efficiently, yet effectively, and pay its debt.

1. *Homestead Exemption*

The City shall review the homestead exemption annually as part of the budget process. When the financial health of the City's finances and economic and market conditions of the local economy justify, the City Manager may recommend a change to the homestead exemption. In accordance with state statute, any recommended change in the homestead exemption will be presented to Council for approval prior to July 1. The total exemption percentage granted shall not exceed the state statute limitation.

2. *Over-Age and Disabled Persons Exemptions*

The City currently grants a \$40,000 exemption for persons 65 or older and for disabled persons. This amount shall remain stable during a period in which the City is considering increasing the homestead exemption.

E. *Pay As You Go Capital Projects*

The transfer from the City's General Fund and the City's Utility Fund to fund pay-as-you-go capital projects will be budgeted when financially feasible and when projects present themselves for funding. The transfer will be based on the financial health of each fund with the long-term goal of adequately funding rehabilitation.

F. *Revenue Estimating for Budgeting*

1. In order to protect the City from revenue shortfalls and to maintain a stable level of service, the City shall use a conservative, objective, reasonable and analytical approach when preparing revenue estimates. The process shall include historical collection rates, trends, development, and probable economic changes. This approach is intended to reduce the likelihood of actual revenues falling short of budget estimates and should avoid mid-year service charges.
2. The City whenever possible, will seek outside sources of revenue, such as federal, state, and local grants, in order to leverage local dollars.
3. Estimates from grant sources will be projected only to the specific date on which the entitlement will end.
4. The Utility Fund water and wastewater revenues will be budgeted based on the average rainfall/consumption over the last three years, pursuant to the rate model. The City will anticipate neither drought nor wet conditions.

G. *Performance, Merit Pool, and Police Step Increases*

The budget shall include an amount adequate to cover an overall average performance and merit pool, as well as an amount for police step increases, as determined annually by the City Manager. This amount will be calculated for each fund, based on budgeted salaries for the year, and will be placed in a Performance and Merit Pool in each operating fund. In addition, funds may be budgeted when appropriate, to bring identified jobs up to market salary rates.

H. *Budget Preparation*

1. Department Directors have primary responsibility for formulating budget proposals. New or expanded services should support City Council goals, City Manager priority direction and department goals. Departments are charged with implementing them once they are approved.
2. All competing requests for City resources will be weighted within the formal annual budget process.
3. Actions on items that come up throughout the year with significant financial impacts should be withheld until they can be made in the full context of the annual budget process and long-range plan, unless unforeseen circumstances present themselves.
4. Every five (5) years at a minimum or sooner as may be necessary, the city will incorporate a service needs review into the budget process to ensure the most efficient and effective use of resources.
5. Annually, the City will seek to obtain the Government Finance Officers Associate Distinguished Budget Presentation Award. The Budget will be presented in a way that not only meets the criteria of the award, but also clearly communicates the budget to the public.

I. *Budget Management*

The City Council shall delegate authority to the City Manager in managing the budget after it is formally adopted by the City Council, including the transfer of funds within departments, between divisions, and between departments. The City Manager may further delegate levels of authority for the daily operations of the budget. Expenditures/expenses are legally adopted by the fund level. Expenditures/expenses should not exceed the adopted budget, plus subsequent changes approved by the City Council.

J. *Amended Budget*

In order to preserve fund balances/ending balances based on projected revenues and expenditures/expenses for the current fiscal year, City Council will amend the annual budget for all funds, excluding capital improvements funds, as set forth in the projections. City Council will amend the current fiscal year budget annually during the budget process.

K. *Performance Measurement*

Performance measures will be utilized and reported in department budgets. The City will maintain a measurement system that reports trends and comparisons to targets and previous year as a management tool to monitor and improve service delivery.

L. *Operating Deficits*

The City shall take immediate corrective action if at any time during the fiscal year expenditure and revenue re-estimates are such that "net income" is lower than budgeted. Corrective actions include:

- Deferral of capital equipment purchases
- Deferral of pay-as-you go capital improvements
- Expenditure reductions
- Deferral of certain positions
- Hiring freezes
- Freeze merit increases
- Use of fund balance
- Use of volunteers
- Increase fees
- Reduce work hours with subsequent reduction in pay
- Eliminate positions which may require laying-off employees if there are no other vacant positions for which they are qualified.

Short-term loans as a means to balance the budget shall be avoided.

The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit, only with a subsequent approval of a plan to replenish the fund balance if it is brought down below policy level.

M. *Long-Range Financial Plans*

1. The City shall develop and maintain a five-year Financial Forecast for each major operating fund, in conjunction with the annual budget process. Major operating funds are as follows:
 - General Fund
 - Debt Service Fund
 - Water/Sewer Utility Fund
 - Economic Development Corporation

2. The forecast should enable current services and current service levels provided to be sustained over the forecast period. Operating impacts from completed capital improvement projects in the City's five-Year CIP shall be included in the forecast. Commitments/obligations already made that require future financial resources shall also be included.
3. The forecasts should identify impact to property taxes and utility rates.
4. Major financial decisions should be made in the context of the Long-Range Plan.

The forecast assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve the City's goals. The forecast will provide an understanding of available funding; evaluate financial risk; assess the likelihood that services can be sustained; assess the level at which capital investment can be made; identify future commitments and resource demands; and identify the key variables that may cause change in the level of revenue.

III. REVENUES

Design, maintain and administer a revenue system that will assure reliable, equitable, diversified and sufficient revenue stream to support desired City services.

A. *Balance and Diversification in Revenue Sources*

The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in local economic conditions, which may adversely impact that source.

B. *User Fees - General Fund*

1. For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. Where services provide a general public benefit, the City shall recover the costs of those services through property and sales taxes.
2. At a minimum, the City will strive to cover direct costs.
3. User fees should be reviewed, at a minimum, every two to three years and adjusted to avoid sharp changes.
4. Factors in setting fees shall include, but not be limited to: market and competitive pricing, effect of demand for services, and impact on users, which may result in recovering something less than direct, indirect and overhead costs.
5. The City may set a different fee for residents versus non-residents.
6. User fees should be adopted by Council Ordinance and included in the Annual Fee Schedule.

C. *User Fees - Enterprise Funds*

1. Utility rates and other Enterprise Fund user fees shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage, provide pay-as-you-go funding for capital improvements, and provide adequate levels of working capital.
2. The City may set a different fee for residents versus non-residents.
3. The Five-Year Financial Plan (rate model) and proposed operating budget shall serve as the basis for rate change considerations.
4. When necessary, the Five-Year Financial Plan (rate model) will be built around small rate increases annually versus higher rate increases periodically.

D. *One-Time/Unpredictable Revenue Sources*

1. One-time, unpredictable revenue sources should not be used for ongoing expenses/expenditures.
2. One-time, unpredictable revenue sources will be used or one-time purchases such as increase in fund balance requirements, capital equipment purchase, capital improvements, etc.

E. *Revenue Collection*

The City shall maintain high collection rates for all revenues by monitoring monthly receivables. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent taxpayers and others overdue in payments to the City.

Revenues actually received will be compared to budgeted revenues by the Director of Finance and any variances considered to be material will be investigated. This process will be summarized in the monthly financial report. (See Financial and Management Reporting.)

F. *Write-Off of Uncollectible Receivables*

(excludes property taxes, court fines and warrant)

1. Receivables shall be considered for write-off as follows:
 - a. State statute authorizing the release of extinguishment, in whole or in part, of any indebtedness, liability, or obligation, if applicable.
 - b. Accounts outstanding for 3 years, identified as uncollectible, and all attempts to collect have been taken.
2. Accounts shall be written-off annually near year-end. Upon approval, accounts will be forwarded to a credit reporting agency.
3. The write-off of uncollected accounts is a bookkeeping entry only and does not release the debtor from any debt owed to the City.

IV.
EXPENDITURES

Identify services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of those services.

A. *Maintenance of Capital Assets*

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

B. *Periodic Program/Services Reviews*

The City Manager and staff shall undertake periodic reviews of City programs and services for both efficiency and effectiveness. Programs or services determined to be inefficient and/or ineffective shall be recommended through the annual budget process to be reduced in scope or eliminated.

C. *Purchasing*

All City purchases of goods and services shall be made in accordance with the City's current Purchasing manual.

V.
FUND BALANCE AND RESERVES

Maintain the fund balance and working capital of the various operating funds at levels sufficient to protect the City's credit worthiness as well as its financial position during emergencies or economic fluctuations.

A. *General Fund Unrestricted Fund Balance*

The City shall maintain the General Fund unrestricted fund balance equivalent to 2 months of recurring operating expenditures, based on current year expenditures. If the fund balance exceeds this amount, funding non-recurring expenditures in the following fiscal year may be used to draw down the balance.

B. *Water/Sewer Unreserved Working Capital*

The City shall maintain a working capital sufficient to provide for reserves for emergencies and revenue shortfalls. A cash equivalent operating reserve will be established and maintained at 25% of the current year's budget appropriation for recurring operating expenses.

The cash operating reserve is derived by dividing the total cash equivalents balance by recurring operating expenses.

C. *Use of Fund Balance/Working Capital*

Fund balance/Working Capital shall only be used for emergencies, non-recurring expenditures/ expenses or major capital purchases that cannot be accommodated through current year savings. Should such use reduce balances below the level established as the objective for that fund, restoration recommendations will accompany the request/decision to utilize said balances.

D. *Debt Service Fund Unrestricted Fund Balance*

The City shall maintain the debt service fund balance at 10% of annual debt service requirements OR a fund balance reserve as required by bond ordinances, whichever is greater.

E. *Property/Liability Insurance Fund Unrestricted Fund Balance*

The Property/Liability Insurance Fund accounts for uninsured and deductible claims for the City's property and liability insurance. Claims cannot be reasonably predicted and budgeted for; therefore the fund will maintain a balance that approximates the prior average annual expense for the last three years, excluding extra-ordinary expenses in the fund.

F. *Employee Benefits Fund Unrestricted Fund Balance*

The Employee Benefits Fund is funded through City and employee contributions. Estimated costs shall be determined during each budget year and the contributions adjusted accordingly. There is no minimum balance for this fund.

G. *Economic Development Corporation*

As sales tax revenue fluctuates due to changes in economic conditions, the PEDC shall maintain a fund balance of no less than 10% of budgeted sales tax revenues.

H. *Water/Sewer Revenue Debt Coverage Reserves*

Revenues shall be maintained at 1.15 times coverage in a fiscal year where the water/sewer fund is not issuing additional debt and 1.4 times coverage in a year where debt is anticipated to be issued.

I. *Bond Issuance Reserves*

Debt service reserves should be maintained for each bond issue as required by bond covenants.

J. *Contingency Fund*

Pursuant to the City Charter, a provisions shall be made within the annual budget for a contingency fund in an amount not more than seven percent of the total budget (General Fund) to be used in case of unforeseen items of expenditure.

K. *Fund Balance Classification*

The governmental fund financial statements will present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor certain constraints on the use of the financial resources within the governmental funds. The classifications used will be as follows:

- **Nonspendable:** Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples include Inventories, prepaid items, and long-term receivables.
- **Restricted:** Amounts for which constraints have been placed on the use of resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balances include but may not be limited to: Debt Service Reserves, Special Court Funds created by State Statute, Debt Service Funds, Hotel Occupancy Tax, State and Federal Forfeitures/Seizures, Parkland, Detention, Sidewalk, Tree Trust, and Park and City-Wide Donation revenues, University of Houston Fund, Unspent bond proceeds, Unspent grant funds, Unspent Capital Lease proceeds, and Unspent funds received pursuant to funding, developer, and/or TxDOT agreements.
- **Committed:** Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.
- **Assigned:** Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. In governmental funds other than the general fund, assigned fund balances represents the amount that is not restricted or committed. This indicates that those resources are, at a minimum, intended to be used for the purpose of that fund. Examples include: residual funds in all governmental funds except the General Fund and outstanding encumbrances at year-end.
- **Unassigned:** Is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Commitment of Fund Balance:

- The City Council is the City's highest level of decision making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is an ordinance approved by the City Council at a regular City Council meeting. The ordinance must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in a subsequent period.

Assignment Fund Balance:

- The City Council has authorized the Director of Finance as the official authorized to assign fund balance to a specific purpose pursuant to the guidelines.

Order of Expenditure of Funds:

- When multiple categories of fund balance are available for expenditure, the City would typically use Restricted fund balances first, followed by Committed, and then Assigned, but reserves the right to selectively spend from any of the categories, including Unassigned based upon the individual circumstances.

VI.

CAPITAL EXPENDITURES AND IMPROVEMENTS

Annually review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

A. *Capitalization Threshold for Tangible Capital Assets*

1. Tangible capital items should be capitalized only if they have an estimated useful life of 2 years or more following the date of acquisition or significantly extend the useful life of the existing asset and cannot be consumed, unduly altered, or materially reduced in value immediately by use and have a cost of not less than \$5,000 for any individual item.
2. The capitalization threshold of \$5,000 will be applied to individual items rather than to a group of similar items (i.e.: desks, chairs, etc.).
3. To maintain adequate control over non-capitalized tangible items, items costing \$1,000 - \$4,999 will be monitored, tagged, and tracked through the City financial software system.
4. Accurate inventories of all tangible items will be maintained to ensure proper stewardship of public property.

B. *Five-Year Capital Improvement Plan (CIP)*

1. The City shall annually prepare a five-year capital improvement plan based on the needs for capital improvements and equipment, the status of the City infrastructure, replacement and renovation needs, and potential new projects. Capital projects are improvements or additions to the City's physical plant/facilities/infrastructure and become a part of the City's asset inventory. Capital projects can be further categorized into land, buildings, improvements other than buildings, and infrastructure, which includes roads, sidewalks, bridges, utility lines, physical plants, etc. Capital costs typically consist of preliminary design, final design, and construction, and may involve the acquisition of land or easements. For purposes of the CIP Plan, a Capital Improvement Project should generally exceed a cost of \$100,000.
2. For the most part, projects in the CIP should be based upon master plans or developer agreements. This ensures that the City's CIP, which is the embodiment of the recommendations of these individual planning studies, is responsive to the officially stated direction of the City as contained in the Comprehensive Plan and supporting master plans. Examples of these supporting documents are: Water and Wastewater Modeling Plans, Thoroughfare Plan, Parks Master Plan, Trail Plan, Municipal Facilities Plan, etc.
3. For every project identified in the CIP, a project scope and project justification will be provided. Also, project costs shall be estimated, funding sources identified and annual operation and maintenance costs computed.
4. Parks Board and the Planning and Zoning Commission will be provided opportunities to review the list of CIP projects for the CIP and may suggest additions and/or changes to the plan as appropriate. Pursuant to the City Charter, the Planning and Zoning Commission makes recommendation to the City Manager.
5. The City Manager is charged with recommending a Capital Improvement Plan to City Council. The CIP shall be filed and adopted in conjunction with the annual budget.
6. Annually, through the budget process and at year-end, projects are to be reviewed. For those identified as complete, any remaining funds will close to fund balance. For those projects with identified savings, the project budget will be reduced and the subsequent savings will flow to fund balance. These funds can then

be re-appropriated during the next fiscal year capital budget. Funds remaining from bond proceeds will only be used in accordance with the legal use of those funds.

7. Appropriations for capital projects are for the life of the project; therefore re-appropriation of capital funding for each fiscal year for budgeted projects is not necessary.

C. *Infrastructure Evaluation and Replacement/Rehabilitation*

Water, wastewater, drainage, street lighting, streets and sidewalks, municipal facilities and other infrastructure are fundamental and essential functions for public health and safety, environmental protections and the economic well being of the City. As a result, the City's CIP should be focused on ensuring that infrastructure is replaced as necessary to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain existing levels of service and accommodate growth.

1. High priority should be given to replacing/rehabilitating capital improvements prior to the time that they have deteriorated to the point where they are hazardous, incur high maintenance costs, negatively affect property values, or no longer serve their intended purpose.
2. The decision on whether to repair, replace or to rehabilitate an existing capital asset will be based on which alternative is most cost-effective, which would include life-cycle costing, and provides the best value to the City.

D. *Replacement of Capital Assets on a Regular Schedule (Fleet, Fire Trucks, and High-Tech)*

The City shall annually prepare a schedule for the replacement of its fleet, fire trucks, and high technology capital assets. Funding for the replacement of these assets will be accomplished through the annual budget process, within the resources available each fiscal year. A variety of funding options will be explored, including but not limited to cash on hand and lease/purchase, based upon a determination of what would be in the best interest of the City.

E. *Capital Expenditure Financing*

The City recognizes that there are three basic methods of financing its capital requirements: Funding from current revenues; funding from fund balance; or funding through the issuance of debt. Types of debt and guidelines for issuing debt are set forth in the Debt Policy Statements.

F. *Pay-As-You-Go Capital Improvements*

1. The City will pay cash for capital improvements within the financial affordability of each fund versus issuing debt when funding capital improvements and capital purchases. This will reduce/minimize the property tax and utility rate impacts on Pearland citizens.
2. The City will seek out and use intergovernmental funding sources for capital improvements in order to leverage City funding and to minimize property and utility rate impacts.

G. *Capital Improvements/Project Reporting*

A summary/status report on the City's various capital projects will be prepared monthly and available to the City Manager and to City Council. Income statements on the City's CIP funds will be prepared monthly and include budget-to-actual for each project as well as list of major contracts, expense to date, and % contract completion.

