



Prepare
for the
Future



2018 - 2019
CITY OF PEARLAND, TEXAS
FISCAL YEAR
BUDGET

CITY OF PEARLAND

Fiscal Year 2018–2019

Budget Cover Page

This budget will raise less revenue from property taxes than last year's budget by an amount of \$-14,396,313, which is a -21.74 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 \$1,928,050.

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

FOR: Carbone, Moore, Reed, Perez, Owens, Little, Hernandez

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2018-2019	2017-2018
Property Tax Rate:	\$0.709158/100	\$0.685059/100
Effective Tax Rate:	\$0.709158/100	\$0.667060/100
Effective Maintenance & Operations Tax Rate:	\$0.264535/100	\$0.236166/100
Rollback Tax Rate:	\$0.715697/100	\$0.685059/100
Debt Rate:	\$0.430000/100	\$0.430000/100

Total debt obligation for CITY OF PEARLAND secured by property taxes:
\$319,540,000



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Pearland
Texas**

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morill

Executive Director

Mayor & City Council



Adopted Budget Fiscal Year October 1, 2018—September 30, 2019



Tom Reid
Mayor



Tony Carbone
Position 1



Derek Reed
Position 2



Gary Moore
Position 3



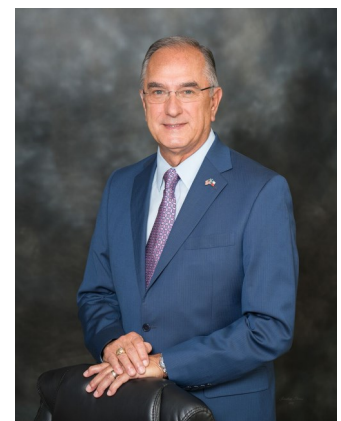
Adrian Hernandez
Position 4



J. David Little
Position 5



Trent Perez
Position 6
Mayor Pro Tem



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
PROPOSED BUDGET FY 2018
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August 1, 2018

Honorable Mayor and City Council members,

During our employee `road show' sharing events over the last month, I found myself sharing an observation that there is powerful, demonstrable progress throughout the Pearland community. Roads, facilities, and utilities are appearing alongside the private sector investments and new homes. We are described as an up-and-coming `cosmopolitan suburb' adjacent to the thriving fourth-largest city in the United States. Growth and diversity are the fuel that drives our progress. At these road shows, I have shared with the City organization that we seem to be at the cusp of the next level of operational and service excellence produced by the City. To that end, there has been significant investment and additions to staffing, technology, training, equipment, and support for the City. **Now within reach, we are primed to continue forward and deliver.**



Work pictures, like the one above, have become a favorite -- Lots of great, talented, dedicated people. These are public servants from City of Pearland Fire and Police whom we know, respect, and appreciate. The picture above in particular is a group of City employees who posed after an inter-departmental training exercise. The communication and skills learned working together, planning and preparing, means we are increasingly ready to serve. These professionals are backed up and supported with additional City resources from Fleet, IT, Communications, Dispatch, Records, and others that make the whole system work. Moreover, there are partners from Brazoria Drainage District 4, Pearland ISD, Alvin ISD Police, neighboring municipal fire and police specialized units, and many more that are available for natural disasters or man-made threats to public safety.

As we look ahead to FY 19 and beyond, standing ready, at the apex of an even greater Pearland, examples of the readying and/or delivery are:

- Enterprise-level software has taken root across the entire organization to provide new technology for daily use for financial, human resources, payroll, utility billing, permitting, and inspections applications. By connecting our systems we enhance our ability to realize efficiencies, both internal and

external, and provide our staff with analytic tools to solve problems. In FY18, we funded the Water & Sewer portion of our asset management system, the first of two phases in our asset management system. Phase Two will provide more for the General Fund to support Public Works is ahead.

➤ We are upgrading to an Advanced Metering Infrastructure (AMI) system to reduce water loss and put information in the hands of consumers, similar to what is experienced with modern electrical smart meters. The technology advancement over the existing drive-by automated meter reading (AMR) system. The upgrade is part of an investment in infrastructure and the future, precisely measuring the water used through more than 37,000 meters. The new AMI system will improve the long-term accuracy and information available related to water service. AMI comes with an added benefit of customer-facing data which will improve transparency and empower residents to optimize their own water usage by having information related to water usage at their fingertips.

➤ For emergency preparedness, we have pursued training, communications, vehicles, and technology. The epic rainstorm/hurricane Harvey experience remains on our minds. City reactions before, during, and after that specific storm have been lauded. Our staff did great work to help people in need. Their local government was there with the necessary support. Helpful and essential State and Federal resources arrived in the weeks following, but it was the City of Pearland locally, arm-in-arm with community partners, that answered the call. From that experience, we have been working continuously on improving resiliency, hardening systems with the goal of bouncing back from any emergency. We've taken lessons learned and completed some visible and other work behind-the-scenes to be ready, just in case. We used an allocation of FY 18 contingency to jump start our emergency management training program for staff in leadership positions. The upcoming FY 19 budget includes \$10,000 to continue that program.



Mobility

There's much to be proud of in our preparations and readying related to providing the network of mobility options that move commerce and traffic through Pearland and the Houston metropolitan area. After years of work to leverage outside funds, plan, develop, and design many significant mobility projects, FY19 will see many of these projects completed, underway, or primed to start construction. The most significant being the SH288 Toll Lanes project, dramatically improving capacity and safety on SH 288, providing toll express options from Pearland to the Texas Medical Center which is known for having the most employees in the region commuting to and from Pearland. We see now the direct connections taking shape to Beltway 8 and ramps right from Reflection Bay and Hughes Ranch Road. Moreover, we will see the expansion of the FM 518 interchange and the northbound Frontage Road between Magnolia Parkway and FM 518. These projects will transform mobility around Pearland's retail



nexus and for our commuters traveling daily to and from the Texas Medical Center and downtown Houston.

The new park-and-ride from our Shadow Creek Ranch Sportsplex to and from Houston's Texas Medical Center starts operations in September 2018. The service represents an exciting new public/private partnership. While the City will provide the parking, this program, provided at no cost to the City, will, for the first time provide an alternative transit option for our residents commuting to/from Houston. Shadow Creek represents the perfect location for the park and ride, given the short distance to Beltway 8 and the high density of residents who make that commute daily.

To complement the mobility improvements in the SH 288 corridor, Pearland Municipal Management District 2 and the Pearland Economic Development Corporation are making major aesthetic improvements to further distinguish and brand the City of Pearland. All of these projects require City partnership with Brazoria County, Brazoria Drainage District #4, Texas Department of Transportation (TxDOT), and other agencies to be successful.

The City is leading two projects that will provide additional capacity to alleviate traffic on FM 518 and provide direct access to the SH 288 Toll Lanes via the t-ramp access point at Hughes Ranch Road/Discovery Bay Drive. Hughes Ranch Road will be under construction this fall to widen the corridor to four lanes between Cullen Parkway and Smith Ranch Road. Smith Ranch Road will also be expanded to four lanes between Hughes Ranch Road and the existing four lane segment to the south. Both projects received approximately 80% federal matching funds through the Houston-Galveston Area Council (H-GAC) Transportation Improvement Program (TIP), amounting to about \$30.5 million total Federal Funds for Hughes Ranch (\$26.5 million) and Smith Ranch (\$3.9 million) in external funding leveraged by our staff for critical transit projects here in Pearland.

A final project of note, moving towards a reality, is the completion of the McHard Road corridor by constructing the remainder of the four lane boulevard between Cullen Parkway and Mykawa Road. This long awaited project, that is approximately 80% federally funded, will provide a much needed alternate east-west route to FM 518. The project is in the land acquisition stage and is currently scheduled to start construction near the end of calendar year 2019.

All of these projects add an economic development asset, in addition to the obvious transportation network expansion, while responding to one of our most consistently high-rated citizen concerns in our Citizen Survey. Moreover, the work comes with modern drainage enhancements to help us all weather the next storm more effectively. At the same time, we recognize that in this budget, we have minimal capital outlay for maintenance of our *existing* mobility infrastructure. The operating budgets just do not provide for the levels we desire, thus having to defer that again for another year.

With prosperity and growth, comes traffic congestion. To prepare for the future and continue our prosperity, we must provide the mobility projects to alleviate congestion for better access to jobs, our quality residential developments, and our booming retail centers. The current and upcoming mobility projects, plus future projects being prepared to pursue TIP funds and bond funds, will ensure our prosperity will endure.

[Economic development](#)

Pearland has long been a community focused on sustained economic growth and the previous year was no exception. In April, we celebrated the grand opening of Lonza's manufacturing facility in the Lower Kirby District. At 300,000 square feet, it's the largest dedicated cell-and-gene-therapy manufacturing facility in the world and is scheduled to employ 200 people by the end of this year. Also, in the Lower

Kirby District, Tool-Flo is nearing completion on the construction of its headquarters, training, and manufacturing facility. The 80,000 square-foot facility will be home to 150 employees when it opens later this year.

To ensure this growth continues in the Lower Kirby District, and as one of the key initiatives in our Pearland 20/20 community strategic plan, PEDC and the City have invested in many infrastructure projects within the District. We have partnered with the Management Districts to continue to develop regional detention, recently completed the reconstruction of Hooper Road, and will soon begin construction for the extension of South Spectrum.

Infrastructure work continues on the Ivy District, an urban mixed-use development with multi-family, town homes, condominiums, retail, potential office spaces, and additional infrastructure improvements including a public park in the Lower Kirby District. Through development agreements between the City and the Ivy District developer, American Modern Green, amenity space around the Lower Kirby District's regional detention pond will be developed as a public park that will include a playground, a covered pavilion, a 6-foot wide trail through the park and around the pond, irrigation and landscaping, and a pedestrian bridge across Clear Creek. The City's portion of the improvements will come from PEDC funds.

Another Pearland 20/20 strategic plan key initiative and catalyst for economic development in our community is the State Highway 35 Entryway and Corridor Enhancements. This beautification project will elevate the corridor's visual appearance and help implement the State Highway 35 Redevelopment Strategy's vision of a high quality and consistently-designed employment and business environment. The project, which will streetscape the corridor from Beltway 8 to FM 518, includes two gateway signs at Clear Creek near Beltway 8, as well as surrounding entryway features, tree plantings in the medians, roadside landscape improvements and aesthetic improvements at major intersections. Construction will begin by the end of September 2018 and will take approximately one year to complete, weather permitting.

Revenue

Total annual FY 19 revenue for the City budget across all funds is \$329.8 million. For the General Fund, the total is \$80.8 million, approximately \$1.9 million higher than the prior year adopted budget.

Highlights for our General Fund revenue below are:

- Even controlling for the post-Harvey spike generating rebuild efforts, we have seen strong sales tax revenue growth, sparked by continued existing retail activity and corresponding growth in rooftops in Pearland and the surrounding area's consumers driving that activity. Our sales tax growth forecast for FY 19 is conservative at 3.8% over the amended budget.
- Projected building permit revenues are expected to stay flat with FY18 projection, recognizing open land and continued planned developments in the works. The original FY 18 budget had been built upon explosive growth in FY 16 and FY 17 in both commercial and residential development. The FY 19 permit revenue does not reflect a community at full build-out, but instead a steady, continued growth pattern, moderated relative to the prior two years.
- There is not additional revenue in FY 19 budgeted for Federal reimbursement of Harvey disaster expenses. As was discussed prior to and presented at FY18 mid-year projections, we are anticipating reimbursement from the Federal Emergency Management Agency (FEMA) for much of the costs incurred during and after the storm. Staff has taken the necessary measures to account for those reimbursements prudently. The recognized FY 18 amount of \$1.6 million is discounted for Federal hold-

back and potential challenge of City claims. The process to receive the cash for that reimbursement and close out the expenditures is expected to take years.

General Fund Revenue Budget by Classification Report									
	2016 Actual		2017 Actual		2018 Amended		2019 Adopted		Notes
Fund: 100 General Fund									
Property Taxes	\$14,607,848	20%	\$17,910,289	24%	\$20,453,523	28%	\$21,332,769	29%	
Sales & Use Taxes	20,013,626	27%	20,457,029	28%	21,957,016	30%	22,855,294	31%	3.8% over FY 18 Amended
Franchise Fees	6,919,238	9%	6,975,738	10%	7,154,583	10%	7,296,694	10%	
Licenses & Permits	5,677,531	8%	5,434,917	7%	3,783,035	5%	3,785,535	5%	Held constant with projection; \$1.8 million under FY18 Adopted
Fines & Forfeitures	2,802,424	4%	2,510,849	3%	2,313,750	3%	2,110,750	3%	
Charges for Services	14,853,315	20%	15,396,511	21%	16,203,603	22%	17,618,566	24%	
Investment Earnings	248,098	0%	71,512	0%	250,000	0%	250,000	0%	
Intergovernmental	1,372,143	2%	-	0%	-	0%	-	0%	
Miscellaneous	747,985	1%	1,534,335	2%	2,914,027	4%	983,806	1%	No FEMA reimbursement additional for FY 19; recognized as receivable in FY 18
Other Financing Sources	1,917,854	3%	-	0%	-	0%	-	0%	
Transfers In	4,111,522	6%	3,791,394	5%	3,816,116	5%	4,560,460	6%	
Revenue Totals	\$73,271,582		\$74,082,574		\$78,845,653		\$80,793,874		

Expenditures

Total expenditures for the City budget across all funds is \$366.9 million. For the General Fund, the total is \$80.4 million, less than the 2017 actual expenditures (which includes carry-overs) and less than prior FY 18 amended budget (also including carry-overs). Prior year totals were expanded by draw downs in fund balance over policy minimums and Hurricane Harvey expenditures. Below is a table that reflects the distribution of General Fund by category and how that has changed.