VII. DEBT

Establish guidelines for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

A. *Use of Debt Financing*

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligation, certificates of participation, lease/purchase agreements, and other obligations permitted to be issued or incurred under Texas law, shall only be used to purchase capital assets that cannot be prudently acquired from either current revenues or fund balance and to fund infrastructure improvements and additions. Debt will not be used to fund current operating expenditures.

The City will pay cash for capital improvements within the financial affordability of each fund versus issuing debt when funding capital expenditures and capital improvements, which shall include, but not be limited to, sales tax, utility system revenues, developer fees, inter-local agreements, and state and federal grants.

B. *Affordability*

The City shall use an objective analytical approach to determine whether it can afford to issue general-purpose debt, both General Obligation and Certificates of Obligation, water/sewer debt, sales tax revenue debt, and any other financing permitted by State law. The process shall include an internal feasibility analysis for each long-term financing which analyzes the impact on current and future budgets, which would include the tax and utility rates. The process shall also include the benefits of the proposed projects. The decision on whether or not to issue new debt shall be based on the benefits of the project, current conditions of the municipal bond market, and the City's ability to "afford" new debt.

In no case will the City issue general obligation debt that will require a debt service tax rate of \$1.50 per \$100 assessed valuation, based on a 90% collection rate, which is the maximum tax rate permitted by State law.

C. *Types of Long-Term Debt*

1. General Obligation Bonds (GO)

General Obligation bonds require voter approval and are secured by a promise to levy taxes in an amount necessary to pay annual debt service.

a. General Obligation bonds must be issued for projects that are in accordance with the wording in the bond proposition.

2. Certificates of Obligation

Certificates of Obligation may be issued without voter approval to finance any public works project or capital improvement, as permitted by State law. It is the City's policy to utilize Certificates of Obligation to finance public improvements in certain circumstances and only after determining the City's ability to assume additional debt. Circumstances in which Certificates might be issued include, but are not limited to the following.

a. The City may issue CO's when there is insufficient funding on a general obligation bond-financed capital improvement.

b. The City may issue CO's when "emergency" (urgent, unanticipated) conditions require a capital improvement to be funded rapidly.

c. The City may issue CO's for projects when the City can leverage dollars from others to reduce the City's capital cost for a community improvement.

d. The City may issue CO's for projects when there is no other adequate funding source available (ie: GO or developer funding), the project is determined to be in the best interest of the City, and where a determination is made that waiting for the next bond referendum or having a bond referendum for a small amount of money or a small number of projects is impractical and where public notice versus a voted bond referendum is deemed acceptable by the City Council.

e. The City may issue CO's if it would be more economical to issue Certificates of Obligation rather than issuing revenue bonds; and

f. The City may issue CO's for projects for which the City will be reimbursed by Developer (principal plus interest).

3. Revenue Bonds

Revenue bonds are generally payable from a designated source of revenue. They do not require voter approval.

For the City to issue new revenue bonds, revenues, as defined in the ordinance authorizing the revenue bonds in question, shall meet the bond coverage ratio as defined in the ordinance. Annual adjustments to the City's rate structures for Enterprise Funds will be made as necessary to maintain the coverage factor.

If the City should issue CO's for Water/Sewer Improvements, the Water/Sewer Fund will pay the annual debt service associated with the issue.

D. *Debt Structures*

The City shall normally issue bonds with a life not to exceed 25 years for general obligation bonds and 30 years for revenue bonds, but in no case longer than the useful life of the asset. The City shall seek level or declining debt repayment schedules and shall seek to retire 90% of the total principal outstanding within 20 years of the year of issuance. There should be no debt structures that include increasing debt service levels in subsequent years, with the first and second year of a bond payout schedule the exception or as special situations may warrant. There shall be no "balloon" bond repayment schedules, which consists of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the

first fiscal year after a bond sale and principal payments starting generally no later than the second fiscal year after the bond issue. Normally, there shall be no capitalized interest included in the debt structure except for debt issuances reimbursing developers for infrastructure or in the case in which the project will generate revenue, but it takes a couple of years to produce the revenue. Capitalized interest should normally not exceed 2 years.

The City currently has a level debt service structure. As such, unless there is growth (increased valuation, increase in number of connections, etc.) or reallocation of the tax rate to debt service, there is no room for additional debt without increasing rates. The City shall seek to begin making attempts to structure future debt issuances, where affordable, to a declining structure.

The City will issue debt based on a fixed rate and will limit use of variable-rate debt due to the potential volatility of such instruments.

E. *Debt Refunding*

The City's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the net present value savings of a particular refunding should exceed 3.0% of the refunded maturities unless: (1) a debt restructuring is necessary; or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt or; (3) the refunding is combined with a new debt issuance.

F. *Interest Earnings on Debt Proceeds*

Debt interest earnings will be limited to funding changes to the bond financed Capital Improvement Plan in compliance with the voted propositions, cost overruns on bond projects, or be applied to debt service payments on the bonds issued.

G. *Bond Elections*

1. Timing of general obligation bond elections shall be determined by the inventory of current authorized, unissued bonds remaining to be sold and the Five-Year Capital Improvement Plan.
2. The total dollar amount of bond election propositions recommended to the voters should typically not exceed the City's estimated ability to issue the bonds within a 7-year period.
3. An analysis showing how the new debt combined with current debt impacts the City's tax rate and debt capacity will accompany every future bond issue proposal.

H. *Sale Process*

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. The City will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing, if the interest rate environment or market/economic factors may affect the bond issue, or if the nature of the debt is unique and requires particular skills from the underwriters involved. The City shall award the bonds based on a true interest costs (TIC) basis. However, the City may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

I. *Underwriting Syndicates*

The City's financial advisor shall attempt to involve qualified and experienced firms, which consistently submit ideas to the City and financial advisors and actively participate in the City's competitive sale in its negotiated underwritings. In conjunction with the City, the City's financial advisor shall recommend the structure of underwriting syndicates, which will be optimal for the type and amount of debt being issued.

J. *Bond Ratings*

Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. Credit ratings will be sought from one or more of the nationally recognized municipal bond rating agencies, as recommended by the City's financial advisor.

The City will continually strive to maintain or increase the City's current bond ratings by prudently managing its funds and by reviewing and monitoring financial policies, budgets, forecasts and the financial health of the City.

K. *Covenant Compliance*

The City will comply with all covenants stated in the bond ordinance, including providing for annual disclosure information and providing for material event notices.

L. *Arbitrage Rebate Monitoring and Reporting*

Arbitrage is the interest earned on the investment of bond proceeds above the interest paid on the debt. The City will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS regulation. The recordkeeping shall include tracking project expenditures, interest earned on the bonds, calculating rebate payments, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the outstanding debt. Arbitrage rebate calculations will be performed annually on all debt issues and the liability recorded for any positive arbitrage. Due to the specialized nature of the calculations, this function will typically be outsourced.

M. *Lease/Purchase Agreements*

The City will use lease/purchase agreements for the acquisition of equipment when it is cost-effective and provides for attractive terms. All lease purchase agreements will be approved by City Council no matter the dollar amount.

VIII.

CASH MANAGEMENT AND INVESTMENTS

To maintain the City's cash in such a manner so as to ensure the absolute safety of principal, to meet the liquidity needs of the City, and to achieve the highest possible yield.

A. *Investment Management*

1. All aspects of cash/investment management shall be designed to ensure safety and integrity of the City's financial assets.
2. Cash/Investment management activities shall be conducted in full compliance with prevailing local, state, and federal regulations. (See City's Investment Policy and Strategy)
3. The City will utilize competitive quotes from approved broker/dealers, affording no special advantage to any individual or corporate member of the financial or investment community.
4. The City will only do business with City authorized broker/dealers and/or financial institutions as approved by Council and who have executed a written certification of their review of the City's Investment Policy.
5. The City shall design and establish policies relating to a variety of cash/investment management issues, such as the eligibility and selection of various broker/dealers, safekeeping requirements, collateral requirements, delivery versus payment requirements, weighted average maturity requirements and other such aspects of the program, which necessitate standard setting in pursuit of appropriate prudence and enhanced protection of assets.(See City's Investment Policy)
6. Investments of the City shall be made with the exercise of judgment and care which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment.

B. *Investment Strategy*

The City of Pearland maintains a consolidated portfolio in which it pools its funds for investment purposes. The City's investment program seeks to achieve safety of principal, adequate liquidity to meet cash needs, and reasonable yields commensurate with the preservation of principal and liquidity. (See City's Investment Strategy)

C. *Interest Income*

Interest earned from investments shall be distributed to the funds from which the funds were provided.

D. *Arbitrage Investments*

Investment on bond proceeds will be made with safety of principal and liquidity in mind, but with a competitive rate of return. If there is positive arbitrage, the rebatable earnings will be sent to the IRS, as necessary.

E. *Depository*

The City will select its official bank through a formal bidding process in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available. The City will, at a minimum, bid depository services every five years. The City will review the financial health of the City's depository annually to include but not be limited to earnings, assets, capital, and liquidity.

F. *Collateralization of Deposits*

1. The City shall have pledged collateral held at an independent third-party institution and evidenced by a written receipt.
2. The value of the pledged collateral should be marked to market monthly and shall be at least 102 percent of par or market value of the investments, whichever is greater.
3. Substitutions of collateral shall meet the requirements of the collateral agreement. Collateral shall not be released until the replacement collateral has been received, if the release of the collateral should result in the value being under 102 percent of par value.
4. The pledge of collateral shall comply with the City's investment policy.

IX.

GRANTS AND INTERGOVERNMENTAL REVENUES

The City will seek, apply for, and effectively administer federal, state and local grants, which support the City's current priorities and policy objectives. The City should take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants.

A. *Grant Guidelines*

1. The City shall apply and facilitate the application for only those grants that are consistent with the objectives and high priorities identified by Council and management.
2. Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs and services.
3. The potential for incurring ongoing costs, to include assumptions of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

B. *Grant Review Process*

1. A uniform grants pre-application process will be utilized to assure the City has all the information necessary to make a decision regarding a potential grant. Information to be provided should include, but not be limited to:
 - a. The grant being pursued and the use to which it would be placed
 - b. The objectives or goals of the City which will be achieved through the use of the grant
 - c. The local match required, if any, plus the source of the local match
 - d. The increased cost to be locally funded upon termination of the grant
2. All grant agreements will be reviewed by the appropriate City staff, including Finance, Legal, HR, and the sponsoring department, to ensure compliance with state, federal, and City regulations.
3. The City Manager shall approve all grant submissions and City Council shall approve all grant acceptances over \$50,000.

C. *Budgeting for Grant Expenditures*

Annually via the budget process, departments will submit for possible funding, known grant opportunities. These grant opportunities will be prioritized and ranked along with all other supplemental requests. If approved, the expenditure and associated revenue will be appropriated in the Grant Fund. If there are grant opportunities that arise during the year and are received by the City, the budget will be amended via the projections, if the City can fund the local match required.

D. *Grant Termination and/or Reduced Grant Funding*

1. In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process, unless the City is obligated through the terms of the grant to maintain the positions, services, or equipment.
2. The City shall terminate grant-funded programs and associated positions when grant funds are no longer available, and it is determined that the program no longer supports City goals and/or is no longer in the best interest of the City, unless the City has obligated itself through the terms of the grant to maintain the positions, services, or equipment.

X.
FINANCIAL CONSULTANTS

The City will employ qualified financial advisors and consultants as needed in the administration and management of the City's financial function. These areas include but are not limited to audit services, debt administration, delinquent tax collection attorney, and financial modeling. The principal factors in the selection of these consultants will be experience/expertise, ability to perform, the services offered, references, and methodology to name a few. In no case should price be allowed to serve as the sole criterion for the selection.

A. *Selection of Auditors*

At least every seven years, the City shall request proposals from qualified firms, including the current auditors if their past performance has been satisfactory. The City Council shall select an independent firm of certified public accountants to perform an annual audit of the accounts and records, and render an opinion on the financial statements of the City.

It is the City's preference to rotate auditor firms every seven years at the maximum, to ensure that the City's financial statements are reviewed and audited with an objective, impartial, and unbiased point of view. The rotation of the audit firm will be based upon the proposals received, the qualifications of the firm, and the firm's ability to perform a quality audit.

However, if through the proposal and review process, management and the Audit Committee select the current audit firm, then, it is the City's preference that the lead audit partner be rotated, as well as the lead reviewer, after a maximum of seven years.

B. *Arbitrage*

1. The City shall calculate positive/negative arbitrage on each bond issue annually. While the City is responsible to ensure that the records are in order, the calculations made, reporting completed, and filings made, the actual arbitrage calculation and reporting shall be contracted out to a qualified firm.
2. Requests for proposals and statement of qualifications are to be solicited at least every seven years. There is not a requirement for rotation.

C. *Delinquent Tax Collection Attorney*

1. Due to the nature and expertise required, the City shall hire a delinquent tax collection attorney to collect delinquent taxes, represent the City in filing bankruptcy claims, foreclose on real property, seize personal property, and represent the City in court cases and property sales.
2. Requests for proposals and statement of qualifications are to be solicited at least every seven years. There is no requirement for rotation.

D. *Bond Counsel*

1. Bond Counsel to the City has the role of an independent expert who provides an objective legal opinion concerning the issuance and sale of bonds and other debt instruments. As bond counsel are specialized attorneys who have developed necessary expertise in a broad range of practice areas, the City will always use a consultant for these services. Generally, bonds are not marketable without an opinion of nationally recognized bond counsel stating that the bonds are valid and binding obligations stating the sources of payment and security for the bonds and that the bonds are exempt from Federal income taxes.
2. Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with Bond Counsel shall be a maximum of ten (10) years, however with a termination clause, at the discretion of the City. A contract may be renewed after a competition process in which the Council determines that continuation with the incumbent firm is in the best interest of the City.

E. *Financial Advisory Services*

1. The City issues various types of securities to finance its capital improvement program. Debt structuring and issuance requires a comprehensive list of services associated with municipal transactions, including but not limited to: method of sale; analysis of market conditions; size and structure of the issue; coordinating rating agency relations; evaluation of and advice on the pricing of securities, assisting with closing and debt management; calculation of debt service schedules; and advising on financial management. As financial advisors to governmental entities have developed the necessary expertise in a broad range of services, the City will use a consultant for these services.
2. Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with the Financial Advisor shall be a maximum of ten (10) years, however with a termination clause, at the discretion of the City. A contract may be renewed after a

competition process in which the Council determines that continuation with the incumbent firm is in the best interest of the City.

F. *Depository Bank*

Pursuant to State law, the City may approve a depository contract whose term does not exceed five years. There is no requirement for rotation. The City will select its official banking institution through a formal process based on best value in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available.

ORDINANCE NO.1545

An Ordinance adopting a tax rate of \$0.685059 and levying taxes for the use and support of the Municipal Government of the City of Pearland, Texas, and providing for the interest and sinking fund of the taxable year 2017.

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

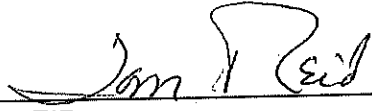
Section 1. That there is hereby levied and there shall be collected for the use and support of the Municipal Government of the City of Pearland, Texas, and to provide Interest and Sinking Fund for the Year Two Thousand Seventeen upon all property, real, personal, and mixed within the corporate limits of said City subject to taxation, a tax of \$0.685059 on each One Hundred Dollars (\$100.00) valuation of property, said tax being so levied and apportioned for the specific purpose herein set forth:

- (1) For the maintenance and support of the General Government (General Fund), the sum of \$0.255059 on each \$100 valuation of property, and
- (2) For the Interest and Sinking Fund, the sum of \$0.43.

Section 2. All monies collected under this ordinance for the specific items therein named, be and the same are hereby appropriated and set apart for the specific purpose indicated in each item and that the Assessor and Collector of Taxes, the Director of Finance, and the City Manager shall so keep these accounts as to readily and distinctly show the amount collected, the amounts expended, and the amount on hand at any time belonging to such funds. It is hereby made the duty of the Tax Assessor and Collector of Taxes and every person collecting money for the City of Pearland to deliver to the Director of Finance and the City Manager, at the time of depositing of any monies, a statement showing to what fund such deposit should be made, and from what source received. All receipts for the City not specifically apportioned by this ordinance are hereby made payable to the General Fund of the City.


ORDINANCE NO.1545

PASSED and APPROVED ON FIRST READING this the 18th day of September, A.D., 2017.



TOM REID
MAYOR


ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



PASSED and APPROVED ON SECOND and FINAL READING this the 25th day of September, A. D., 2017.



TOM REID
MAYOR


ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



APPROVED AS TO FORM:



DARRIN M. COKER
CITY ATTORNEY

ORDINANCE NO.1544

An appropriation ordinance adopting a budget for the fiscal year beginning October 1, 2017, and ending September 30, 2018, and pay plans for fiscal year 2018.

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

Section 1. That the City Manager's proposed 2017-2018 Budget, attached hereto as Exhibit "A", be adopted in compliance with provisions of Article 8 of the Home Rule Charter of the City of Pearland, Texas which sets forth certain specific requirements as to the City of Pearland,


Section 2. That City Council hereby appropriates certain sums, more specifically identified on Exhibit "A" attached hereto, for the proposed fiscal year 2017-2018 Budget.

Section 3. That the City Council hereby confers upon the City Manager general authority to contract for expenditures without further approval of the Council for all budgeted items the cost of which do not exceed the constitutional and statutory requirements for competitive bidding.

Section 4. That the City Council deems the Pay Plans (Exhibit "B") and Organizational Plan contained in the 2017-2018 Budget to be in the best interest of the City and is hereby adopted.

Section 5. That this ordinance shall become effective from and after its passage on second and final reading.


PASSED and APPROVED ON FIRST READING this the 18th day of September, A. D., 2017.