The trajectory of salaries and wages points upwards towards the expansion of salaries and benefits to an even larger portion of the FY 19 Proposed Budget. The numbers reflect additions of people, particularly in public safety, to be shown in the next table, the increased costs associated with supporting those people and compensating our dedicated staff with competitive wages. After conducting an organization-wide Compensation & Classification Study, the City implemented 100% of the recommended increases effective mid-year FY 18, which will be realized for a full 12 months for the first time in FY 19. Salaries, particularly in our Fire Department, rose significantly; roughly \$3.5 million organization-wide over 12 months. Salaries and wages, already the majority expenditure category in the General Fund as one would expect in our people-centric organization, is growing even larger for FY 19. **If the percentage for FY 19 was at the FY 17 proportion of 66% of total expenditure, then personnel would be \$53.0 million instead of the \$58.7 million we foresee.**

The FY 19 Budget reflects across-the-board 2% salary increases and wage-related benefits (+ \$1.1 million to the General Fund; + \$1.3 million overall) and step increase (+ \$124,000). The adjustments are important to keep us on pace with the 100% classification and compensation study implemented mid-2018, ensuring that we continue to recruit and retain the talent we want and need, as has been the case. The implemented study began in late 2016, with data collection for comparative salaries occurring through early 2017, implementation approved in September 2017 for April 2018 increases. Recommendations are that we conduct a detailed comparison to the external market and to immediate competitors using a comprehensive methodology such as the one used in 2016/2017 every 3-4 years.

With the most recent results coming from 2017 data, we should be budgeting and preparing for another comprehensive look occurring in October 2020 or at the latest 2021. In the time between studies the department takes opportunities to participate in other organization surveys being done so we can receive that external information. We review such information regularly to see trends we should be aware of, adjustments we need to make. As always, we review individual positions as needed and requested to ensure employees are working in their appropriate classification.

An effect of the growth in employee expenditures is that the General Fund annual capital outlay for vehicles and other replacements is significantly cut. Nearly all fleet reinvestment is being deferred, which will need to be made up in future years and will increase near-term operating costs and outages for repairs. Also worth noting is the necessary 59% reduction to our street and sidewalk rehabilitation program. Even prior to FY 19, we had already fallen short of necessary targeted amount to maintain our current, stellar pavement rating.

General Fund Expense Budget by Classification Report									
	2016 Actual		2017 Actual		2018 Amended		2019 Adopted		Notes
Fund: 100 General Fund									
Salaries & Wages	\$47,855,166	65%	\$53,274,036	66%	\$55,295,153	68%	\$58,806,243	73%	
Materials & Supplies	2,410,214	3%	2,530,393	3%	2,417,317	3%	2,333,953	3%	
Building & Grounds	2,372,391	3%	3,128,950	4%	3,908,077	5%	2,158,391	3%	
Repair & Maintenance	3,215,367	4%	3,236,922	4%	3,243,550	4%	1,941,461	2%	Prior Years had Fleet expenses here
Miscellaneous Services	10,957,624	15%	10,562,010	13%	11,120,594	14%	10,266,358	13%	
Other	23,047	0%	18,677	0%	74,106	0%	251,245	0%	
Inventory	714,908	1%	522,502	1%	756,142	1%	443,865	1%	
Capital Outlay	3,103,621	4%	4,767,706	6%	2,772,515	3%	425,638	1%	Prior Years had Fleet expenses here
Principal Payment	443,252	1%	547,305	1%	556,677	1%	520,496	1%	
Interest Expense	36,931	0%	44,294	0%	34,922	0%	22,355	0%	
Intergovernmental	-	0%	-	0%	-	0%	-	0%	
Transfers Out	2,573,817	3%	2,008,856	2%	1,141,000	1%	3,254,107	4%	Predominantly out to Motor Pool Fund
Expenditure Totals	\$73,706,338		\$80,641,650		\$81,320,053		\$80,424,112		

Another way to look at the General Fund expenditures is by the function of our annual investments. Public Safety, police and fire, represent the majority of expenditures for FY 19, as has historically been the case.

General Fund Expense Budget by Function Report									
	2016 Actual		2017 Actual		2018 Amended		2019 Adopted		
Fund: 100 - General Fund									
General Government	\$13,219,950	18%	\$12,853,684	16%	\$11,732,218	14%	\$11,870,695	15%	
Public Safety	\$38,516,992	52%	\$44,244,560	55%	\$43,879,571	54%	\$45,258,605	57%	
Public Works	\$11,717,303	16%	\$12,881,801	16%	\$14,934,853	18%	\$12,317,854	15%	
Community Services	\$3,869,499	5%	\$4,085,692	5%	\$4,266,439	5%	\$4,307,687	5%	
Parks & Recreation	\$6,382,594	9%	\$6,575,912	8%	\$6,506,972	8%	\$6,335,737	8%	
Expenditure Totals	\$73,706,338		\$80,641,650		\$81,320,053		\$80,090,578		

For FY 19, we have four additional police officers programmed, two targeted for starting in January and two more in July. With those, the objective described by Berkshire Group in their analysis with our staff

was 87 for patrol, with the output result being 90% of priority calls responded within six minutes. With the four further officer additions allocated set for FY 19, we get to 86 available directly for patrol operations under current planning by Police command. Police command responsible for staffing assignments move people to where needs and effect are greatest. The current assignments provide a second directed patrol area (DDACTS #2). The allocation of resources is in-line with Berkshire's recommendation to provide more proactive measures. DDACT Zone 1 is responsible for 11.4% of our crashes city wide, and Zone 2 is responsible for 9% of our crashes city wide. As the Zone 2 enforcement effort started in July, we have not begun to realize an impact on these crash totals for this area. DDACTS officers provide citations for offenses that are directly involved or contribute to crashes in the areas when a determining factor is clear. An additional benefit should be realized with response times, as officers are also concentrated in areas with more calls. DDACTS has contributed to increased self-directed time for Patrol officers, from 38% in FY 16 to 41% in FY 17. This factor should have a positive impact on Patrol response times. The entire effort puts people where the positive effect will be greatest and most likely.

The proposed budget provides staffing adequate to open new Fire Station #8 with one ambulance in place at the opening in October 2019. Additional fire apparatus at Fire Station #8 will be staffed as funds become available in FY 19. We plan to continue onboarding new firefighters and phase in additional services in FY 20. Apparatuses (\$3.1 million) will be debt financed, but reimbursable from the TIRZ #2. We are also opening the replacement relocated Fire Station #1 this Fiscal year. Furniture fixtures and equipment has an allocation of \$20,000 to make that start-up smooth. We need to be also aware that Fire Station #7 in the SH 35/Bailey Road area is on the horizon, with another 12 staff anticipated for that station, along with the equipment and vehicles.

Park facilities, Independence Park and the Nature Center, are reopening and opening respectively during FY 19. A Park Naturalist is funded in this budget necessary to operate the Nature Center.

Apart from the General Fund, we have made use of special revenue funds to keep moving ahead, despite a tight General Fund budget. For instance:

- Train Depot renovation designs are funded through the Hotel/Motel Tax Fund overseen by our Convention and Visitors Bureau, endorsed by the advisory board there.
- The Tree Trust Fund is rolling out a tree grant program.
- Park Development Fund is leveraging money in all three park zones to address park needs across the city.
- We are rolling out the Motor Pool Fund for maintenance and the vehicles we are buying, which will provide a long-term way to allocate and budget support of the City's essential rolling stock. We will move the Fleet Division of Public Works into that fund, including maintenance and purchase of all stock.

Property Taxes

Property taxes along with sales tax revenue are what supports critical City services from the General Fund. Behind that property tax base total are numbers from three counties, one (Harris County) completely estimated in this Proposed Budget because it is not made available until late August, and a large growing component from the Tax Increment Reinvestment Zone #2 (TIRZ) that is much of Shadow Creek. Property taxes are the source of revenue for debt service on general obligation and certificate of obligation long-term debt financing for capital projects.

Our property tax base used for upcoming FY 19 is complex. The total number used for starting budget calculations in the budget is \$9.79 billion. However, the Shadow Creek TIRZ #2 deducts \$2.59 billion, as that is dedicated for City participation in the TIRZ. The effective tax and rollback tax rate calculation

worksheets, mandated by the Texas Tax Code, Chapter 26, then removes properties that have tax ceilings, offset by properties under protest and not certified, and new construction. Bottom line, the calculations reflect a more moderately growing tax value base and an effective tax rate of **\$0.709158/\$100** of value.

The table below reflects the distribution of homestead residential properties and their individual change, from prior year of 2017, excluding new construction. Each of the three county appraisal districts – Brazoria, Harris, and Fort Bend – are shown along with the aggregate total within the City of Pearland. The story reflects overall existing residential values reported by the appraisal districts.

Homestead Assessed Values Preliminary 2018 vs 2017	BCAD		HCAD		FBCAD		COP	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Over 10.1 % Increase	819	3.5%	38	1.7%	33	2.0%	890	3.2%
5.1 % - 10 % Increase	5,503	23.5%	1	0.0%	129	7.7%	5,633	20.5%
0.1 % - 5 % Increase	6,793	29.0%	281	12.2%	394	23.4%	7,468	27.2%
No Increase/Decrease	2,392	10.2%	1,275	55.6%	0	0.0%	3,667	13.4%
0.1 % - 5 % Decrease	6,327	27.0%	373	16.3%	1,020	60.5%	7,720	28.2%
5.1 % - 10 % Decrease	689	2.9%	249	10.9%	108	6.4%	1,046	3.8%
Over 10.1 % Decrease	915	3.9%	77	3.4%	2	0.1%	994	3.6%
Total	23,438	100.0%	2,294	100.0%	1,686	100.0%	27,418	100.0%
Homestead Median Assessed Values								
	BCAD		HCAD		FBCAD		COP	
2017 Median Household Value	\$	222,800	\$	265,633	\$	294,760	\$	261,064
2018 Median Household Value	\$	226,470	\$	265,599	\$	295,615	\$	262,561
Percent Change		2%		0%		0%		1%

The *rate* which is applied upon those values, plus the commercial and new construction, for FY 19 are constant from the prior year for **debt service at 0.4300**. That number is achieved through having a large fund reserve and committing that fund reserve for debt service in the upcoming year, if necessary. Moreover, the debt service property tax rate is inclusive of the amount also necessary to pay City reimbursements to in-City MUD Districts for payment subsidies to developers for infrastructure costs.

The calculation for debt service is also mandated from the State of Texas Legislature and uses what one would expect in terms of the City’s principal and interest payments for FY 19 that are general obligation and the available tax base. However, the calculation also does something unexpected. The worksheet sets aside capped values and protested values which the City will be levying property taxes to some level. To keep our debt service rate at what we expect is actually needed, we are again committing a portion of fund balance to not over-inflate the debt service rate. That amount will have to be re-evaluated during FY 19 and decided whether there are dollars coming into the debt service fund that need to be used for current debt service, whether there is fund balance that should be held for future, or whether there is money that should be deployed for refunding or other debt reduction.

For FY 19, the proposed budget is built upon using an operating and maintenance rate of 0.279158, which is the calculated effective tax rate. The effective tax rate is the State of Texas’ mandated calculation of what is the rate for bringing in the same amount of revenue as the prior year, exclusive of new construction. For us, this means that this effective tax rate is projected to bring just \$45,792 more from existing properties than last year in the General Fund; adding in new constructions nets the Fund an additional \$795,437. The prescribed calculation involves a complex set of variables in

a worksheet completed by Brazoria County Appraisal District (relying upon the Harris County and Fort Bend County Appraisal District numbers provided). The calculation factors in the values for frozen homestead homeowners over age 65 (\$1.05 billion) and values under protest or otherwise not certified (\$1.16 billion). The complication for our city on these worksheets is a combination of the large and growing TIRZ #2 district that's excluded from the base calculations, compounded with the State formula for capped properties. For the ten single-family homestead sample properties in the summary table below, factoring in valuation changes, the increased payment to the City is about \$124/year, about \$10/month.

We could go to the rollback rate, or beyond, of \$0.715697 which is what we have done for several of the last budgets, and would be reasonable given the City's growth and needs. Going to the rollback rate would only trigger some additional advertising requirements and would bring in approximately \$600,000 in additional revenue. That amount could go towards adding fire department staff to open Fire Station #8 in October 2019 and/or replacement vehicles. The rollback rate also provides a larger base for future years, especially important given the State of Texas legislative cloud and the continuing constrictions by Austin officials upon local public services. The flip side is that the higher rate would cost local property taxpayers slightly more on individual bills and the rate is higher than in FY 18, mitigated by fact that half of the homestead properties in Pearland are have experienced decreased or no change in assessment value.