TOM REID
MAYOR

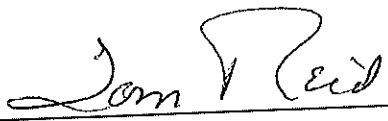
ORDINANCE NO.1544

ATTEST:


YOUNG LORFING, TRMC
CITY SECRETARY



PASSED and APPROVED ON SECOND and FINAL READING this the 25th day of
September, A. D., 2017.


TOM REID
MAYOR

ATTEST:


YOUNG LORFING, TRMC
CITY SECRETARY



APPROVED AS TO FORM:



DARRIN M. COKER
CITY ATTORNEY

EXHIBIT A
City of Pearland
Fiscal Year 2017-2018 Budget

| <u>Fund Description</u> | <u>Revenues</u> <u>Adopted Budget</u> | <u>Expenses</u> <u>Adopted Budget</u> |
|--|--|--|
| OPERATIONS | | |
| 100 General | 79,070,435 | 78,715,518 |
| 200 Debt Service-General | 36,235,043 | 35,752,862 |
| 900 PEDC | 11,349,972 | 14,985,428 |
| <u>Special Revenue Funds</u> | | |
| 305 Hotel/Motel | 1,460,800 | 1,453,009 |
| 310 Municipal Court Security | 48,530 | 55,529 |
| 315 Citywide Donation | 31,900 | 96,152 |
| 320 Court Technology | 60,010 | 61,777 |
| 330 Parks Donations | 126,200 | 135,000 |
| 331 Tree Trust | 40 | 12,000 |
| 335 Police State Seizure | 240 | 37,200 |
| 336 Federal Police | 10 | |
| 340 Park & Recreation Development | 123,420 | |
| 345 Sidewalk | 5,005 | |
| 350 Grant | 315,537 | 315,537 |
| 351 Community Development | 338,534 | 338,534 |
| 360 Traffic Impact Improvement | 1,000 | |
| 365 Court Juvenile Management | 52,030 | 58,806 |
| 370 Municipal Channel | 301,000 | 131,281 |
| 375 University of Houston | | |
| 376 University of Houston Capital Renewal Fund | | |
| <u>Internal Service Fund</u> | | |
| 700 Property/Liability Insurance | 984,331 | 1,268,332 |
| 702 Medical Self-Insurance | 7,580,534 | 7,758,680 |
| <u>Proprietary Funds</u> | | |
| 600 Water and Sewer | 49,499,057 | 48,819,332 |
| 610 Solid Waste | 7,389,414 | 7,384,239 |
| SUB TOTAL - OPERATIONS | 194,973,042 | 197,379,216 |
| CAPITAL IMPROVEMENT PROGRAM | | |
| <u>Water/Sewer Capital Projects Funds</u> | | |
| 550 Utility Impact Fee | 36,205,000 | 35,422,732 |
| 555 Shadow Creek Impact Fee | 915,000 | 700,000 |
| 560 Certificates of Obligation 1998 | | |
| 565 1999 W & S Revenue Bonds | 15,392,120 | 15,644,720 |
| 570 Water/Sewer Pay As You Go | 2,137,710 | 2,275,270 |
| 575 MUD 4 Capital Program | | |
| <u>Capital Projects Funds</u> | | |
| 500 Capital Projects | 205,000 | 413,721 |
| 501 Capital Projects-CO 2001 | 12,367,216 | 15,192,251 |
| 502 Capital Projects Mobility CO 2001 | | |
| 503 Capital Projects-CO 2006 | | |
| 504 Capital Projects-CO 2007 | | |
| 505 Capital Projects-GO Series 2007A | | |
| 506 Capital Projects-GO Series 2009 | 22,682,000 | 20,618,350 |
| SUB TOTAL - CIP | 89,904,046 | 90,267,044 |
| GRAND TOTAL: | 284,877,088 | 287,646,260 |

**FY18 City of Pearland Pay Plan
Effective October 2017**

| Position Title | Salary Range | Minimum Annual | Minimum Hourly | Midpoint Annual | Midpoint Hourly | Maximum Annual | Maximum Hourly |
|---|----------------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|
| City Manager, City Attorney and Municipal Court Judge | Determined by City Council | | | | | | |
| Assistant City Manager, Deputy City Manager, and Department Heads | Determined by City Manager | | | | | | |
| Deputy City Attorney | 72 | \$89,667 | \$43.1092 | \$112,084 | \$53.8865 | \$134,501 | \$64.6638 |
| Assistant Police Chief | 71 | \$87,480 | \$42.0577 | \$109,350 | \$52.5722 | \$131,220 | \$63.0866 |
| | 70 | \$85,346 | \$41.0319 | \$106,683 | \$51.2899 | \$128,020 | \$61.5479 |
| | 69 | \$83,265 | \$40.0312 | \$104,081 | \$50.0389 | \$124,897 | \$60.0467 |
| Vice President - EDC | 68 | \$81,234 | \$39.0548 | \$101,542 | \$48.8185 | \$121,851 | \$58.5822 |
| | 67 | \$79,253 | \$38.1022 | \$99,066 | \$47.6278 | \$118,879 | \$57.1533 |
| Assistant City Attorney | 66 | \$77,320 | \$37.1729 | \$96,650 | \$46.4661 | \$115,979 | \$55.7594 |
| City Secretary | 65 | \$75,434 | \$36.2662 | \$94,292 | \$45.3328 | \$113,151 | \$54.3994 |
| Assistant Fire Chief | 65 | | | | | | |
| Assistant Director of Engineering | 65 | | | | | | |
| Assistant Director, Finance | 64 | \$73,594 | \$35.3817 | \$91,992 | \$44.2271 | \$110,391 | \$53.0726 |
| Capital Projects, Assistant Director | 64 | | | | | | |
| City Planner | 64 | | | | | | |
| Assistant City Engineer | 63 | \$71,799 | \$34.5187 | \$89,749 | \$43.1484 | \$107,698 | \$51.7781 |
| Assistant Director, Public Works | 63 | | | | | | |
| | 62 | \$70,048 | \$33.6768 | \$87,560 | \$42.0960 | \$105,072 | \$50.5152 |
| Assistant Director, Parks & Recreation | 61 | \$68,339 | \$32.8554 | \$85,424 | \$41.0693 | \$102,509 | \$49.2831 |
| Budget Officer | 60 | \$66,672 | \$32.0541 | \$83,341 | \$40.0676 | \$100,009 | \$48.0811 |
| Building Official | 60 | | | | | | |
| Director, Marketing (EDC) | 60 | | | | | | |
| Manager, Information Technology | 60 | | | | | | |
| Manager, Facilities | 60 | | | | | | |
| Fire Marshal | 60 | | | | | | |
| Emergency Management Coordinator | 60 | | | | | | |
| Purchasing Officer | 60 | | | | | | |
| | 59 | \$65,046 | \$31.2723 | \$81,308 | \$39.0903 | \$97,569 | \$46.9084 |
| Associate City Attorney | 58 | \$63,460 | \$30.5095 | \$79,325 | \$38.1369 | \$95,190 | \$45.7643 |
| Planner, Senior | 58 | | | | | | |
| Manager, Project | 57 | \$61,912 | \$29.7654 | \$77,390 | \$37.2067 | \$92,868 | \$44.6481 |
| Municipal Court Prosecutor | 57 | | | | | | |
| Accounting Supervisor | 56 | \$60,402 | \$29.0394 | \$75,502 | \$36.2993 | \$90,603 | \$43.5591 |
| Financial Analyst | 56 | | | | | | |
| Manager, Animal Control | 56 | | | | | | |

**FY18 City of Pearland Pay Plan
Effective October 2017**

| Position Title | Salary Range | Minimum Annual | Minimum Hourly | Midpoint Annual | Midpoint Hourly | Maximum Annual | Maximum Hourly |
|--|---------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|
| Manager, GIS | 55 | \$58,929 | \$28.3311 | \$73,661 | \$35.4139 | \$88,393 | \$42.4967 |
| System Administrator | 55 | | | | | | |
| Municipal Court Administrator | 55 | | | | | | |
| Manager, Sales and Event (CVB) | 55 | | | | | | |
| Manager, Water Billing & Collection | 55 | | | | | | |
| HR Manager | 55 | | | | | | |
| Risk Manager | 55 | | | | | | |
| Superintendent | 54 | \$57,491 | \$27.6401 | \$71,864 | \$34.5502 | \$86,237 | \$41.4602 |
| Senior Budget Analyst | 54 | | | | | | |
| Manager, Acquisition | 53 | \$56,089 | \$26.9660 | \$70,112 | \$33.7075 | \$84,134 | \$40.4490 |
| Planner, Associate | 52 | \$54,721 | \$26.3083 | \$68,402 | \$32.8853 | \$82,082 | \$39.4624 |
| Budget Analyst | 52 | | | | | | |
| Senior Accountant | 52 | | | | | | |
| GIS Specialist | 52 | | | | | | |
| Management Assistant | 52 | | | | | | |
| Crime Analyst | 52 | | | | | | |
| Grants Coordinator | 52 | | | | | | |
| HR Business Partner | 52 | | | | | | |
| Manager, Traffic | 52 | | | | | | |
| Development Coordinator | 52 | | | | | | |
| Manager, Sales and Event (CVB) | 51 | \$53,387 | \$25.6666 | \$66,733 | \$32.0833 | \$80,080 | \$38.4999 |
| Deputy Fire Marshal | 50 | \$52,084 | \$25.0406 | \$65,106 | \$31.3007 | \$78,127 | \$37.5609 |
| Jail Division Supervisor | 50 | | | | | | |
| Police Support Services Supervisor | 50 | | | | | | |
| Staff Accountant | 50 | | | | | | |
| Construction Inspector, Chief | 49 | \$50,814 | \$24.4298 | \$63,518 | \$30.5373 | \$76,221 | \$36.6448 |
| Associate Engineer | 49 | | | | | | |
| Emergency Management Planner | 48 | \$49,575 | \$23.8340 | \$61,968 | \$29.7925 | \$74,362 | \$35.7510 |
| Fire Inspector/Investigator | 48 | | | | | | |
| Health & Environmental Services Supervisor | 48 | | | | | | |
| Safety & Risk Coordinator | 48 | | | | | | |
| Manager, Resource Development | 48 | | | | | | |
| Planner | 48 | | | | | | |
| Manager, Marketing (CVB) | 48 | | | | | | |
| Deputy City Secretary | 47 | \$48,366 | \$23.2527 | \$60,457 | \$29.0659 | \$72,548 | \$34.8790 |
| Executive Assistant | 47 | | | | | | |

**FY18 City of Pearland Pay Plan
Effective October 2017**

| Position Title | Salary Range | Minimum Annual | Minimum Hourly | Midpoint Annual | Midpoint Hourly | Maximum Annual | Maximum Hourly |
|---|---------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|
| Assistant Manager | 46 | \$47,186 | \$22.6855 | \$58,982 | \$28.3569 | \$70,779 | \$34.0283 |
| Recruitment Coordinator | 46 | | | | | | |
| Training & Development Coordinator | 46 | | | | | | |
| Plans Examiner | 46 | | | | | | |
| Building Inspector | 45 | \$46,035 | \$22.1322 | \$57,544 | \$27.6653 | \$69,053 | \$33.1984 |
| Police Telecommunications Coordinator | 45 | | | | | | |
| Humane Officer, Senior | 45 | | | | | | |
| Aquatics Supervisor | 44 | \$44,912 | \$21.5924 | \$56,140 | \$26.9905 | \$67,368 | \$32.3886 |
| Recreation Program Coordinator | 44 | | | | | | |
| Senior Center Supervisor | 44 | | | | | | |
| Special Events Coordinator | 44 | | | | | | |
| Communications Specialist | 44 | | | | | | |
| Building Maintenance Supervisor | 44 | | | | | | |
| Park Supervisor | 44 | | | | | | |
| Construction Inspector | 44 | | | | | | |
| Engineering Technician | 44 | | | | | | |
| Maintenance Supervisor | 44 | | | | | | |
| Treatment Plant Supervisor | 44 | | | | | | |
| Pre-Treatment Coordinator | 44 | | | | | | |
| Backflow Compliance Manager | 44 | | | | | | |
| Crime Victim Liaison | 44 | | | | | | |
| Multimedia Specialist | 44 | | | | | | |
| Addressing Coordinator | 44 | | | | | | |
| IT Support Specialist | 43 | \$43,817 | \$21.0658 | \$54,771 | \$26.3322 | \$65,725 | \$31.5987 |
| Project Coordinator | 43 | | | | | | |
| Vol Fire Recruit/Retention Coordinator | 43 | | | | | | |
| Buyer | 42 | \$42,748 | \$20.5520 | \$53,435 | \$25.6900 | \$64,122 | \$30.8280 |
| Payroll Specialist | 42 | | | | | | |
| Chief Mechanic | 42 | | | | | | |
| Therapeutic Recreation Specialist | 42 | | | | | | |
| Public Works Infrastructure Liaison | 41 | \$41,705 | \$20.0507 | \$52,132 | \$25.0634 | \$62,558 | \$30.0761 |
| Telecommunications Operator, Lead | 41 | | | | | | |
| Lead Jailer | 41 | | | | | | |
| Urban Forester | 41 | | | | | | |
| Accounts Payable Supervisor | 40 | \$40,688 | \$19.5617 | \$50,860 | \$24.4521 | \$61,032 | \$29.3425 |
| Community Outreach Coordinator | 40 | | | | | | |
| Legal Secretary | 40 | | | | | | |
| Office Supervisor | 40 | | | | | | |
| Customer Service Supervisor | 40 | | | | | | |
| Volunteer Coordinator | 40 | | | | | | |
| Facility Supervisor | 40 | | | | | | |
| Electrician | 39 | \$39,696 | \$19.0846 | \$49,620 | \$23.8557 | \$59,544 | \$28.6268 |
| Telecommunications Operator, Intermediate | 39 | | | | | | |

**FY18 City of Pearland Pay Plan
Effective October 2017**

| Position Title | Salary Range | Minimum Annual | Minimum Hourly | Midpoint Annual | Midpoint Hourly | Maximum Annual | Maximum Hourly |
|---|---------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|
| GIS Technician | 38 | \$38,728 | \$18.6191 | \$48,410 | \$23.2739 | \$58,092 | \$27.9286 |
| Planning Technician | 38 | | | | | | |
| Maintenance Crew Leader | 38 | | | | | | |
| Utility Maintenance Technician, Senior | 38 | | | | | | |
| Treatment Plant Operator II | 38 | | | | | | |
| Program Specialist | 38 | | | | | | |
| Recreation Program Coordinator, Assistant | 38 | | | | | | |
| Recreation Specialist | 38 | | | | | | |
| HR Assistant | 38 | | | | | | |
| Utility Field Service Technician, Lead | 38 | | | | | | |
| Videographer / Editor | 38 | | | | | | |
| Code Enforcement / Health Officer | 37 | \$37,783 | \$18.1650 | \$47,229 | \$22.7062 | \$56,675 | \$27.2474 |
| Crime Victim Specialist | 37 | | | | | | |
| Humane Officer | 37 | | | | | | |
| Animal Shelter Supervisor | 37 | | | | | | |
| Jailer | 37 | | | | | | |
| Telecommunications Operator, Basic | 37 | | | | | | |
| Administrative Assistant | 36 | \$36,862 | \$17.7219 | \$46,077 | \$22.1524 | \$55,292 | \$26.5829 |
| Chief Court Clerk | 36 | | | | | | |
| Juvenile Case Manager | 36 | | | | | | |
| Building Maintenance Technician | 36 | | | | | | |
| Traffic Signal Technician | 36 | | | | | | |
| Park Maintenance Crew Leader | 35 | \$35,963 | \$17.2897 | \$44,953 | \$21.6121 | \$53,944 | \$25.9345 |
| Police Cadet | 35 | | | | | | |
| Treatment Plant Operator I | 34 | \$35,085 | \$16.8680 | \$43,857 | \$21.0850 | \$52,628 | \$25.3020 |
| Utility Maintenance Technician | 34 | | | | | | |
| CCTV Technician | 34 | | | | | | |
| Pre-Treatment Technician | 34 | | | | | | |
| Property Room Technician | 33 | \$34,230 | \$16.4566 | \$42,787 | \$20.5707 | \$51,344 | \$24.6848 |
| Quartermaster | 33 | | | | | | |
| Custodial Crew Leader | 32 | \$33,395 | \$16.0552 | \$41,743 | \$20.0690 | \$50,092 | \$24.0828 |
| Mechanic | 32 | | | | | | |
| Records and Information Coordinator | 32 | | | | | | |
| Traffic Signal Technician, Trainee | 32 | | | | | | |
| | 31 | \$32,580 | \$15.6636 | \$40,725 | \$19.5795 | \$48,870 | \$23.4954 |
| Accounts Payable Clerk | 30 | \$31,786 | \$15.2815 | \$39,732 | \$19.1019 | \$47,678 | \$22.9223 |
| GIS/GPS Technician | 30 | | | | | | |
| Heavy Equipment Operator | 30 | | | | | | |
| Water & Sewer Equipment Operator | 30 | | | | | | |
| Plans Expediter | 30 | | | | | | |
| Police Records Clerk, Lead | 30 | | | | | | |
| Utility Billing Specialist | 30 | | | | | | |