For individual property taxpayers, the recommended rate for the City portion of the tax bills remains about 25% to 30% of the total property tax bill with the remainder going to public schools, county, and MUD districts.

Summary of Homestead Property Tax Bills Projected for 2018 Tax Year (for FY 2019 Budget Cycle)													
Pearland, Texas													
		Zero Growth		Homestead Example 1		Homestead Example 2		Homestead Example 3		Homestead Example 4		Homestead Example 5	
TY17 Actual COP Tax Bill		\$	1,247	\$	1,904	\$	1,095	\$	1,062	\$	1,623	\$	959
TY17 Taxable Value		\$	187,000	\$	285,000	\$	166,260	\$	160,083	\$	242,960	\$	139,968
% Increase (Decrease)			0.0%		8.4%		-3.4%		11.8%		10.0%		-0.5%
TY18 Taxable Value		\$	187,000	\$	308,880	\$	160,690	\$	178,930	\$	267,180	\$	139,200
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
Current TR	0.7092	\$ 1,291	\$ 44	\$ 2,136	\$ 232	\$ 1,104	\$ 9	\$ 1,233	\$ 171	\$ 1,847	\$ 225	\$ 987	\$ 28
		Homestead Example 6		Homestead Example 7		Homestead Example 8		Homestead Example 9		Homestead Example 10		Senior Example	
TY17 Actual COP Tax Bill		\$	1,304	\$	1,674	\$	3,144	\$	1,790	\$	2,151	\$	206
TY17 Taxable Value		\$	195,355	\$	252,000	\$	467,260	\$	268,000	\$	322,080	\$	149,870
% Increase (Decrease)			7.5%		7.0%		-2.8%		7.0%		-1.8%		2.2%
TY18 Taxable Value		\$	210,020	\$	269,581	\$	454,080	\$	286,710	\$	316,310	\$	153,210
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
Current TR	0.7092	\$ 1,454	\$ 150	\$ 1,858	\$ 184	\$ 3,161	\$ 17	\$ 1,982	\$ 192	\$ 2,187	\$ 36	\$ 206	\$ -

General Fund Property Tax and TIRZ Revenue Scenarios

For the upcoming fiscal year, property tax revenue scenarios are developed with the effective tax rate. We are showing below the Rollback Rate as usual from the State of Texas formula. In past years, when the rollback rate was recommended, we also showed a low rate scenario. However, given the moderation in property tax value growth at still strong 5.8% overall, the State of Texas formula results, and value of the TIRZ growth, a lower rate for operations is largely impractical. Without much room for discretionary expenditures under the existing recommended budget, the General Fund expenditure cuts

below the effective rate would be to existing staff, existing staff salaries, reductions in service or other negative scenarios.

We can go into FY 19 with the effective tax rate calculation, but the exercise also shows the negative impact to the Pearland community and the public servants who provide services if the State Legislature were to impose strict revenue caps across Texas.

Comparison of Potential Property Tax Rate and Revenue				
General Fund and Debt Service Property Tax Rates	FY2018 Actual Rates & Levy	Fiscal Year 2019*		
		(1) Current Tax Rate	(2) Proposed Tax Rate -- Effective Tax Rate (No New Revenue Rate)	(3) Rollback Rate (8% Revenue Cap)
O&M	0.2551	0.2551	0.2792	0.2857
Debt Service	0.4300	0.4300	0.4300	0.4300
Total	0.6851	0.6851	0.7092	0.7157
G.F. Property Tax Revenue + TIRZ Admin Fee (in millions)	\$20.2 + \$10.4 = \$30.6	\$19.1 + \$11.3 = \$30.4	\$20.9 + \$11.7 = \$32.6	\$21.4 + \$11.7 = \$33.2

*For Fiscal Year 2018, the proposed rate in green is used in the recommended budget revenue

General Fund's Fund Balance

It must be recognized that the unencumbered cash balance of our General Fund for the upcoming year, is at the minimum for fund balance. The combination of factors from revenue and expenditure leaves *little* operating margin or cushion for unexpected emergencies.

	Fiscal Year 2019 Adopted Budget
Beginning Fund Balance	\$ 11,886,007
Revenue Totals	\$ 80,793,874
Expenditure Totals	\$ 80,424,112
Net	\$ 369,762
Ending Fund Balance	\$ 12,255,769
Policy Minimum	\$ 12,181,840
Over (Under) Policy	\$ 73,929

Water and Sewer Enterprise Fund

The Water and Sewer enterprise fund provides high quality water daily, on demand, to over 37,000 customers. Building and sustaining that system is a challenge in normal years, especially in a community like Pearland that is growing and has multiple variables of water sources. Major projects underway are substantial:

- A new Reflection Bay Wastewater Treatment Plant that is running ahead of schedule with an additional four million gallons/day (MGD) capacity coming online in November 2018, plus a modernized process for existing two MGD capacity back in service by early 2019.
- We are beginning pilot testing, design, and construction of a 10 MGD Surface Water Treatment Plant on CR 48 which will treat raw water from the adjacent Gulf Coast Water Authority (GCWA) canal for distribution throughout the City's water system. Preliminary Engineering and pilot testing has begun, to be followed by final design and construction. The project is scheduled to be completed over a five year period with new capacity available by 2022/2023. A future phase will include an additional 10 MGD of capacity.
- New advanced meters infrastructure (AMI) are going into all 37,000 plus accounts over the next 18 months. The technology infrastructure to read and report, provide consumers with current information on demand is a large undertaking. The AMI system will increase precision of the usage reads with advanced technology that is superior to older technology that wears down over time leading to underreporting water usage.

All of those capital projects, and several others, cost money, plus the regular ongoing operating costs for labor, electricity, chemicals and such in this \$50 million revenue/year operating unit. The water and sewer enterprise system is a business unit of the City that is financially self-supporting. Revenues, highly dependent on the vagaries of the weather from week to week, are the exclusive source to cover all system costs, including operating, debt, and cash coverage requirements for the debt.

The water and sewer operation had years of zero rate increase from 2010-2014, despite increasing costs for the basics of operating the system and the need for plant expansions on the horizon. For comparison, systems in other cities have added a surcharge for years leading up to a major addition, like the surface water treatment plant, to mitigate future rate increases. Also, the volumetric rate model, standard in the water industry, was adopted in beginning October 2016. To that end, customers have absorbed the applied rate increases over the last three years to keep the system financially healthy and prepare for those capital costs.

The dry weather and growth and additional connections allowed us to increase revenue estimates for FY 18. Moreover, the new metering system will provide precise reads, replacing meters that may be years old and have slowed down to *under-report* of actual usage.