**FY18 City of Pearland Pay Plan
Effective October 2017**

| Position Title | Salary Range | Minimum Annual | Minimum Hourly | Midpoint Annual | Midpoint Hourly | Maximum Annual | Maximum Hourly |
|--|---------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|
| Deputy Court Clerk, Senior | 29 | \$31,010 | \$14.9088 | \$38,763 | \$18.6360 | \$46,516 | \$22.3632 |
| ROW Inspector | 29 | | | | | | |
| Humane Officer, Trainee | 29 | | | | | | |
| Animal Shelter Attendant | 29 | | | | | | |
| Office Assistant, Senior | 28 | \$30,254 | \$14.5452 | \$37,818 | \$18.1815 | \$45,381 | \$21.8178 |
| Court Bailiff | 27 | \$29,516 | \$14.1904 | \$36,895 | \$17.7380 | \$44,274 | \$21.2857 |
| Utility Field Service Technician | 27 | | | | | | |
| Equipment Operator | 26 | \$28,796 | \$13.8443 | \$35,995 | \$17.3054 | \$43,194 | \$20.7665 |
| Fleet Services Assistant | 26 | | | | | | |
| Facility Attendant | 26 | | | | | | |
| Records and Information Coordinator, Ass't | 26 | | | | | | |
| Senior Center Shuttle Bus Driver | 26 | | | | | | |
| Utility Maintenance Worker | 26 | | | | | | |
| Deputy Court Clerk | 25 | \$28,094 | \$13.5067 | \$35,117 | \$16.8833 | \$42,141 | \$20.2600 |
| Customer Service Representative | 24 | \$27,409 | \$13.1772 | \$34,261 | \$16.4715 | \$41,113 | \$19.7658 |
| Permit Clerk | 24 | | | | | | |
| Police Records Clerk | 24 | | | | | | |
| Sign Technician | 24 | | | | | | |
| | 23 | \$26,740 | \$12.8558 | \$33,425 | \$16.0698 | \$40,110 | \$19.2838 |
| Building Maintenance Worker | 22 | \$26,088 | \$12.5423 | \$32,610 | \$15.6778 | \$39,132 | \$18.8134 |
| Office Assistant | 22 | | | | | | |
| Park Maintenance Worker | 22 | | | | | | |
| Receptionist | 22 | | | | | | |
| | 21 | \$25,452 | \$12.2364 | \$31,815 | \$15.2955 | \$38,177 | \$18.3546 |
| | 20 | \$24,831 | \$11.9379 | \$31,039 | \$14.9224 | \$37,246 | \$17.9069 |
| Custodian | 19 | \$24,225 | \$11.6468 | \$30,282 | \$14.5584 | \$36,338 | \$17.4701 |
| | 18 | \$23,634 | \$11.3627 | \$29,543 | \$14.2034 | \$35,452 | \$17.0440 |
| | 17 | \$23,058 | \$11.0855 | \$28,822 | \$13.8569 | \$34,587 | \$16.6283 |
| | 16 | \$22,496 | \$10.8152 | \$28,119 | \$13.5190 | \$33,743 | \$16.2227 |
| Water Safety Instructor | 15 | \$21,947 | \$10.5514 | \$27,434 | \$13.1892 | \$32,920 | \$15.8271 |
| Camp Coordinator | 15 | | | | | | |
| | 14 | \$21,412 | \$10.2940 | \$26,764 | \$12.8675 | \$32,117 | \$15.4410 |
| | 13 | \$20,889 | \$10.0430 | \$26,112 | \$12.5537 | \$31,334 | \$15.0644 |
| | 12 | \$20,380 | \$9.7980 | \$25,475 | \$12.2475 | \$30,570 | \$14.6970 |
| Head Lifeguard | 11 | \$19,883 | \$9.5590 | \$24,853 | \$11.9488 | \$29,824 | \$14.3385 |
| Recycling Center Attendant | 10 | \$19,398 | \$9.3259 | \$24,247 | \$11.6574 | \$29,097 | \$13.9888 |

**FY18 City of Pearland Pay Plan
Effective October 2017**

| Position Title | Salary Range | Minimum Annual | Minimum Hourly | Midpoint Annual | Midpoint Hourly | Maximum Annual | Maximum Hourly |
|-----------------------|---------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|
| Lifeguard W/WSI | 9 | \$18,925 | \$9.0984 | \$23,656 | \$11.3730 | \$28,387 | \$13.6476 |
| | 8 | \$18,463 | \$8.8765 | \$23,079 | \$11.0956 | \$27,695 | \$13.3148 |
| Ballfield Attendant | 7 | \$18,013 | \$8.6600 | \$22,516 | \$10.8250 | \$27,019 | \$12.9900 |
| Fitness Attendant | 7 | | | | | | |
| Lifeguard | 7 | | | | | | |
| Camp Counselor | 7 | | | | | | |
| Recreation Attendant | 7 | | | | | | |
| | 6 | \$17,573 | \$8.4488 | \$21,967 | \$10.5610 | \$27,459 | \$13.2012 |
| | 5 | \$17,145 | \$8.2427 | \$21,431 | \$10.3034 | \$26,789 | \$12.8793 |
| | 4 | \$16,727 | \$8.0417 | \$20,908 | \$10.0521 | \$26,135 | \$12.5651 |
| | 3 | \$16,319 | \$7.8455 | \$20,398 | \$9.8069 | \$25,498 | \$12.2587 |
| | 2 | \$15,921 | \$7.6542 | \$19,901 | \$9.5677 | \$24,876 | \$11.9597 |
| | 1 | \$15,532 | \$7.4675 | \$19,416 | \$9.3344 | \$24,269 | \$11.6680 |

CITY OF PEARLAND
CIVIL SERVICE PAY PLAN
 Effective October 2017

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police Officer | \$26.4267 | \$27.2195 | \$28.0361 | \$28.8772 | \$29.7435 | \$30.6358 | \$31.5548 | \$32.5015 | \$33.4765 | \$34.4808 | \$35.5153 | \$36.5807 |
| 137* | \$54,967.50 | \$56,616.53 | \$58,315.03 | \$60,064.48 | \$61,866.41 | \$63,722.40 | \$65,634.07 | \$67,603.10 | \$69,631.19 | \$71,720.13 | \$73,871.73 | \$76,087.88 |

| | 1st year | 2nd year | 3rd year | 4th year | 5th year | 6th year |
|------------|--------------|--------------|--------------|--------------|-------------|-------------|
| Sergeant | \$37.6781 | \$38.8085 | \$39.9727 | \$41.1719 | \$42.4071 | \$43.6793 |
| 19* | \$78,370.52 | \$80,721.63 | \$83,143.28 | \$85,637.58 | \$88,206.71 | \$90,852.91 |
| | 1st year | 2nd year | 3rd year | 4th year | | |
| Lieutenant | \$44.9897 | \$46.3394 | \$47.7295 | \$49.1614 | | |
| 5* | \$93,578.50 | \$96,385.85 | \$99,277.43 | \$102,255.75 | | |
| | 1st year | 2nd year | 3rd year | | | |
| Captain | \$50.6363 | \$52.1553 | \$53.7200 | | | |
| 4* | \$105,323.42 | \$108,483.12 | \$111,737.62 | | | |

*indicates number of authorized position in each classification.

Monthly longevity pay is received by the Classified Employees of the City of Pearland in accordance with the Local Government Code, Chapter 141.032.

When Classified Employee is eligible, shift differential pay is \$86.00 bi-weekly.

Those Police Officers and Sergeants assigned to the Criminal Investigation Division as Detective, such assignments at the discretion of the Chief, will receive \$100.00/bi-weekly assignment pay for the duration of the assignment.

All overtime for any classification shall be paid in accordance with applicable State and Federal law.

**CITY OF PEARLAND
FIRE PAY PLAN
FY 2018 (effective October 2017)**

Fire Certified Personnel (48/96)

| Salary Range | Job Title | Rank | MINIMUM | | MIDPOINT | | MAXIMUM | |
|--------------|---|-----------------------------------|--------------------------|-----------|--------------------------|-----------|--------------------------|-----------|
| | | | 2756 annual hours Annual | Hourly | 2756 annual hours Annual | Hourly | 2756 annual hours Annual | Hourly |
| F-1 | Firefighter | Firefighter | \$47,277 | \$17.1542 | \$59,096 | \$21.4428 | \$70,916 | \$25.7313 |
| F-2 | Driver/Operator Field Training Officer | Driver/Operator 2nd Lieutenant | \$52,185 | \$18.9351 | \$65,231 | \$23.6688 | \$78,278 | \$28.4026 |
| F-3 | Lieutenant | Lieutenant | \$57,603 | \$20.9009 | \$72,004 | \$26.1262 | \$86,405 | \$31.3514 |
| F-4 | Captain | Captain | \$65,137 | \$23.6346 | \$81,421 | \$29.5433 | \$97,706 | \$35.4519 |
| F-5 | Battalion Chief | Battalion Chief | \$73,542 | \$26.6843 | \$91,928 | \$33.3554 | \$110,313 | \$40.0265 |

Hourly rate or regular rate of pay based on 2756 Regular Hours (although scheduled for 2920 in total.)

Non-Fire Certified Personnel (48/96)

| Salary Range | Job Title | Rank | MINIMUM | | MIDPOINT | | MAXIMUM | |
|--------------|-----------|-----------|--------------------------|-----------|--------------------------|-----------|--------------------------|-----------|
| | | | 2080 annual hours Annual | Hourly | 2080 annual hours Annual | Hourly | 2080 annual hours Annual | Hourly |
| E-5 | Paramedic | Paramedic | \$32,079 | \$15.4226 | \$40,099 | \$19.2782 | \$48,119 | \$23.1339 |

Hourly rate or regular rate of pay based on 2080 Regular Hours (although scheduled for 2920 in total.)

Note: As the last employee in each "E" salary range is assigned to fire fighting duties or leaves the City the range will no longer exist.

Uniformed Administrative Personnel (40 hour work week)

| Salary Range | Job Title | Rank | MINIMUM | | MIDPOINT | | MAXIMUM | |
|--------------|--------------------------------------|-----------------|--------------------------|-----------|--------------------------|-----------|--------------------------|-----------|
| | | | 2080 annual hours Annual | Hourly | 2080 annual hours Annual | Hourly | 2080 annual hours Annual | Hourly |
| F-6 | Clinical Manager Training Captain | Captain | \$65,137 | \$31.3159 | \$81,421 | \$39.1448 | \$97,706 | \$46.9738 |
| F-7 | Logistics Battalion Chief | Battalion Chief | \$73,542 | \$35.3567 | \$91,928 | \$44.1959 | \$110,313 | \$53.0351 |

Hourly rate or regular rate of pay based on 2080 Regular Hours.

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effective April 2018

| Grade | Min | Mkt | Max | Class Title |
|-------|-------------|-------------|-------------|---|
| | | | | Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate. |
| 103 | \$20,213.00 | \$24,255.00 | \$30,319.00 | LIFEGUARD |
| | \$9.72 | \$11.66 | \$14.58 | |
| 104 | \$21,223.00 | \$25,468.00 | \$31,835.00 | HEAD LIFEGUARD |
| | \$10.20 | \$12.24 | \$15.31 | |
| 106 | \$23,398.00 | \$28,078.00 | \$35,098.00 | INTERN |
| | \$11.25 | \$13.50 | \$16.87 | RECREATION ATTENDANT |
| | | | | WATER SAFETY INSTRUCTOR |
| 107 | \$24,568.00 | \$29,482.00 | \$36,853.00 | CUSTODIAN |
| | \$11.81 | \$14.17 | \$17.72 | |
| 108 | \$25,797.00 | \$30,956.00 | \$38,695.00 | FACILITY ATTENDANT |
| | \$12.40 | \$14.88 | \$18.60 | |
| 110 | \$28,441.00 | \$34,129.00 | \$42,662.00 | CAMP COORDINATOR |
| | \$13.67 | \$16.41 | \$20.51 | OFFICE ASSISTANT |
| | | | | POLICE RECORDS CLERK |
| 111 | \$29,863.00 | \$35,836.00 | \$44,795.00 | ANIMAL SHELTER ATTENDANT |
| | \$14.36 | \$17.23 | \$21.54 | CUSTOMER SERVICE REPRESENTATIVE |
| | | | | DEPUTY COURT CLERK |
| | | | | PARK MAINTENANCE WORKER |
| | | | | PERMIT CLERK |
| | | | | SIGN TECHNICIAN |
| 112 | \$31,356.00 | \$37,627.00 | \$47,034.00 | CUSTODIAL CREW LEADER |
| | \$15.08 | \$18.09 | \$22.61 | RECORDS & INFO COORD |
| 113 | \$32,924.00 | \$39,509.00 | \$49,386.00 | ACCOUNTS PAYABLE CLERK |
| | \$15.83 | \$18.99 | \$23.74 | COURT BAILIFF |
| | | | | DEPUTY COURT CLERK, SENIOR |
| | | | | EQUIPMENT OPERATOR |
| | | | | OFFICE ASSISTANT, SENIOR |
| | | | | PLANS EXPEDITER |
| | | | | POLICE RECORDS CLERK LEAD |
| | | | | SENIOR CTR SHUTTLE BUS DRIVER |
| | | | | SIGN TECHNICIAN, LEAD WORKER |
| | | | | UTILITY BILLING SPECIALIST |
| | | | | UTILITY FIELD SERVICE TECH |
| | | | | UTILITY MAINTENANCE WORKER |
| 114 | \$34,570.00 | \$41,484.00 | \$51,855.00 | ADMINISTRATIVE ASSISTANT |
| | \$16.62 | \$19.94 | \$24.93 | HR ASSISTANT |
| | | | | JAILER |
| | | | | LEGAL SECRETARY |
| 115 | \$36,299.00 | \$43,558.00 | \$54,448.00 | HEAVY EQUIPMENT OPERATOR |
| | \$17.45 | \$20.94 | \$26.18 | PROPERTY ROOM TECHNICIAN |
| | | | | QUARTERMASTER |
| | | | | TELECOMMUNICATIONS OFFICER - BASIC |

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| Grade | Min | Mkt | Max | Class Title |
|-------|-------------|-------------|-------------|---|
| 116 | \$38,114.00 | \$45,736.00 | \$57,171.00 | BUILDING MAINTENANCE TECH |
| | \$18.32 | \$21.99 | \$27.49 | CCTV TECHNICIAN |
| | | | | CHIEF COURT CLERK |
| | | | | CODE ENF / HEALTH OFFICER |
| | | | | EXECUTIVE ASSISTANT |
| | | | | HUMANE OFFICER |
| | | | | JUVENILE CASE MANAGER |
| | | | | MECHANIC |
| | | | | PARK MAINTENANCE CREW LEADER |
| | | | | PRE-TREATMENT TECHNICIAN |
| | | | | RECREATION SPECIALIST |
| | | | | TREATMENT PLANT OPERATOR I |
| | | | | UTILITY MAINT. TECHNICIAN |
| | | | | YOUTH DEVELOPMENT COORDINATOR |
| 117 | \$40,019.00 | \$48,023.00 | \$60,029.00 | ANIMAL SHELTER SUPERVISOR |
| | \$19.24 | \$23.09 | \$28.86 | BUILDING INSPECTOR |
| | | | | COMMUNICATIONS SPECIALIST |
| | | | | CRIME VICTIM LIAISON |
| | | | | DEPUTY CITY SECRETARY |
| | | | | IT SUPPORT SPECIALIST |
| | | | | PAYROLL SPECIALIST |
| | | | | PD - POLICE CADET |
| | | | | ROW INSPECTOR |
| | | | | TELECOMMUNICATIONS OFFICER - INTERMEDIATE |
| | | | | TRAFFIC SIGNAL TECHNICIAN |
| 118 | \$42,020.00 | \$50,424.00 | \$63,031.00 | ACCOUNTS PAYABLE COORDINATOR |
| | \$20.20 | \$24.24 | \$30.30 | ADAPTIVE RECREATION SPECIALIST |
| | | | | GIS TECHNICIAN |
| | | | | HR SPECIALIST |
| | | | | LEAD JAILER |
| | | | | MAINTENANCE CREW LEADER |
| | | | | PLANNING TECHNICIAN |
| | | | | PLANS EXAMINER |
| | | | | PROGRAM SPECIALIST |
| | | | | TREATMENT PLANT OPERATOR II |
| | | | | URBAN FORESTER |
| | | | | UTILITY FIELD SERV TECH LEAD |
| | | | | UTILITY MAINT. TECHNICIAN SR. |
| | | | | VOLUNTEER COORDINATOR |
| 119 | \$44,121.00 | \$52,946.00 | \$66,182.00 | BUYER |
| | \$21.21 | \$25.45 | \$31.82 | COMMUNITY OUTREACH COORDINATOR |
| | | | | CONSTRUCTION INSPECTOR |
| | | | | CUSTOMER SERVICE SUPERVISOR |
| | | | | FACILITY SUPERVISOR |
| | | | | HUMANE OFFICER, SENIOR |
| | | | | PLANNER I |
| | | | | PW INFRASTRUCTURE LIAISON |
| | | | | TELECOMMUNICATIONS TEAM LEADER |

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effective April 2018

| Grade | Min | Mkt | Max | Class Title |
|-------|-------------|-------------|-------------|---|
| 120 | \$46,327.00 | \$55,593.00 | \$69,491.00 | ADDRESSING COORDINATOR |
| | \$22.27 | \$26.73 | \$33.41 | BACKFLOW COMPLIANCE PROGRAM COORDINATOR |
| | | | | CRIME ANALYST |
| | | | | ENGINEERING TECHNICIAN |
| | | | | EXECUTIVE ASSISTANT, SENIOR |
| | | | | PRETREATMENT COORDINATOR |
| | | | | PROJECT COORDINATOR |
| | | | | STAFF ACCOUNTANT |
| 121 | \$48,644.00 | \$58,373.00 | \$72,966.00 | ASSISTANT MANAGER, PERMITS & INSP |
| | \$23.39 | \$28.06 | \$35.08 | ELECTRICIAN |
| | | | | PARK SUPERVISOR |
| | | | | PLANNER II |
| | | | | SAFETY OFFICER |
| | | | | VIDEOGRAPHER/EDITOR |
| 122 | \$51,076.00 | \$61,291.00 | \$76,614.00 | BUDGET ANALYST |
| | \$24.56 | \$29.47 | \$36.83 | BUSINESS ADMINISTRATOR |
| | | | | RESOURCE DEVELOPMENT COORDINATOR |
| | | | | GIS SPECIALIST |
| | | | | GRANTS COORDINATOR |
| | | | | OPERATIONS MANAGER |
| | | | | MARKETING MANAGER |
| | | | | NATURAL RESOURCE MANAGER |
| | | | | RECREATION PROGRAM COORDINATOR |
| | | | | SALES AND EVENT MANAGER |
| | | | | SENIOR ACCOUNTANT |
| | | | | SPECIAL EVENTS COORDINATOR |
| | | | | TELECOMMUNICATIONS COORDINATOR |
| | | | | TREATMENT PLANT SUPERVISOR |
| 122 | \$51,076.00 | \$61,291.00 | \$76,614.00 | PARAMEDIC (hourly rate x 2920 hours annually) |
| | \$17.49 | \$20.99 | \$26.24 | |
| 123 | \$53,630.00 | \$64,356.00 | \$80,445.00 | DEPUTY FIRE MARSHAL |
| | \$25.78 | \$30.94 | \$38.68 | HR BUSINESS PARTNER |
| | | | | MAINTENANCE SUPERVISOR |
| | | | | SENIOR PLANNER |
| | | | | RECREATION PROGRAM MANAGER |
| | | | | WATER B&C ASSISTANT MANAGER |
| 123 | \$53,630.00 | \$64,356.00 | \$80,445.00 | FIREFIGHTER* |
| | \$19.46 | \$23.35 | \$29.19 | |
| 124 | \$56,311.00 | \$67,574.00 | \$84,467.00 | ASSISTANT BUILDING OFFICIAL |
| | \$27.07 | \$32.49 | \$40.61 | ATHLETICS AND AQUATICS MANAGER |
| | | | | BUILDING MAINT. SUPERVISOR |
| | | | | DEVELOPMENT COORDINATOR |
| | | | | FIRE INSPECTOR/INVESTIGATOR |
| | | | | JAIL DIVISION SUPERVISOR |
| | | | | SENIOR BUDGET ANALYST |
| | | | | HEALTH & ENV. SERV SUPERVISOR |

FY18 COP PAY PLAN
effective April 2018

| Grade | Min | Mkt | Max | Class Title |
|-------|-------------|-------------|--------------|--|
| 125 | \$59,127.00 | \$70,952.00 | \$88,690.00 | ASSOCIATE ENGINEER |
| | \$28.43 | \$34.11 | \$42.64 | ACQUISITION MANAGER |
| | | | | MUNICIPAL COURT ADMINISTRATOR |
| | | | | POLICE SUPPORT SERV. SUPERVISR |
| | | | | PARKS DEV & OP SUPERINTENDENT |
| 125 | \$59,127.00 | \$70,952.00 | \$88,690.00 | DRIVER/OPERATOR* |
| | \$21.45 | \$25.74 | \$32.18 | FIRE FIELD TRAINING OFFICER* |
| 126 | \$62,083.00 | \$74,500.00 | \$93,125.00 | ACCOUNTING SUPERVISOR |
| | \$29.85 | \$35.82 | \$44.77 | CHIEF CONSTRUCTION INSPECTOR |
| | | | | IT INFRASTRUCTURE ARCHITECT |
| | | | | MANAGEMENT/OPERATIONS PROJECTS COORDINATOR |
| | | | | ANIMAL SERVICES MANAGER |
| | | | | PROJECT MANAGER |
| | | | | PUBLIC WORKS SUPERINTENDENT |
| | | | | PURCHASING OFFICER |
| | | | | RECREATION SUPERINTENDENT |
| 127 | \$65,187.00 | \$78,225.00 | \$97,781.00 | MARKETING DIRECTOR (EDC) |
| | \$31.34 | \$37.61 | \$47.01 | MANAGER, WATER BILLING & COLLECT |
| | | | | MUNICIPAL COURT PROSECUTOR |
| 127 | \$65,187.00 | \$78,225.00 | \$97,781.00 | FIRE LIEUTENANT* |
| | \$23.65 | \$28.38 | \$35.48 | |
| 128 | \$68,447.00 | \$82,136.00 | \$102,670.00 | CITY PLANNER |
| | \$32.91 | \$39.49 | \$49.36 | DEVELOPMENT MANAGER |
| | | | | FACILITIES SERVICE MANAGER |
| 129 | \$71,869.00 | \$86,243.00 | \$107,804.00 | BUDGET OFFICER |
| | \$34.55 | \$41.46 | \$51.83 | BUILDING OFFICIAL |
| | | | | EMERGENCY MANAGEMENT COORDINATOR |
| | | | | GIS MANAGER |
| | | | | INFORMATION TECH MANAGER |
| | | | | SENIOR PROJECT MANAGER |
| 130 | \$75,462.00 | \$90,555.00 | \$113,194.00 | ASSISTANT CITY ENGINEER |
| | \$36.28 | \$43.54 | \$54.42 | CLINICAL MANAGER |
| | | | | FIRE CAPTAIN (Training) |
| | | | | HR MANAGER |
| | | | | RISK MANAGER |
| | | | | VICE PRESIDENT - EDC |
| 130 | \$75,462.00 | \$90,555.00 | \$113,194.00 | FIRE CAPTAIN* |
| | \$27.38 | \$32.86 | \$41.07 | |
| 131 | \$79,236.00 | \$95,083.00 | \$118,853.00 | ASSISTANT CITY ATTORNEY |
| | \$38.09 | \$45.71 | \$57.14 | CONTROLLER |
| 132 | \$83,197.00 | \$99,837.00 | \$124,796.00 | ASSISTANT DIRECTOR, FINANCE |
| | \$40.00 | \$48.00 | \$60.00 | ASSISTANT DIRECTOR, P&R |
| | | | | ASSISTANT DIRECTOR, PUB WORKS |
| | | | | BATTALION CHIEF (Logistics) |
| | | | | FIRE MARSHAL |

FY18 COP PAY PLAN
effective April 2018

| Grade | Min | Mkt | Max | Class Title |
|---|--------------|--------------|--------------|---------------------------------|
| 132 | \$83,197.00 | \$99,837.00 | \$124,796.00 | BATTALION CHIEF* |
| | \$30.19 | \$36.23 | \$45.28 | |
| 133 | \$87,357.00 | \$104,829.00 | \$131,036.00 | ASSISTANT DIRECTOR, CAP PROJ |
| | \$42.00 | \$50.40 | \$63.00 | ASSISTANT DIRECTOR, ENGINEERING |
| 134 | \$91,725.00 | \$110,070.00 | \$137,588.00 | ASSISTANT FIRE CHIEF |
| | \$44.10 | \$52.92 | \$66.15 | DEPUTY CITY ATTORNEY |
| 136 | \$101,127.00 | \$121,352.00 | \$151,690.00 | ASSISTANT POLICE CHIEF |
| | \$48.62 | \$58.34 | \$72.93 | |
| DEPARTMENT DIRECTORS AND ABOVE ARE NOT LISTED ON THE PAY PLAN | | | | |
| | | | | |
| | | | | |

CITY OF PEARLAND
CIVIL SERVICE PAY PLAN
 Effective APRIL 2018

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police Officer | \$27.04 | \$27.87 | \$28.72 | \$29.60 | \$30.50 | \$31.43 | \$32.39 | \$33.38 | \$34.40 | \$35.45 | \$36.53 | \$37.64 |
| 137* | \$56,250.00 | \$57,967.00 | \$59,736.00 | \$61,560.00 | \$63,439.00 | \$65,375.00 | \$67,371.00 | \$69,427.00 | \$71,546.00 | \$73,730.00 | \$75,981.00 | \$78,300.00 |

| | 1st year | 2nd year | 3rd year | 4th year | 5th year | 6th year |
|------------|--------------|--------------|--------------|--------------|-------------|-------------|
| Sergeant | \$38.47 | \$39.66 | \$40.88 | \$42.14 | \$43.44 | \$44.78 |
| 19* | \$80,026.00 | \$82,494.00 | \$85,037.00 | \$87,660.00 | \$90,363.00 | \$93,150.00 |
| | 1st year | 2nd year | 3rd year | 4th year | | |
| Lieutenant | \$46.17 | \$47.53 | \$48.94 | \$50.38 | | |
| 5* | \$96,031.00 | \$98,867.00 | \$101,787.00 | \$104,794.00 | | |
| | 1st year | 2nd year | 3rd year | | | |
| Captain | \$51.87 | \$53.42 | \$55.02 | | | |
| 4* | \$107,884.00 | \$111,111.00 | \$114,435.00 | | | |

*indicates number of authorized position in each classification.

Monthly longevity pay is received by the Classified Employees of the City of Pearland in accordance with the Local Government Code, Chapter 141.032.

When Classified Employee is eligible, shift differential pay is \$86.00 bi-weekly.

Those Police Officers and Sergeants assigned to the Criminal Investigation Division as Detective, such assignments at the discretion of the Chief, will receive \$100.00/bi-weekly assignment pay for the duration of the assignment.

All overtime for any classification shall be paid in accordance with applicable State and Federal law.

ORDINANCE NO. 1023-7

An Ordinance of the City Council of the City of Pearland, Texas, amending development and permit fees; containing a savings clause, a severability clause and a repealer clause; providing for publication and an effective date.

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

Section 1. That the charges and fees related to development and permitting contained in the attached Exhibits "A-G" are hereby adopted.

Section 2. Savings. All rights and remedies which have accrued in favor of the City under this Chapter and amendments thereto shall be and are preserved for the benefit of the City.

Section 3. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section 4. Repealer. All ordinances and parts of ordinances in conflict herewith are hereby repealed but only to the extent of such conflict.

Section 5. Publication and Effective Date. The City Secretary shall cause this Ordinance, or its caption, to be published in the official newspaper of the City of Pearland, upon passage of such Ordinance. The Ordinance shall then become effective ten (10) days from and after its publication, or the publication of its caption, in the official City newspaper.

PASSED and APPROVED ON FIRST READING this the 18th day of September, A.

D., 2017.

TOM REID
MAYOR

ATTEST:

YOUNG LORFING
CITY SECRETARY

APPROVED AS TO FORM:

DARRIN M. COKER
CITY ATTORNEY

PASSED and APPROVED ON SECOND AND FINAL READING this the 25th day of
September, A. D., 2017.

TOM REID
MAYOR

ATTEST:

YOUNG LORFING, TRMC
CITY SECRETARY

VOTING RECORD SECOND AND FINAL READING
SEPTEMBER 25, 2017

Voting "Aye" - Councilmembers Carbone, Moore, Reed,
Ordeneaux, Perez and Owens

Voting "No" - None

Motion passes 6 to 0, Little Absent

PUBLICATION DATE September 27, 2017

EFFECTIVE DATE: October 6, 2017

APPROVED AS TO FORM

DARRIN M. COKER
CITY ATTORNEY

PUBLISHED AS REQUIRED BY SECTION 3.10
OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS

FEEES FOR ZONING CHANGE/CONDITIONAL USE PERMIT REQUESTS

A. 0 to less than 5 acres:

1. \$1,000 plus \$25 per each type of zoning requested on a tract of land; or
2. \$1,800 if Planned Unit Development

B. 5 to less than 25 acres:

3. \$1,000 plus \$25 per each type of zoning requested on a tract of land; or
4. \$2,000 if Planned Development

C. 25 to less than 50 acres:

1. \$1,025 plus \$25 per each type of zoning requested on a tract of land; or
2. \$2,400 if Planned Unit Development

D. 50 to less than 75 acres:

1. \$1,050 plus \$25 per each type of zoning requested on a tract of land; or
2. \$3,000 if Planned Unit Development

E. 75 to less than 100 acres:

1. \$1,075 plus \$25 per each type of zoning requested on a tract of land; or
2. \$3,800 if Planned Unit Development

F. 100 acres and over:

1. \$1,100 plus \$25 per each type of zoning requested on a tract of land; or
2. \$4,600 if Planned Unit Development

PLATTING FEE SCHEDULE

A. Preliminary Subdivision/Development Plats:

1. \$1,000 filing fee, plus
2. The platting fee, as follows:
 - a. For residential purposes or dwelling units where lots are not designated on the plat, \$8.00 per designated lot, tract, or building site
 - b. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.

B. Final Subdivision/Development Plats:

1. \$1,000 filing fee, plus
2. The platting fee, as follows:
 - a. For residential purposes or dwelling units where lots are not designated on the plat, \$8.00 per designated lot, tract, or building site.
 - b. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.

C. Vacation of Subdivisions :

Fee amount: \$600.00 per acre (gross area of whole tract) or any fraction thereof.

D. Extension of Approval:

Fee amount: \$150.00 filing fee.

E. Minor Plat:

1. \$600 .00 filing fee, plus
2. The platting fee as follows:
 - a. For residential purposes or dwelling units where lots are not designated on the plat, \$ 6.00 per designated lot, tract, or building site.
 - b. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.

- F. Minor Plat: (one lot with existing home or business): \$150.00 filing fee.
- G. Am ending Plat:
 - 1. Fee amount: \$600.00 filing fee, plus \$6.00 per lot increase (No lot increase greater than six (6). For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses,
 - 2. \$30.00 per acre or any fraction thereof.
- H. Re-plat:
 - 1. Residential: Fee amount: \$600.00, plus \$6.00 per lot increase.
 - 2. Commercial: Fee amount: \$600.00. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.
- I. Master Plat:
 - 1. \$600 .00 filing fee, plus
 - 2. The platting fee, as follows:
 - a. For residential purposes or dwelling units where lots are not designated on the plat, \$6.00 per designated lot, tract, or building site.
 - b. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.
- J. Recheck of Plats and Associated Construction Drawings:
 - 1. Fee amount: \$200.00
 - 2. Payment deadline: Due upon or before resubmission of corrected plat or drawing.
- K. Second Submittal Fee: \$200.00
- L. Dedication Requirements for Neighborhood Parks in the City of Pearland
 - 1. Land Requirements: Based on the 2013 population of 100,065 residents, the current level of service is one (1) acre per 323 people.
 - 2. 2.90 Persons per Household (PPH) for Single Family and 2.13 PPH for Multi-Family based on Census information for owner and renter-occupied units.

Single Family

Multi-Family

323 people/2.90 PPH = 111 DUs
Dedication Requirement:
 1 Acre per 111 DUs

323 people/2.90 PPH = 151 DUs
Dedication Requirement:
 1 Acre per 151 DUs

M. Fee in Lieu of Land for Neighborhood Parks: (assumes 1 acre costs \$136,000 to purchase)

1. Single Family: \$136,000/111 DUs = \$1,225 per DU
2. Multi-Family: \$136,000/151 DUs = \$900 per DU
3. Park Development Fee: The cost of improvements in an average park in Pearland is \$630,520. One park serves 6,254 people, based on a total city population of 100,065 being served by 16 parks (count includes 10 neighborhood parks, 4 community parks, a nature trail, and a connectivity trail system as a singular unit). Average cost is estimated to be \$100.82 per person (\$630,520/6,254) to develop a typical park.

Single Family
 \$100.82 x 2.80 PPH = \$292.378 per DU

Multi-Family
 \$100.82 x 2.13 PPH = \$214.75 per DU

Total Park Fee

Single Family
 \$292 + \$1,225 + \$1,517 per DU

Multi-Family
 \$214 + \$900 = \$1,114 per DU

CLUSTER PLANS

- | | |
|------------------------------|---------|
| A. 0 to less than 5 acres | 1,800 |
| B. 5 to less than 25 acres | \$2,000 |
| C. 25 to less than 50 acres | \$2,400 |
| D. 50 to less than 75 acres | \$3,000 |
| E. 75 to less than 100 acres | \$3,800 |
| F. 100 acres and over | \$4,600 |

P & Z SUBDIVISION VARIANCE

- A. \$400 .00

ZONING BOARD OF ADJUSTMENTS
FEE SCHEDULE

A. ZBA Applications for Variance, Special Exceptions, etc.

| | |
|----------------|----------|
| 1. Residential | \$500.00 |
| 2. Commercial | \$500.00 |

ZONING VERIFICATION
LETTERS

| | |
|----------------|----------|
| A. Residential | \$ 25.00 |
| B. Commercial | \$ 35.00 |

PROCESS ING FEE
BASED ON PERMIT TYPE

| | |
|---|---------|
| Banner | \$10.00 |
| Commercial | \$20.00 |
| Demolition | \$20.00 |
| Building Permit - Electrical | \$20.00 |
| Fire Permits | \$20.00 |
| Foster Homes | \$ 0.00 |
| Irrigation | \$20.00 |
| Mechanical | \$20.00 |
| Moving | \$20.00 |
| Plumbing | \$20.00 |
| Residential Addition Alteration | \$20.00 |
| Residential New Single Family | \$20.00 |
| Residential New Two Family | \$20.00 |
| Residential New Three or more Family | \$20.00 |
| Swimming Pools | \$20.00 |
| Signs | \$20.00 |
| Tenant Occupancy | \$20.00 |
| Annual Registration fee for contractors | \$ 0.00 |

BUILDING FEE SCHEDULE

A. Civil Site Work Permit

1. Fee Amount: Percent of construction value -- \$16.50 for first \$1,000.00; \$5.50 for each \$1,000 or fraction thereof thereafter.
2. Payment Deadline: Due before issuance of site work permit.