Given the fund balance, projections, capital needs, and the reality of transitioning our meters, **we are recommending no increase for FY 19 to the water and sewer rates**. Garbage refuse and recycling services are within the same billing system but have a contract that mandates slight increases. The recommendation recognizes that we will have increasing costs, but projections are that the existing rates will give us a year to implement meters and have one less variable for our customers as we make the system changeover.

Despite the 0% rate increase this year, this budget has much-needed investments in our water and sewer system. We have \$1.1 million in equipment replacement and the addition of five new staff, aimed at improving water quality systems city-wide. Two additional staff are funded in the utility billing side which is critical as we roll out new meters and continue to grow our customer service support.

[Anticipations and Challenges on the horizon beyond](#)

The upcoming FY 19 budget is challenging for operations, as we have described, being very tight and locked in with essentially $\frac{3}{4}$ of General Fund expenditures allocated for wages and benefits. However, we remain fixed on the horizon to see our young and growing city hit its stride.

- For capital improvements, we are continuing an aggressive plan to keep up with community needs, leveraging \$60 million in future reimbursements to fund improvements within the TIRZ. The TIRZ #2 from Shadow Creek has been a major transformative success story for Pearland. Shadow Creek, when the planned development was formed, had about \$7 million in total value for its original boundary. Today, with areas expanded by amendment, the value is \$2 billion. In the last decade of the TIRZ, the captured value, without property owners paying any more, is positioned to leverage substantive improvements for Pearland. With a TIRZ Budget Amendment for the City Council's August 2018 consideration, there will be available future increment to dedicate for Fire Station #8, a new public library building, park improvements, and street/sidewalk improvements.
- *Outside* the TIRZ as a part of our CIP, included with a comprehensive investment package, we are laying the groundwork for a 2019 bond referendum consideration with preliminary engineering work for those projects. Additional staff added in FY 17 and FY 18, construction managers and senior project managers, have given us the resources to implement the program effectively and efficiently.
- *Inside* the TIRZ, we are lined up for a reimbursement from TIRZ #2 for prior City expenditure of Broadway Street improvements within two to four budget years. That is \$8 million one-time source can plug operating holes and catch us up on vehicles and other investments.
- If the Federal government expedites reimbursements from Hurricane Harvey from past practices, and gives us certainty about the reimbursement, we can free additional moneys to invest at mid-year FY 19, catching us up with critical operational vehicle replacement and streets/sidewalks rehabilitation needs not included in this budget.
- The Clear Creek project, finally funded by the US Army Corps of Engineers, is an obvious win for the region as Clear Creek is the watershed for nearly all of Pearland and all adjoining Brookside Village. The Brazoria County areas adjacent to Clear Creek suffered some of the worst structure flooding from Harvey. There can be little question that the Corp project, hopefully to be led and managed by the Harris County Flood Control District, will benefit the entire watershed by holding and moderating the worst of floodwaters.
- There will be some change in our structure for high quality fire services into much of our ETJ. Either there will be agreements for mandatory sufficient payment to the City, or we will be able to pull back and focus our fire resources to the city limits and areas that do pay.
- The FY 19 budget reduces our reinvestment in streets from \$1.1M to \$454,000. The updated streets assessment conducted in FY18 shows that our lack of adequate reinvestment over the past four years has resulted in a decreased Pavement Condition Index (PCI) from 76 to 73. The updated numbers indicate a required investment of \$4.5M annually to keep the PCI at the current 73, to increase it to 2014 PCI level will take an additional \$7.8M annually for the next three years (one point increase per year). Additional years of deferred recapitalization will result in similar PCI reductions and higher costs to improve the PCI. The FY 19 plan for street recapitalization is to diversify our portfolio of maintenance tools to include crack and joint sealing, mill and overlays, street raising, and concrete panel replacements to extend the existing infrastructure's life instead of allowing it to more rapidly deteriorate to the point of requiring a complete reconstruction. The use of these additional tools will be scaled back based on available funding.
- The sidewalk program is being reduced from \$628,000 to \$260,000 while our backlog of work orders stands at approximately 700. Similar to the street program, additional tools will be implemented on the sidewalk program to stretch the available funds. With the limited funds, we will concentrate on maintenance measures such as mudjacking to level surfaces and trip hazard shaving instead of full panel replacement with the expectation that our backlog of work orders will continue to climb.
- Both streets and sidewalks have been reduced to well beyond the bare minimums needed to sustain our infrastructure. It is of prime importance as we look to the future to reach the minimum levels

necessary to properly reinvest in our largest assets to keep them at their current condition. Recommended annual funding levels in 2018 dollars are \$4.5M annually for streets and \$1.0M for sidewalks. Significant additional investment beyond the above amounts is required to make any improvement in the overall condition of these assets.

Here is one final work picture summarizing our dedication to the City of Pearland. It is of our spectacular Public Works crew when they came to City Hall during National Public Works week. We fondly refer to this team as “pre-responders” because they are most often there before our first responders. Without their dedication, we would not have clean water, drivable streets, or sidewalks to walk on.



Conclusion

We opened the expanded Centennial Park and are soon to see the first phase of Independence Park open. There's a fire station relocation set to open in the next twelve months and the new Shadow Creek large fire station readying for October 2019. We are adding more police officers and command is deploying those valuable resources for the best results on a daily basis, in addition to staffing the variety of specialized police units and support civilians that are critical to field operations. The upcoming budget year is operationally very tight. However, we are in a strong overall position for serving this dynamic and diverse community, and we will continue to invest to provide our residents the brightest future possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Clay J. Pearson".

Clay J. Pearson
City Manager

Note: This Transmittal Letter, originally published on August 1, 2018, was updated on October 11, 2018.



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FY 2019 ADOPTED BUDGET READER'S GUIDE TO THE BUDGET

The Fiscal Year 2018-2019 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 2019 Budget Calendar. An overview of the City's property taxes, levy and collections for fiscal year 2019. 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.