B. Plan Check Fee:

1. Fee Amount: An amount equal to one-half of building or civil site work permit fee.
2. Payment Deadline: Due upon plan submission.

C. Building Permit:

1. Fee Amount: Percent of construction value -- \$69.34 per square foot for commercial or residential; \$36.34 per square foot for detached garage.

2. Payment Deadline: Due before issuance of building permit.

D. Sign, Fence, and Miscellaneous Building Permits:

1. Fee Amount: Percent of construction value -- \$16.50 for first \$1,000.00; \$5.50 for each \$1,000.00 or fraction thereof thereafter.
2. Payment Deadline: Due before issuance of building permit.

E. Water & Sewer Impact Fee:

1. Fee Amount: Based on most current applicable impact fee study at the time of platting.
2. Payment Deadline:
 - a. If at existing building
 - (1) due before connection; or
 - (2) paid via 36-month payment plan with interest, subject to City Managers approval.

b. If at new building, due before issuance of building permit.

F. Water & Sewer Pro-rata Fee (limited areas):

1. Fee Amount:

a. *Park Street between Walnut and Pear Streets:*

| <u>Lots 1-23 of Block 25</u> | <u>Lots 26-44 of Block 26</u> |
|---|---|
| Water - \$354.29 per 25' Lot (\$14.17 per linear foot) | \$354.29 per 25' Lot (\$14.17 per linear foot) |
| Sewer - \$537.83 per 25' Lot (\$21.51 per linear foot) | |

b. *Pearland Parkway between Barry Rose Road and Mary's Creek:*

Water - 96.9 acres at \$776.00 per acre
Sewer - 360.2 acres at \$584.33 per acre

c. *FM 518 at FM 1128 west of Reid Boulevard:*

| <u>North Side of FM 518</u> | <u>South Side of FM 518</u> |
|--------------------------------|-----------------------------|
| Sewer- \$44.60 per linear foot | \$53.91 per linear foot |

d. *Service Area 1 (South of Beltway 8, North of Clear Creek, West of State Highway 288, and East of FM 521):*

Water – 1,638 acres at \$41.00 per acre
Sewer – 1,638 acres at \$15.00 per acre

e. *Service Area 2 (South of Broadway Street, North of County 59, East of County Road 48, and West of State Highway 288):*

Water - 521 acres at \$74.00 per acre
Sewer – 2,221 acres at \$33.00 per acre

2. Payment Deadline:
 - a. If platting, before approval of final plat.
 - b. If not platting, before issuance of building permit.
- G. Water and/or Sewer Tap Fee:
1. Fee Amount: Actual cost, not less than \$250.00.
 2. Payment Deadline:
 - a. If at existing building, before connection.
 - b. If at new building, before issuance of building permit.
- H. Pearland Parkway Street Light Charge:
1. Fee Amount: \$1,200 .00 per pole.
 2. Payment Deadline:
 - a. If platting, before subdivision acceptance.
 - b. If not platting, before issuance of certificate of occupancy.
- I. Street Light Operation and Maintenance Escrow (Two Years):
1. Fee Amount: \$16.00- \$25 .00 per light per month (minimum = \$384.00 per light).
 2. Payment Deadline:
 - a. If platting, before subdivision acceptance.
 - b. If not platting, before issuance of certificate of occupancy.
- J. Construction Inspection of Streets, Drainage, Water, and Sanitary Sewer Facilities for New Subdivision Construction:
1. Fee Amount: One percent (1%) of direct construction cost, not including engineering, survey, testing, and contingencies.
 2. Payment Deadline: payable prior to approval of final plat.
- K. Traffic Impact Analysis Review/Thoroughfare Amendment Review Fee

1. Fee Amount: \$750.00
2. Payment Deadline:
 - a. Development within City Limits:
 - (1) If platting, before approval of final plat.
 - (2) If not platting, before issuance of building permit.
 - b. Development in ETJ: Due before approval of final plat.

L. Variance Application Fee

- a. Fee Amount: \$250.00
- b. Payment Deadline: Due at time of application.

M. Sidewalk Fee (In lieu of)

1. Fee Amount: The cost per square foot is \$7.00 and changes to reflect the city current contract price at any given time.
2. Due before approval of final plat or before Certificate of Occupancy.

RESIDENTIAL BUILDING PERMIT - ELECTRICAL FEE SCHEDULE

For new residential projects.

- A. The Electrical Permit fee shall be calculated using the following formula based on the gross square footage:

1,000 Square Feet or less = \$80.00

1,001 Square Feet to 2,000 Square Feet = \$80.00 for the first 1000 Square Feet + \$6.50 per 100 square feet or fraction thereof in excess of 1,000 square feet.

2,001 square feet and greater = \$145.00 for the first 2,000 square feet + \$6.50 per 100 square feet or fraction thereof in excess of 2,000 square feet.

COMMERCIAL BUILDING PERMIT - ELECTRICAL FEE SCHEDULE

For commercial projects and residential additions, alterations and expansion.

- A. The Electrical Permit fee shall be calculated using the following formula based on the valuation of the improvement:

\$1.00 to \$2,000.00 = \$50.00

\$2,000.01 to \$50,000.00 = \$50.00 for the first \$2000.00 + \$2.25 for each additional \$1,000.00 or fraction thereof.

\$50,000.01 to \$500,000.00 = \$158.00 for the first \$50,000.00 + \$2.75 for each additional \$1,000.00 or fraction thereof.

\$500,000.01 and greater = \$1,395.50 for the first \$500,000.00 + \$3.25 for each additional \$1,000.00 or fraction thereof.

RESIDENTIAL MECHANICAL PERMIT FEE SCHEDULE

For new residential projects.

- A. The Mechanical Permit fee shall be calculated using the following formula based on the gross square footage:

1,000 Square Feet or less = \$80.00

1,001 Square Feet to 2,000. Square Feet = \$80.00 for the first 1000 Square Feet + \$6.50 per 100 square feet or fraction thereof in excess of 1,000 square feet.

2,001 square feet and greater = \$145.00 for the first 2,000 square feet + \$6.50 per 100 square feet or fraction thereof in excess of 2,000 square feet.

COMMERCIAL MECHANICAL PERMIT FEE SCHEDULE

For commercial projects and residential additions, alterations and expansion.

- A. The Mechanical Permit fee shall be calculated using the following formula based on the valuation of the improvement:

\$1.00 to \$2,000.00 = \$50.00

\$2,000.01 to \$50,000.00 = \$50.00 for the first \$2000.00 + \$2.25 for each additional \$1,000.00 or fraction thereof.

\$50,000.01 to \$500,000.00 = \$158.00 for the first \$50,000.00 + \$2.75 for each additional \$1,000.00 or fraction thereof.

\$500,000.01 and greater = \$1,395.50 for the first \$500,000.00 + \$3.25 for each additional \$1,000.00 or fraction thereof.

RESIDENTIAL PLUMBING FEE SCHEDULE

For new residential projects.

- A. The Plumbing Permit fee shall be calculated using the following formula based on the gross square footage:

1,000 Square Feet or less = \$80.00

1,001 Square Feet to 2,000 Square Feet = \$80.00 for the first 1000 Square Feet + \$6.50 per 100 square feet or fraction thereof in excess of 1,000 square feet.

2,001 square feet and greater = \$145.00 for the first 2,000 square feet + \$6.50 per 100 square feet or fraction thereof in excess of 2,000 square feet.

COMMERCIAL PLUMBING FEE SCHEDULE

For commercial projects and residential additions, alterations and expansion .

- A. The Plumbing Permit fee shall be calculated using the following formula based on the valuation of the improvement:

\$1.00 to \$2,000.00 = \$50.00

\$2,000.01 to \$50,000.00 = \$50.00 for the first \$2000.00 + \$2.25 for each additional \$1,000.00 or fraction thereof.

\$50,000.01 to \$500,000.00 = \$158.00 for the first \$50,000.00 + \$2.75 for each additional \$1,000.00 or fraction thereof.

\$500,000.01 and greater = \$1,395.50 for the first \$500,000.00 + \$3.25 for each additional \$1,000.00 or fraction thereof .

MISCELLANEOUS FEES

| | |
|--|----------|
| A. Garage Sale Permit | \$ 20.00 |
| B. Occupancy Permit | \$ 50.00 |
| C. Re- inspection Fee | \$ 75.00 |
| D. Returned Check Fee | \$ 25.00 |
| E. Waiver of Encroachment | |
| 1. General Utility Easement | \$250.00 |
| 2. City Right-of-Way or Easement | \$500.00 |

ORDINANCE NO. 1358-15

An Ordinance of the City Council of the City of Pearland, Texas, amending nondevelopment usage and service fees; containing a savings clause, a severability clause, a repealer clause, providing for publication and an effective date.

WHEREAS, various departments of the City charge fees for usage, permits, and other services not related to development; and

WHEREAS, the organization of all such non-development fees into one ordinance enhances the efficiency of the fee amendment process and improves customer service; now, therefore, **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

Section 1. That the charges and fees contained in the attached Exhibit "A" are hereby adopted.

Section 2. Savings. All rights and remedies which have accrued in favor of the City under this Chapter and amendments thereto shall be and are preserved for the benefit of the City.

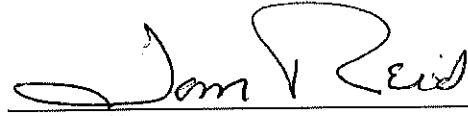
Section 3. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section 4. Repealer. All ordinances and parts of ordinances in conflict herewith are hereby repealed but only to the extent of such conflict.

Section 5. Publication and Effective Date. The City Secretary shall cause this Ordinance, or its caption, to be published in the official newspaper of the City of Pearland, upon passage of such Ordinance. The Ordinance shall then become effective ten (10) days from and after its publication, or the publication of its caption, in the official City newspaper.

ORDINANCE NO. 1358-15

PASSED and APPROVED ON FIRST READING this the 18th day of September, A. D., 2017.



TOM REID
MAYOR


ATTEST:



YOUNG LORFING
CITY SECRETARY

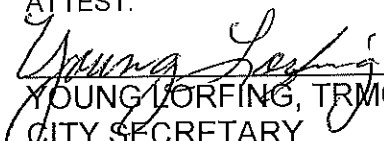


PASSED and APPROVED ON SECOND AND FINAL READING this the 25th day of September, A. D., 2017.



TOM REID
MAYOR

ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



APPROVED AS TO FORM



DARRIN M. COKER
CITY ATTORNEY

VOTING RECORD SECOND AND FINAL READING
SEPTEMBER 25, 2017

Voting "Aye" - Councilmembers Carbone, Moore, Reed,
Ordeneaux, Perez and Owens

Voting "No" - None

Motion passes 6 to 0, Little Absent

PUBLICATION DATE September 27, 2017

EFFECTIVE DATE: October 6, 2017

PUBLISHED AS REQUIRED BY SECTION 3.10
OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS

FEE SCHEDULE

EMS

| | |
|---|----------|
| Ambulance Application Fee (per company) | \$250.00 |
| Ambulance Permit Fee (per ambulance) | \$100.00 |
| Ambulance Re-inspection Fee | \$75.00 |

FIRE

Re-inspection Fees

| | |
|--|----------|
| 1 st Re-inspection | \$ 75.00 |
| 2 nd Re-inspection | \$ 75.00 |
| 3rd Re-inspection and thereafter, each | \$200.00 |
| After hours Inspection (After 5:00pm Monday-Thursday; after 4:00pm on Friday, and on weekends) | \$200.00 |

POLICE

| | |
|---|--------------------|
| Accident Report (As may be amended from time to time by State Statute) | \$ 6.00 |
| Notarized Accident Report (As may be amended from time to time by State Statute) | \$ 8.00 |
| Clearance Letter (As may be amended from time to time by State Statute) | \$ 5.00 |
| Copies | \$ 0.10 per page |
| CD/DVD | \$ 1.00 |
| Crafted Precious Metal Dealer License fee | \$100.00 annually |
| Alarm Permit: | |
| Residential | Rates provided in |
| Commercial | Ordinance No 569-3 |
| False Alarm Fee: | |
| Police Department (per occurrence after 5 per yr) | Rates provided in |
| Fire Department (per occurrence after 5 per yr) | Ordinance No 569-3 |

UTILITY BILLING

Delinquent Fees:

| | |
|---|----------|
| First Time Reconnect | \$ 30.00 |
| Subsequent Reconnect Charges | \$ 50.00 |
| “Red Flag” Identity Report Connect Fee | \$ 3.00 |

| | |
|---|-----------------|
| residential | \$ 30.00 |
| commercial/industrial/builders | \$ 50.00 |
| Deposits: | |
| Commercial | \$200.00 |
| Residential Owner | \$100.00 |
| Residential Renter | \$185.00 |
| Residential Garbage Only | \$ 50.00 |
| Additional deposit for services terminated twice within six months | |
| Residential | \$ 75.00 |
| Commercial | \$ 170.00 |
| Meter Cost: | New/Replacement |
| 5/8" | \$271.00 |
| 1" | \$328.00 |
| 2" Displacement | \$633.00 |
| 2" Compound | \$1,528.00 |
| 3" | \$8,555.00 |
| 4" | \$10,005.00 |
| 6" | \$13,402.00 |
| 8" (6 x 8) | \$14,605.00 |
| 10" | \$28,515.00 |
| 12" | \$29,693.00 |
| (subject to change based on contract pricing) | |
| New meters would also require deposit and connection fee | |
| Register Replacement | \$240.00 |
| Antenna Replacement | Based on cost |
| Meter Testing: | |
| 5/8 – 3/4" Meter | \$ 80.00 |
| 1" Meter | \$ 100.00 |
| 1 1/2" Meter | \$100.00 |
| 2"- 8" Meters | \$150.00 |
| 8" and above Meters | \$200.00 |
| Same Day New Service Connections | \$100.00 |
| Containment Traps | \$100.00/year |
| Including but not limited to grease, grit, grass, oil, lint and other contaminants. | |
| Meter Inspection: | |
| Initial | \$ 40.00 |
| Re-inspection | \$ 75.00 |

| | |
|--|--|
| Temporary Fire Hydrant Meter (\$100.00 non-refundable) | \$1,500.00 |
| Temporary Fire Hydrant Location Change | \$ 50.00 |
| Additional Recycling Cart | \$ 60.00 |
| Temporary Connect/Disconnect Fee | \$ 10.00 |
| Temporary Water/Sewer Service for Residential Landlords/Property Managers | \$50 for ten days, up to 2,000 gallons and connection |

Water/Sewer Rates

| <i>Base (Single Unit by Meter Size)</i> | <i>Water</i> | <i>Sewer</i> |
|---|--------------|--------------|
| 5/8" | \$15.30 | \$22.74 |
| 3/4" | \$15.30 | \$22.74 |
| 1" | \$25.49 | \$37.89 |
| 1 1/2" | \$50.99 | \$75.79 |
| 2" | \$81.58 | \$121.26 |
| 3" | \$152.96 | \$227.37 |
| 4" | \$254.93 | \$378.95 |
| 6" | \$509.86 | \$757.90 |
| 8" | \$815.78 | \$1,212.63 |
| 10" | \$1,172.68 | \$1,743.16 |
| Multi-Unit (per unit) | \$15.30 | \$22.74 |
| <i>Residential Volumetric</i> | | |
| 0 - 2,000 gallons | In base | In base |
| 2,001 - 6,000 gallons | \$3.94 | \$5.00 |
| 6,001 - 15,000 gallons | \$4.93 | \$5.00 |
| 15,001 - 25,000 gallons | \$5.92 | \$5.00 |
| 25,001+ gallons | \$7.89 | \$5.00 |
| <i>Commercial/Multi-Unit Volumetric</i> | | |
| 0 - 2,000 gallons | In base | In base |
| 2,001+ gallons | \$4.93 | \$5.00 |
| <i>Irrigation Volumetric</i> | | |
| 0 - 2,000 gallons | In base | |
| 2,001+ gallons | \$5.92 | |

Residential Wastewater Cap

Standardized monthly billing amount (gallons) to be based on the average consumption of the months of December, January, February, which are typically billed in Jan, Feb, Mar, not to exceed 12,000 gallons. Wastewater Cap would be adjusted each April.

New Residents

Default billing amount (gallons) of 6,000 gallons

Billing Adjustments

Water adjustments may be given for leaks, excluding irrigation leaks for all customers. Residential customer sewer rates are adjusted as set by the Winter Quarter Average. See Ordinance 870-6

Customer without metered water

Default billing amount (gallons) of 10,000.

Customer outside City Limits

All charges for water and sewer service are at a rate of 1 ½ times that existing in the City.

Sewer Use Credit Program

| | |
|-------------------------------|-----------|
| Application Fee | \$500.00 |
| Monthly Administrative Charge | \$ 50.00 |
| Annual Testing Fee | See Above |

If repairs are needed, in addition to the testing fee, there will be charges for labor and parts, plus retesting fee of \$75.00

Accounts opened for the purpose of the sewer use credit for sub-metering will not be required to put down a deposit nor billed water or sewer rates.

FINANCE

| | |
|---------------------------------------|----------|
| NSF or Returned Check/Credit Card Fee | \$ 25.00 |
|---------------------------------------|----------|

ENGINEERING

| | |
|---------------------------------|-------------|
| Grading Permit | \$125.00 |
| After Hours/Weekend Inspections | \$ 60.00/hr |
| Holiday Inspections | \$ 75.00/hr |

PUBLIC WORKS

Water Tap Fee's

All taps include meter, cts, corporation, saddle, curb stop and meter box.

| | |
|--|---------------------------------|
| ¾" Short Tap | \$1,200.00 |
| ¾" Long Tap | \$1,400.00 |
| ¾" U-branch Assy w/2 nd ¾ meter | \$800.00 + added cost if needed |
| 1" Short Tap | \$1,300.00 |
| 1" Long Tap | \$1,500.00 |
| 2" Short Tap | \$3,200.00 |
| 2" Long Tap | \$3,400.00 |

Gravity Sewer Tap Fee's

| | |
|---|------------|
| 4" Short Tap | \$ 900.00 |
| 4" Long Tap | \$1,400.00 |
| Force Main Tap Fee's | |
| 2" Short Tap | \$1,200.00 |
| 2" Long Tap | \$1,500.00 |
| Additional Cost if applicable | |
| Restoration – Sod (Includes prep & install of 10' x 10' area of sod) | \$ 75.00 |
| Restoration – Sidewalk & Sod (Includes prep & install of 4' wide x 6' long sidewalk and 10' x 10' area of sod) | \$ 285.00 |
| Traffic Control (Rental cost of 3 water filled barriers or rental of 2 static message boards for 1 month) | \$ 225.00 |
| Commercial Meter Deposit | \$ 100.00 |
| Banner Deposit | \$ 50.00 |
| Banner Installation Fee | \$400.00 |

CITY SECRETARY

Copy Charge: (pursuant to State law, including but not limited to and as may be amended from time to time by State Statute)

| | |
|--|--------------|
| Paper | \$ 0.10 |
| Oversize Paper | \$ 0.50 |
| Diskette | \$ 1.00 |
| Magnetic tape | Actual Cost |
| Data Cartridge | Actual Cost |
| Tape Cartridge | Actual Cost |
| Rewritable CD (CD-RW) | \$ 1.00 |
| Non-rewritable CD (CD-R) | \$ 1.00 |
| Digital video disc (DVD) | \$ 3.00 |
| JAZ Drive | Actual Cost |
| Other electronic media | Actual Cost |
| VHS cassette | \$ 2.50 |
| Audio cassette | \$ 1.00 |
| Oversize paper copy | \$ 0.50 |
| Specialty paper | Actual Cost |
| Labor charge | \$ 15.00 |
| Overhead | 20% of labor |
| Alcohol Beverage Permit: | |
| BE -On Premise | \$150.00 |
| BQ -Wine & Beer Off-Premise | \$ 60.00 |
| BF -Off Premise | \$ 60.00 |
| BG-Wine&Beer On-Premise that hold a Food/Bev. Permit | \$175.00 |
| BL - Late Hours On-Premise | \$250.00 |

| | |
|---|----------|
| PE -Cartage | \$ 20.00 |
| LB -Late Hours Mixed Beverage | \$150.00 |
| RM - Mixed Beverage Restaurant | \$750.00 |
| BP –Brew Pub License | \$500.00 |
| P –Package Store | \$500.00 |
| PS – Package Store Tasting Permit | \$ 25.00 |
| X – General Class B Wholesaler’s Permit | \$300.00 |
| O – Private Carrier’s Permit | \$ 30.00 |
| G – Winery Permit | \$ 75.00 |
| GF – Winery Festival Permit | \$ 50.00 |

Peddlers Permit

| | |
|---------------------------------|---------------------------|
| Primary Permit Holder | \$ 75.00 max of 3 mo. |
| Assistant working under primary | \$ 5.00/mo. per assistant |
| Surety Bond (required) | \$1,000.00 |

ANIMAL CONTROL

| | |
|-------------------------------|------------------|
| 1 st impound | \$ 30.00 |
| 2 nd impound | \$ 40.00 |
| 3 rd impound | \$ 50.00 |
| Adoption unaltered | \$ 35.00 |
| Transportation | \$ 5.00 |
| Adoption altered with Rabies | \$ 90.00 |
| Adoption altered w/out Rabies | \$ 75.00 |
| Livestock impound per head | \$125.00 |
| 2 nd impound | \$150.00 |
| 3 rd impound | \$200.00 |
| Quarantine impound | \$ 60.00 |
| Daily board domestic | \$ 10.00 per day |
| Daily board livestock | \$ 30.00 per day |
| City License | |
| Altered one year | \$ 10.00 |
| 3 year | \$ 30.00 |
| Un-altered one year | \$ 30.00 |
| 3 year | \$ 80.00 |
| Replacement tag | \$ 5.00 |
| Dangerous Dog registration | \$100.00 |
| Disposal Domestic Animals | |
| Up to 25 lbs | \$ 30.00 |
| 26 lbs to 60 lbs | \$ 60.00 |
| 61 lbs and over | \$ 90.00 |
| Large animal contract | \$200.00 and up |
| Euthanasia on demand | \$ 60.00 |
| Surrender of owned pet | \$ 50.00 |

| | |
|--|---------------|
| Cat carrier | \$ 5.00 |
| Collar - nylon | \$ 3.00 |
| Collar – leather | Cost + \$4.00 |
| Micro-chip implant includes pet registration | \$ 25.00 |

PARKS & RECREATION

| | |
|---|---------------------|
| Non-resident fees for Household & Hazardous Waste | \$80 per 100 pounds |
| Non-resident fees for Electronic Waste | \$20 per 100 pounds |

Non-resident fees Programs and Leagues

| Resident Fee | Non-resident fee |
|------------------------|------------------|
| Cost less 20% discount | Program Cost |

*Flat rate schedule for league registration; no discounts apply.

| | |
|---|--------------------|
| Non-resident fee for Senior Center | \$ 50.00 per year |
| Resident fee for Senior Center | \$ 25.00 per year |
| Transportation fees for the Melvin Knapp Senior Center (Specialty Trip) | \$ 2.00 round-trip |
| Special Event Permit Fee | \$ 50.00 |

Deposits

| | |
|------------------------------------|-----------|
| Centennial Park Pavilions | \$ 50.00 |
| Southdown Park Pavilion | \$ 50.00 |
| Independence Park Large Pavilion | \$200.00 |
| Independence Park Barbeque Shelter | \$100.00 |
| Independence Park Swimming Pool | \$100.00 |
| Gazebo at City Hall | \$ 50 .00 |
| Westside Event Center Meeting Room | \$140.00 |
| Westside Event Center Banquet Hall | \$140.00 |

| | |
|---|----------|
| Indoor rental cleaning Fee | \$180.00 |
| Administrative fee for rental cancellations | \$ 25.00 |

Rental Fees

Outdoor

| Facility | 1/2 Day | | Full Day | |
|--------------------------|----------|--------------|----------|--------------|
| | Resident | Non-Resident | Resident | Non-Resident |
| Centennial Park Pavilion | \$60.00 | \$90.00 | \$120.00 | \$180.00 |
| Southdown Park Pavilion | \$60.00 | \$90.00 | \$120.00 | \$180.00 |

| | | | | |
|----------------------------------|----------|----------|----------|----------|
| Independence Park Large Pavilion | \$180.00 | \$270.00 | \$360.00 | \$540.00 |
| Independence Park BBQ Shelter | \$90.00 | \$135.00 | \$180.00 | \$270.00 |
| Gazebo at City Hall | | | \$30.00 | \$60.00 |

Indoor

| <i>Facility</i> | <i>Non-profit</i> | <i>Resident</i> | <i>Non-Resident</i> |
|------------------------------------|-------------------|-----------------|---------------------|
| Westside Event Center Meeting Room | \$15.00/hr | \$60.00/hr | \$70.00/hr |
| Westside Event Center Banquet Hall | \$60.00/hr | \$85.00/hr | \$95.00/hr |
| | | | |

Athletic Field Usage Fees

| Recognized Sports Associations | | |
|---|--|--------------------|
| Deposit | Player Fee | Utility Fee |
| \$500.00 per Season | \$10.00 Res/\$20.00 Non-Res | \$150.00 per Month |
| | | |
| | | |
| | | |
| | | |
| Practices | | |
| Resident | Non-Resident | |
| \$15.00/hour | \$25.00/hour | |
| plus \$10.00/hour for lights | plus \$10.00/hour for lights | |
| | | |
| Games | | |
| Resident | Non-Resident | |
| \$20.00/hour | \$30.00/hour | |
| plus \$10.00/hour for lights | plus \$10.00/hour for lights | |
| Price includes initial paint & dirt work | | |
| | | |
| Tournaments | | |
| Resident | Non-Resident | |
| \$20.00/hour | \$30.00/hour | |
| plus \$10.00/hour for lights | plus \$10.00/hour for lights | |
| plus \$10.00/field for paint & dirt work | plus \$10.00/field for paint & dirt work | |
| | | |
| Light schedule is as follows: | | |
| *** Lights are non-negotiable and in one hour increments. Tournament director must turn in tournament schedule one week prior to tournament start date. | | |

| | |
|---|--|
| Daylight Savings - lights are turned on at 5 p.m. | |
| Non-Daylight Savings - lights are turned on at 7 p.m. | |

Recreation Center and Natatorium

Initiation Fee, for all \$ 32.00

| Annual Membership with Contract | | |
|---------------------------------|----------|---------------|
| Category | Resident | Non-Resident* |
| Adult | \$330.00 | \$495.00 |
| Additional Person | \$165.00 | \$247.50 |
| Active Adult | \$231.00 | \$346.50 |
| Additional Active Adult | \$110.00 | \$165.00 |
| Household | \$660.00 | \$990.00 |
| Natatorium Only | | |
| Individual | \$220.00 | \$330.00 |
| Household | \$440.00 | \$660.00 |

* Non-Resident Fee = resident rate + 50%

| Monthly Membership without Contract | | |
|-------------------------------------|----------|---------------|
| Category | Resident | Non-Resident* |
| Adult | \$35.20 | \$52.80 |
| Additional Person | \$17.60 | \$26.40 |
| Active Adult | \$24.20 | \$36.50 |
| Additional Active Adult | \$12.10 | \$18.70 |
| Household | \$69.30 | \$104.50 |
| Natatorium Only | | |
| Individual | \$23.10 | \$35.20 |
| Household | \$46.20 | \$69.30 |

* Non-Resident Fee = resident rate + 50%

**Monthly Fee = annual divided by 12 + 50%

Recreation Center and Natatorium Membership includes facilities, drop in child care, basic health and fitness classes.

Natatorium Only membership includes access to the natatorium only.

Trial Membership (one time per individual) \$ 30.00 for 30 days

7 for 7 Trial \$ 7.00 for 7 days

Locker Rentals (maximum rentals – 10 lockers in each locker room)

Annual \$100.00

Monthly \$ 10.00

Group Exercise Punch Card (20 punches) \$ 50.00

Daily Fees

18+ years of age \$ 8.00

12 – 17 years of age \$ 5.00

| | |
|---------------------|----------|
| 3 – 11 years of age | \$ 3.00 |
| Family | \$ 12.00 |
| Child Care | \$ 5.00 |

Definitions

| | |
|-------------------|--|
| Individual | 12-59 years old |
| Active Adult | 60+ years old |
| Household | Up to 5 people residing in the same home |
| Additional Person | addition to an existing membership/fee. Must reside in the same house as primary |
| Child | 3-11 years old |
| Family | Limit of 5 people and maximum 2 adults |

Recreation Center Rental Rates

| | Non-Profit | Member | Resident Non-Member | Non-Resident Non-Member | |
|---------------------------------------|---------------|----------------|---------------------|-------------------------|--|
| Entire Facility | \$225.00/hour | \$450.00/hour | \$675.00/hour | \$900.00/hour | |
| One Full Court | | | | | |
| Hourly | \$40.00/hour | \$80.00/hour | \$120.00/hour | \$160.00/hour | |
| Daily | \$400.00/day | \$800.00/day | \$1,200.00/day | \$1,600.00/day | |
| Entire Gym | | | | | |
| Hourly | \$80.00/hour | \$160.00/hour | \$240.00/hour | \$320.00/hour | |
| Daily | \$800.00/day | \$1,600.00/day | \$2,400.00/day | \$3,200.00/day | |
| One Multipurpose/ Activity Room | \$33.00/hour | \$65.00/hour | \$98.00/hour | \$130.00/hour | |
| Entire Multipurpose/ Activity Room | \$65.00/hour | \$130.00/hour | \$195.00/hour | \$260.00/hour | |
| Zone Meeting Room | \$15.00/hour | \$30.00/hour | \$30.00/hour | \$30.00/hour | |

Kidz Korner, The Zone, Gymnasium, Multipurpose Room, Track, Activity Room, Racquetball Courts, 2nd floor café area.

*Day = 12 hours

**Non-athletic events in the gymnasium will result in the following fees:

***Deposits - \$140.00 for multipurpose rental space or 25% for party package or recreation space.

Floor covering \$100.00/court per day

Party Package Rates

| | 1 – 10 Guests | 11 – 20 Guests | 21 – 30 Guests | 31 – 40 Guests |
|--------------------|---------------|----------------|----------------|----------------|
| Resident Rate | \$112.00 | \$152.00 | \$192.00 | \$232.00 |
| Non- Resident Rate | \$142.00 | \$182.00 | \$222.00 | \$272.00 |

Security

| Number Participants | COP Security Fee (paid directly to officer at beginning of event) | COP Custodial Fee | Event Staff |
|---|--|-------------------|--------------------------|
| < 75 | 1 @ \$30.00/hour when admission charged | \$100.00/day | \$50.00 |
| 75 - 200 | 1 @ \$30.00/hour when admission charged | \$200.00/day | \$50.00 |
| 251 - 500 | 2 @ \$30.00/hour | \$350.00/day | \$100.00 |
| 501 - 1,000 | 2 @ \$30.00/hour | \$450.00/day | \$150.00 |
| > 1,000 | 2 @ \$30.00/hour | \$600.00/day | \$200.00 |
| COP P & R Aquatics Supervision (CPO/AFO) Fee (500 + events only) | | | \$100.00 or \$250.00/day |
| Day Timing System (one system) (If operator is included then additional staff charges will apply) | | | \$200.00/day |
| Events Requiring 50-meter configuration will require an additional set-up fee | | | \$150.00 |

Special Note: 2 parking lot attendants are required for all events with an anticipated 500+ total attendance. Attendants are paid directly at \$15 per hour.

* Custodial fee includes the additional cleaning supplies and inventory to support the rental as well as any staff needed to manage the cleaning of restrooms, trash, stands, etc.

**For large rental/meets (over 500+) an additional "Extra Heavy Cleanup/Restoration Fee" of \$250.00 will be assessed.

Health

Fees for Health Certificates and Re-inspection on Food Related Establishments

| | Full Service | Limited Preparation |
|-----------------------|--------------|---------------------|
| 1 - 4 employees | \$150.00 | \$125.00 |
| 5 - 9 employees | \$200.00 | \$150.00 |
| 10 - 25 employees | \$350.00 | \$200.00 |
| 26 - 50 employees | \$500.00 | \$225.00 |
| 51 - 100 employees | \$600.00 | \$250.00 |
| 101 or more employees | \$750.00 | \$250.00 |

| | |
|--------------------|----------|
| Foster homes | \$50.00 |
| Prepackaged Only | \$150.00 |
| Mobile Units | \$225.00 |
| Additional units | \$225.00 |
| Produce Vendor | \$100.00 |
| Schools / Daycares | \$125.00 |

| | |
|--|----------|
| Temporary fees for Special Events | \$50.00 |
| Pre-opening inspection fee | \$100.00 |
| Re-inspection Fee for failing initial inspection | \$75.00 |



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GLOSSARY

A

ABATEMENT – A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to tax levies, special assessments and service charges.

ACCOUNT – A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.

ACCOUNTS PAYABLE – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNT RECEIVABLE – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government.

ACCOUNTING SYSTEM – The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL ACCOUNTING – A basis of accounting in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred instead of when cash is actually received or spent.

ACCRUED INTEREST – Interest that has been earned and recorded, but has not been received.

AD VALOREM TAX – A tax based on value of land and improvements (property tax).

AGENDA – A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the open meetings act.

APPROPRIATION – An authorization granted by City Council to make expenditures and to incur obligations for a specific purpose. Usually limited in amount and as to the time when it may be expended.

ARBITRAGE – With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn positive arbitrage in connection with tax-exempt bonds.

ASSESSED VALUATION – A valuation set upon real estate or other property by government as a basis for levying taxes.

ASSETS – Property owned by a government, which has economic value, especially which could be converted to cash.

AUDIT – A standardized, systematic and independent examination of data, statements, records, operations and performances of an enterprise for the purpose of examining for compliance with standardized procedures for managing cash on hand, receipts, payments, investments, and other allocations of monetary resources, capital assets or the use of personnel time and expertise.

B

BALANCE SHEET – A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

BALANCED BUDGET – Total recurring expenditures for any fiscal year shall not exceed total recurring revenues for that same fiscal year.

BOND – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

BOND REFERENDUM – A bond referendum is an opportunity for voters to decide if the city will be authorized to borrow funds to address specific capital project needs for which ad valorem taxes are pledged for repayment.

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term is also sometimes used to denote the officially approved expenditure ceiling under which a government and its departments operate.

BUDGET CALENDAR – The schedule of key dates or milestones, which a government follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget making authority to present a comprehensive financial program to the appropriating governing body.

BUDGET INSTRUCTIONS – The guidance document produced by the City's financial management unit, for use by departmentally-authorized personnel, establishing the annual practices and procedures for developing and submitting a proposed budget for approval by the City's governing body.