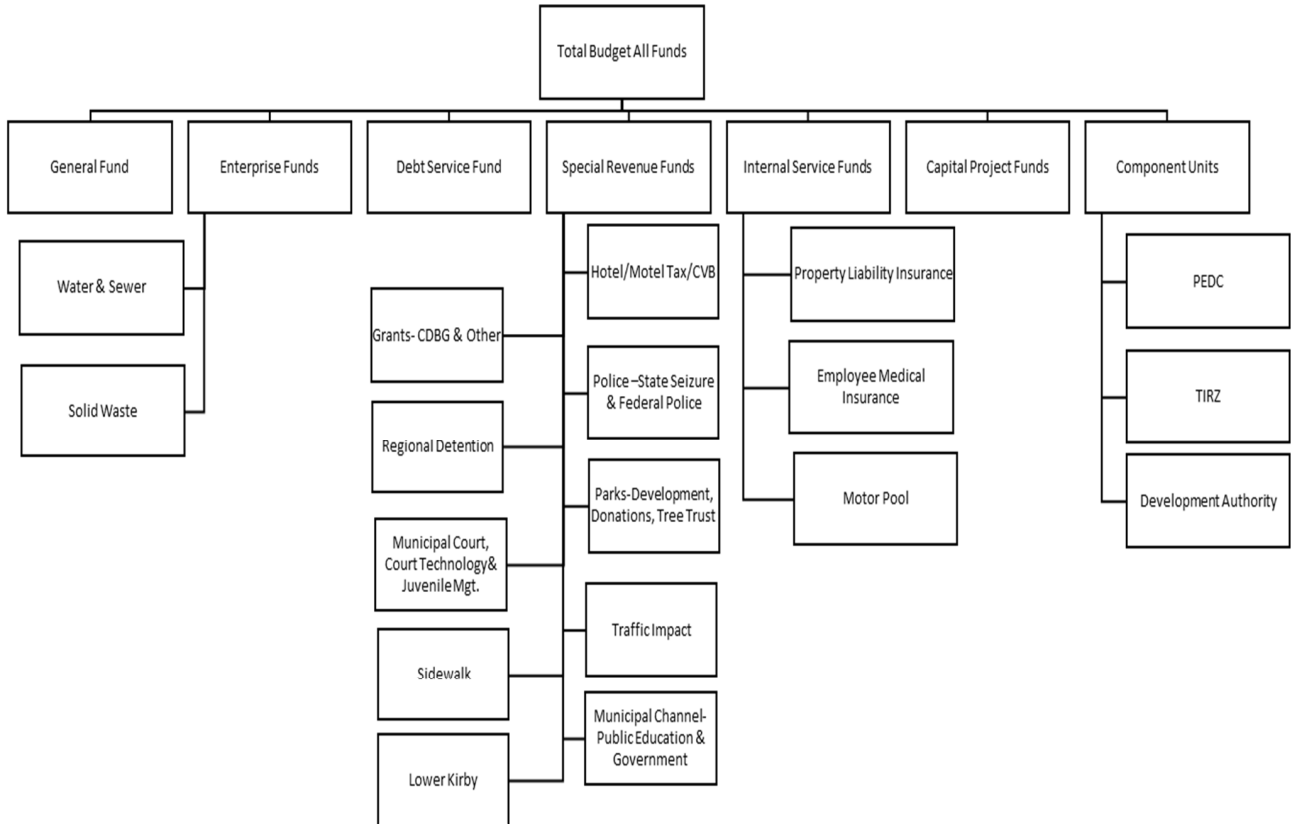
Tab Ten: Component Units Section includes a description of Component Units, an organization chart, an overview of the Pearland Economic Development Corporation (PEDC), a revenue and expenditure summary with fund balance with staffing summary, accomplishments, goals and objectives for this Fiscal Year 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					
Backflow			X					
Pre-Treatment FOG			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	503	Certificates of Obligation 2006
200	Debt Service Fund	504	Certificates of Obligation 2007
305	Hotel/Motel Occupancy Tax	505	General Obligation 2008
310	Municipal Court Security	506	General Obligation
315	City Wide Donation Fund	510	Lower Kirby Urban Center
320	Court Technology	550	W/S Impact Fee Fund
325	Street Assessment	555	Shadow Creek Impact Fee
330	Park Donations	560	Certificates of Obligation 1998
331	Tree Trust Fund	565	Revenue Bonds - 1999 & 2003
335	Police State Seizure Fund	570	Water/Sewer Pay As You Go
336	Federal Police Fund	575	MUD 4 Capital Program
340	Park & Rec Development Fund	600	Water Sewer Fund
345	Sidewalk Fund	610	Solid Waste Fund
350	Grant Fund	700	Property Liability Insurance Fund
351	Community Development Block Grant (CDBG)	701	Employee Benefits Fund
360	Traffic Impact Improvement	702	Medical Self Insurance Fund
365	Court Juvenile Management Fund	703	Motor Pool Fund
370	Municipal Channel (Peg)	800	Long Term Debt
380	Regional Detention Fund	810-812	Fixed Assets
500	Capital Projects - Pay as You Go	820-830	Long Term Debt - DAP & PEDC
501	Certificates of Obligation	900	Economic Development Fund (PEDC)
502	General Obligation 2001	920	Development Authority Fund (DAP)
		930	TIRZ #2 Shadow Creek

BUDGET OBJECTIVES AND PHILOSOPHY

BUDGET OBJECTIVES

The FY 2019 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 2019 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 2019, departments' base operating budgets were calculated by the Budget Office and were based off of FY 2017 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:

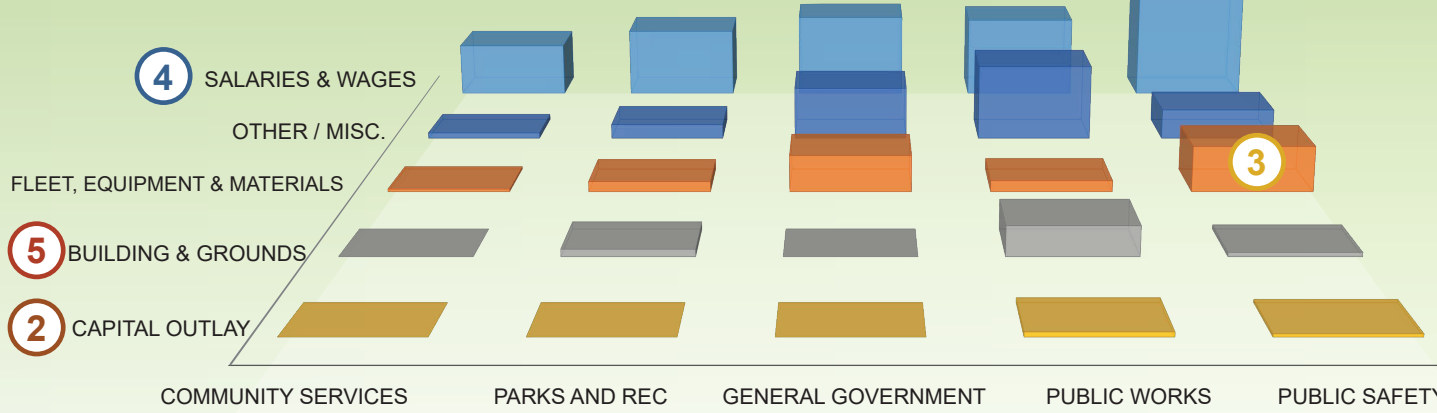
At any time during the fiscal year, the City Manager may approve an amendment to the budget that transfers part or all of any unencumbered appropriation balance among programs within a department, division, or office, upon written request by department heads. The City Council must approve any budget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