BUDGET MESSAGE – A general discussion of the adopted budget presented in writing as a part of or supplement to the budget document.

BUDGETARY CONTROL – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within limitations of available appropriation and available revenues.

BUILT ENVIRONMENT – Human-made (vs natural) improvements such as infrastructure, buildings, parks, etc.

C

CAPITAL ASSETS – Long-term assets, such as buildings, equipment, and infrastructure, intended to be held or used in operations.

CAPITAL PROJECTS – Acquisition or construction of major capital facilities.

CAPITAL IMPROVEMENT PROGRAM – A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAY – Expenditures for the acquisition of capital assets.

CAPITAL PROJECT FUNDS – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

CARRYOVER – Expenditures budgeted in one year for materials, equipment programs, etc., but not spent until the following fiscal year. Funding for non-recurring expenditures can carry over to the following fiscal year if approved by the City Manager and City Council. City Council formally amends the budget to approve carryover funding. Revenues can also carryover if they were anticipated in one fiscal year but not received until the following year.

CASH BASIS – A method of accounting in which revenues and expenses are recognized and recorded when received, not necessarily when earned.

CERTIFICATE OF DEPOSIT – A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

CERTIFICATE OF OBLIGATION – A debt instrument that is issued by the City and has the same legal status as a general obligation bond. Proceeds from the issuance of the certificates may be used for the construction of public works or payment of contractual obligations for professional services. These certificates do not require voter approval.

CHARTER – Written instrument setting forth principles and laws of government within boundaries of the City.

CHART OF ACCOUNTS – The classification system used by the City to organize the accounting for various funds.

CHECK – A bill of exchange drawn on a bank and payable on demand.

COMPONENT UNIT – A component unit is defined as a legally separate organization for which elected officials of the primary government (the City) are financially accountable.

CONSUMER PRICE INDEX (CPI) – The monthly data on the changes in the prices paid by urban consumers for a representative basket of goods and services.

CONTINGENCY – Funds set aside in a reserve account for major expenditures or for emergencies.

COST – The amount of money or other consideration exchanged for property or services. Costs may be incurred even before money is paid; that is, as soon as a liability is incurred. Ultimately, however, money or other consideration must be given in exchange.

CURRENT ASSETS – Cash and other assets expected to be converted to cash, sold, or consumed either in a year or in the operating cycle.

CURRENT LIABILITIES – Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded within one year.

DEBT SERVICE FUND – A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal interest, and related costs. Also called a Sinking Fund.

DEFICIT – The excess of expenditures over revenues during an accounting period; or in the case of Enterprise and Intra-governmental Service Funds, the excess of expense over income during an accounting period.

DEPARTMENT – A distinct, usually specialized division of a large organization. A principal administrative division of a government normally under the oversight of an Executive Director, Assistant City Manager or City Manager.

DELINQUENT TAXES – Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached.

DEPRECIATION – A non-cash expense that reduces the value of an asset as a result of wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

DEVELOPER REIMBURSEMENT – Reimbursement to a developer from the City for infrastructure developed on behalf of the City.

E

EFFECTIVE TAX RATE – The tax rate required to generate the same amount of revenue as in the preceding year on the same properties.

ENTERPRISE FUND – A fund used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The significant characteristic of Enterprise Funds is that the accounting system must make it possible to show whether the activity is operated at a profit or loss, similar to comparable private enterprises. Thus, the reports of enterprise funds self-contained and creditors, legislators or the general public can evaluate the performance of the municipal enterprise on the same basis as they can the performance of investor-owner enterprises in the same industry.

EXPENDITURES – Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

EXTRATERRITORIAL JURISDICTION (ETJ) – The land bordering a City's limits that the City has limited control over but does not furnish City services to nor collect ad valorem taxes from. This is an area outside of City limits that is subject to annexation.

F

FIDUCIARY FUND – A fund used to account for assets held in trust by the City for the benefit of individuals or other entities and is responsible for handling the assets placed under its control.

FISCAL YEAR – A twelve-month period of time to which the annual budget applies, and at the end of which, the City determines its financial position and results of operations.

FIXED ASSETS – Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, and improvements other than land.

FRANCHISE – A special privilege granted by a government, permitting the continued use of public property, such as City streets, and usually involving the elements of monopoly and regulation.

FULL-TIME EQUIVALENT (FTE) – One full-time equivalent works 2,080 hours a year; a person working 1,040 hours per year is equivalent to 0.5 FTE.

FUND – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objective.

FUND BALANCE – The excess of an entity's assets over its liabilities.

FUND BALANCE POLICY – A minimum fund balance that is required to be kept in reserve as defined in financial policy statements. Fund balances over the policy requirements may be appropriated in the budget.

G

GENERAL FIXED ASSETS – Capital assets that are not assets of any particular fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental (as opposed to proprietary or fiduciary) funds.

GENERAL FUND – The General Fund is the general operating fund of the City. It is used to account for the resources devoted to finance the services traditionally associated with local government, except those activities that are required to be accounted for in another fund. Transactions are recorded on the modified accrual basis.

GENERAL OBLIGATION BONDS – When a government pledges its full faith and credit to the payment of the bonds it issues, those bonds are general obligation bonds.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting.

GOVERNMENTAL FUNDS – Funds generally used to account for tax-supported activities. The acquisition, use and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects and Debt Service).

GRANTS – A contribution by one government unit to another. The contribution is usually made to aid in the support of a specific function, purpose, activity or facility.

GULF COAST WATER AUTHORITY – Created by the State Legislature in 1965, its main mission is to acquire water supplies, store, transport, treat and purify, sell and deliver water, both surface and underground, for industry, agriculture and municipalities in Brazoria, Fort Bend, and Galveston Counties.

I

IMPACT FEES – Fees charged to developers to cover in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

INCOME – A term used in proprietary fund-type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

INFRASTRUCTURE - Fixed assets that are immovable and have value only to the governmental unit. Common examples of infrastructure include roads, sidewalks, bridges and streetlights.

INTERGOVERNMENTAL REVENUE – Revenue received from another governmental unit for a specific purpose.

INTERNAL SERVICE FUND – Internal Service Funds are used to account for the financing of goods or services provided by one fund or department to another fund or department on a cost reimbursement basis.

ISO RATING – The Insurance Service Office (ISO) performs surveys to assist insurance organizations with setting up the insurance ratings for the communities. The ISO will perform a survey to assign a public protection grade to each fire department, which is used in the development of insurance rates for all properties within the protected area. Grading starts at 1, which is the best possible score and ends at 10, which is considered unacceptable.

L

LEASE/PURCHASE – A financing tool utilized to fund large capital outlays where the city may not have cash immediately available for purchase. This arrangement allows the city to use the item while payments are being made.

LEDGER – A group of accounts in which are recorded the financial transactions of a governmental unit or other organization.

LEVY – To impose taxes or special assessments. The total of taxes or special assessments imposed by a governmental unit.

LIABILITIES – Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

LONG-TERM DEBT – Debt with a maturity of more than one year after date of issuance.

M

MODIFIED ACCRUAL BASIS – The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

MUNICIPAL UTILITY DISTRICT (MUD) – A special district whose purpose is to provide water and sewer services to the residences and businesses within its boundaries. The district has ad valorem taxing power and can issue bonds to pay for construction and improvements to the district's system. Districts are typically established in unincorporated areas, but can also lie within the boundaries of one or more cities.

N

NOTE PAYABLE – An unconditional written promise signed by the maker, to pay a certain sum in money on demand or at a fixed or determinable future time, either to the bearer or to the order of a person designated.

O

OPERATING BUDGET – Plans of current expenditures and the proposed means of financing them.

ORDINANCE – A formal legislative enactment by the governing body of a municipality.

ORGANIZATIONAL UNIT – A responsibility center within a government.

P

PERFORMANCE MEASURES – Specific quantitative measures of work performed within an activity or program. They may also measure results obtained through an activity or program.

PERSONNEL SERVICES – The costs associated with compensating employees for their labor (salaries, wages, insurance, payroll taxes, and retirement contributions).

PROJECTION – A forecast of future trends in the operation of financial activities done through the remainder of the fiscal year to gain a better picture of the City's finances. The projections are adopted as the revised budget during the budget adoption process.

PROPERTY INSURANCE FUND – Accounts for the activities of the city's property and casualty insurance.

PROPERTY TAX – An annual or semi-annual tax paid to one or more governmental jurisdictions based on the real and personal property's assessed valuation and the tax rate, done in compliance with the State Property Tax Code.

PROPRIETARY FUND – A governmental accounting fund having profit and loss aspects; therefore, it uses the accrual rather than modified accrual accounting method. The two types of proprietary funds are the Enterprise Fund and the Internal Service Fund.

PURCHASE ORDER – A document issued to authorize a vendor or vendors to deliver specified merchandise or render a specified service for a stated estimated price.

R

RATINGS – Designations used by credit rating agencies to give relative indications of credit quality. Municipal bonds rated Baa or BBB and above are considered to be investment-grade.

REFUNDING BONDS – Bonds issued to retire bonds already outstanding.

RESERVE – An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

RETAINED EARNINGS – The accumulated earnings of an enterprise or internal service fund which have been retained in the fund and which are not reserved for any specific purpose.

REVENUES – The term designates an increase to a fund's assets. An item of income.

REVENUE BONDS – Bond whose principal and interest are payable exclusively from earnings of an enterprise fund.

ROLLBACK RATE – A taxing unit's rollback tax rate is a calculated rate that divides the overall property taxes into two categories - M&O and debt service. If a unit adopts a tax rate that is higher than the rollback rate, voters in the unit can circulate a petition calling for an election to limit the size of the tax increase.

S

SALARIES & WAGES – Fixed compensation paid to employees for work or services provided.

SALES TAX – A state tax of 6.25% is imposed on all retail sales, leases and rentals of most goods, as well as taxable services. Texas cities and counties have the option of imposing additional local sales taxes for a combined total of state and local taxes of 8.25%.

SHORT-TERM DEBT – Debt with a maturity of one year or less after the date of issuance.

SPECIAL ASSESSMENT – Used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

SPECIAL REVENUE FUNDS – Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

STRUCTURAL IMBALANCE – In the budgetary process of matching ongoing expenditures with ongoing revenues, a condition that occurs when expenditures exceed revenues.

T

TAX LEVY – The total amount to be raised by general property taxes for intentions specified in the Tax Levy Ordinance.

TAX LEVY ORDINANCE – An ordinance through which taxes are levied.

TAX RATE – The rate at which a municipality may levy a tax. Tax levied for each \$100 of assessed valuation. The amount of tax stated in terms of a unit of the tax base.

TAX ROLL – The official list showing the amount of taxes levied against each taxpayer or property.

TAXES – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

V

VENDOR – The seller of merchandise or services.

VOUCHER – A document, which evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.

W

WORK ORDER – A written order authorizing and directing the performance of a certain task and issued to the person who is to direct the work.

WORKING CAPITAL – A financial metric which represents operating liquidity available to an organization or governmental entity. Net Working Capital is calculated as current assets minus current liabilities.

Y

YIELD – The rate earned on an investment based on the price paid for the investment, the interest earned during the period held and the selling price or redemption value of the investment.

ACRONYMS

| | |
|---|--|
| <u>ACM</u> – Assistant City Manager | <u>FF</u> – Firefighter |
| <u>ACS</u> – American Community Survey | <u>FF&E</u> – Furniture, Fixtures & Equipment |
| <u>ADA</u> – Americans with Disabilities Act of 1990 | <u>FIRMS</u> – Flood Insurance Rate Maps |
| <u>AISD</u> – Alvin Independent School District | <u>FLSA</u> – Fair Labor Standards Act |
| <u>BCLS</u> – Brazoria County Library System | <u>FM</u> – Farm-to-Market Road |
| <u>CAFR</u> – Comprehensive Annual Financial Report | <u>FOIA</u> – Freedom of Information Act of 1966 |
| <u>CDBG</u> – Community Development Block Grant | <u>FOG</u> – Fats Oil Grease |
| <u>CH</u> – City Hall | <u>FS</u> – Fire Station |
| <u>CIP</u> – Capital Improvement Program | <u>FT</u> – Full-Time |
| <u>CM</u> – City Manager | <u>FTE</u> – Full-Time Equivalent |
| <u>CO's</u> – Certificates of Obligation and Certificates of Occupancy | <u>FY</u> – Fiscal Year |
| <u>CPA</u> – Certified Public Accountant | <u>GAAP</u> – Generally Accepted Accounting Principles |
| <u>CPAP</u> – Continuous Positive Airway Pressure | <u>GASB</u> – Governmental Accounting Standards Board |
| <u>CPI</u> – Consumer Price Index | <u>GF</u> – General Fund |
| <u>CPR</u> – Cardiopulmonary Resuscitation | <u>GFOA</u> – Government Finance Officers Association of the United States and Canada |
| <u>CR</u> – County Road | <u>GIS</u> – Geographical Information Systems |
| <u>CVB</u> – Convention and Visitors' Bureau | <u>GO's</u> – General Obligation Bonds |
| <u>DCM</u> – Deputy City Manager | <u>GCWA</u> – Gulf Coast Water Authority |
| <u>DDACTS</u> – Date Driven Approaches to Crime and Traffic Safety | <u>GPS</u> – Global Positioning System |
| <u>DS</u> – Debt Service | <u>HERO</u> – Housing Enforcement & Rehab Opportunity |
| <u>DWI/DUI</u> – Driving While Intoxicated/Driving Under the Influence | <u>HGAC</u> – Houston-Galveston Area Council |
| <u>EDC</u> – Economic Development Corporation | <u>HHW</u> – Household Hazardous Waste |
| <u>EMPG</u> – Emergency Management Program Grant | <u>HIDTA</u> – High Intensity Drug Trafficking Area |
| <u>EMS</u> – Emergency Medical Services | <u>HR</u> – Human Resources |
| <u>EMT</u> – Emergency Medical Technician | <u>HTE</u> – Harward Technology Enterprise (The City's previous ERP, by Sungard) |
| <u>ERP</u> – Enterprise Resource Planning | <u>HUD</u> – Housing and Urban Development |
| <u>ESL</u> – English as a Second Language | <u>HVAC</u> – Heating, Venting & Air Conditioning |
| <u>ETJ</u> – Extra Territorial Jurisdiction | <u>ICC</u> – International Code Council |
| | <u>I&I</u> – Inflow and Infiltration |

IS – Information Systems

ISO – Insurance Service Office

IT – Information Technology

ITS – Intelligent Traffic System

JAT – Job Assessment Tool

JHEC – John Hargrove Environmental Complex

KPB – Keep Pearland Beautiful

LF – Linear Feet

LKMD – Lower Kirby Management District

LS – Lift Station

LTD – Limited

LUCAS – Lund University Cardiac Arrest System

M – Millions

MDT – Mobile Data Terminal

MGD – Million Gallons per Day

MHI – Median Household Income/Mitsubishi Heavy Industries

MSA – Metropolitan Statistical Area

MUD – Municipal Utility District

NIC – Net Interest Costs

NWS – New World Systems (The City's new ERP)

O&M – Operations & Maintenance

P&Z – Planning & Zoning

PC - Personal Computer

PCI – Pavement Condition Index

PD – Police Department

PEDC – Pearland Economic Development Corporation

PEG – Public, Educational and Government Channel (television)

PER – Preliminary Engineering Report

PFA – Public Funds Investment Act

PGSA – Pearland Girls Softball Association

Phs – Phase (as in construction phase I, II)

PHS – Pearland High School

PISD – Pearland Independent School District

PMMD – Pearland Municipal Management District

PSB – Public Safety Building

PT – Part-time

PTC – Pearland Town Center

QA/QI – Quality Assurance/Quality Improvement

RC/N – Recreation Center/Natatorium

RD – Radio Detection

ROW – Right-of-Way

ROWs – Right-of-Ways

RSA – Recognized Sports Association

S&P – Standard & Poor's

SAN – Storage Area Network

SCADA – Supervisory Control and Data Acquisition

SCBA – Self Contained Breathing Apparatus

SCR – Shadow Creek Ranch

SEC – Securities and Exchange Commission

SF – Square Feet/Foot

SH288 – State Highway 288

SNAP – Safe Neighborhoods Around Pearland

SPA – Strategic Partnership Agreement

SQ. FT. - Square Foot/Feet

SRO – School Resource Officer

SUI – State Unemployment Insurance

SUV – Sports Utility Vehicle

TAAF – Texas Amateur Athletic Foundation

TCEQ – Texas Commission on Environmental Quality

TCLEOSE – Texas Commission on Law Enforcement Officers Standards and Education

TCO – Telecommunications Operator

TCOLE – Texas Commission on Law Enforcement Officers Standards and Education

TIC – True Interest Costs

TIP – Transportation Improvement Plan

TML – Texas Municipal League

TMRS – Texas Municipal Retirement System

TIRZ – Tax Increment Reinvestment Zone

TxDOT – Texas Department of Transportation

TWDB – Texas Water Development Board

UCR – Uniform Crime Reporting

UDC – Unified Development Code

UHCL – University of Houston-Clear Lake

UofH – University of Houston

W&S – Water & Sewer

W/S – Water & Sewer

WEC – Westside Events Center

WRF – Water Reclamation Facility

WWM – Waste Water Management

ZBA – Zoning Board of Adjustment

2017-2018
CITY OF PEARLAND, TEXAS
**FISCAL YEAR
BUDGET**



City of Pearland
3519 Liberty Drive
Pearland, Texas 77581
Phone: 281.652.1600

pearlandtx.gov