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

FY19 Budget Highlights



- \$40M** **1** Even with tight budget constraints, the City maintains money for its **commitment to Public Safety**, increasing budget to \$40M to increase the number of Police Officers and Firefighters.
- \$426K** **2** In order to remain within a tight operating budget, the City is **planning steep reductions** to fleet replacements and street and sidewalk rehabilitation in the next fiscal year.
- \$2.7M** **3** While it is not a big budget item there has been significant investment in hardware and training for emergency preparedness, and significant capital improvements to make sure City employees are prepared to **respond effectively to any emergency**.
- \$58M** **4** **73% of the budget** is allocated to salaries and wages because City Employees like police, fire, public works and parks and recreation are the people delivering services to Pearland everyday.
- \$2.4M** **5** There will be continued investment in parks **(\$408K)**, public works **(\$1.7M)**, and safety **(\$235K)** facilities that support the **quality of life** that Pearland residents deserve.
- Water rates will remain flat** in spite of increasing production costs. This is possible due to increasing population and sound financial and operational stewardship of the City's system.



**CITY OF PEARLAND
FY 2019 FUNDED SUPPLEMENTAL REQUESTS BY
STRATEGIC PRIORITY**

Strategic Priority / Division	Supplemental Request Funded	General Fund	W/S Fund	Other Funds	Total
Healthy Economy					
	Sub-Total	-	-	-	-
Engaged Community					
Convention & Visitors Bureau	Train Depot Renovation to rehabilitate the space and create museum and meeting space funded from Hotel Occupancy Tax Revenue			500,000	500,000
	Sub-Total	-	-	500,000	500,000
Safe Community					
Fire	Continuous On-Boarding (Starting Q3) - 3 new Firefighters starting Q3 and 3 new fire fighters starting Q4 towards meeting Citygate recommendations	241,569			241,569
Fire	City-wide Position-Specific Incident Command Systems (ICS) Training for staff in leadership positions	10,000			10,000
Fire	Start-up Costs associated with opening of new Fire Station #1	20,000			20,000
Police	4 Police Officers - Patrol (includes vehicle and equipment) 2 for 9 months and 2 for 3 months), Berkshire recommended to meet benchmark response times	285,010			285,010
	Sub-Total	556,579	-	-	556,579
Sustainable Infrastructure					
Public Works	Backflow Compliance Inspector (9 months) with Vehicle to expand program in accordance with State requirements		90,268		90,268
Public Works	Distribution & Collections Maintenance Workers (9 months) (2) w/Vehicle to augment Waterline Maintenance Program scouring to improve water quality city-wide		170,308		170,308
Public Works	Distribution & Collections Crew Leader (9 months) w/Vehicle to provide supervision of the Waterline Maintenance Program		98,440		98,440
Public Works	Distribution & Collections Backhoe for Waterline Maintenance Crew		90,000		90,000
Public Works	Waste Water Forklift for use at new Reflection Bay Surface Water Treatment Plant		35,000		35,000
Public Works	Pretreatment Technician (9 months) to meet target of industrial inspections every 6 months		89,403		89,403
	Sub-Total	-	573,419	-	573,419
Fiscally Responsible					
Utility Billing	Customer Service Rep II (2) (1 for 12 months, 1 for 9 months) to keep up with anticipated increased call volume with the roll-out of AMI meters		93,654		93,654
Utility Billing	Lead Billing Specialist - reclassification of existing position to develop ongoing training modules for technical management of the equipment utilized in the billing process		17,000		17,000
	Sub-Total	-	110,654	-	110,654
Parks, Recreation & Events					
Parks & Recreation	Park Naturalist (9 months) needed to staff new Delores Fenwick Nature Center	46,935			46,935
	Sub-Total	46,935	-	-	46,935
	Total	603,514	684,073	500,000	1,787,587

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

**CITY OF PEARLAND
 FY 2019 FUNDED NEW POSITIONS BY
 FUND / DIVISION**

Fund / Division	Position Title	Net FTE Change
General Fund		
Fire	Firefighters	6.0
Police	Police Officers including vehicles	4.0
Parks	Park Naturalist (9 Months)	1.0
Engineering	Assistant City Engineer	1.0
	Sub-Total	12.0
Enterprise Fund		
Finance	Customer Service Representative II	2.0
Public Works	Backflow Inspector (9 Months)	1.0
Public Works	Maintenance Crew Leader (9 Months)	1.0
Public Works	Utility Maintenance Worker (9 Months)	2.0
Public Works	Pretreatment Technician (9 Months)	1.0
	Sub-Total	7.0
	Total	19.0

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

**CITY OF PEARLAND
FISCAL YEAR 2019 BUDGETED
POSITIONS BY DEPARTMENT**

Function/Department	FULL-TIME POSITIONS				PART-TIME POSITIONS			FY 2019	
	FY 2017	FY 2018	FY 2019	FY 2017	FY 2018	FY 2019	Total		
	AMENDED	AMENDED	CHANGE	BUDGETED	AMENDED	AMENDED	CHANGE	BUDGETED	FTE
General Government									
City Manager	5.0	5.0		5.0	2.0	2.0		2.0	6.0
City Secretary	4.0	4.0		4.0					4.0
Finance	18.0	16.0		16.0	1.0	1.0		1.0	16.5
Utility Customer Services	13.0	16.0	2.0	18.0	2.0	1.0		1.0	18.5
Human Resources - GF	8.5	8.5		8.5					8.5
Human Resources - Prop/Liab Ins	0.5	0.5		0.5					0.5
Information Technology - GF	9.0	11.5		11.5					11.5
Information Technology - W&S	4.0	4.5		4.5					4.5
Legal	5.0	5.0		5.0	1.0	1.0		1.0	5.5
General Government Total	67.0	71.0	2.0	73.0	6.0	5.0		5.0	75.5
Public Safety									
Fire Dept. Administration	10.0	10.0		10.0	2.0	2.0		2.0	11.0
Fire Operations*	93.0	99.0	6.0	105.0	34.0	34.0		34.0	122.0
Fire Marshal	8.0	7.0		7.0	1.0	1.0		1.0	7.5
Fire Emergency Management	1.0	2.0		2.0					2.0
Fire Health & Code Enforcement	8.0	8.0		8.0					8.0
Police Administration	8.0	9.0		9.0					9.0
Police-Patrol	120.0	119.0	4.0	123.0					123.0
Police-Investigations	28.0	27.0		27.0					27.0
Police-Community Services	7.0	8.0		8.0					8.0
Police-Coummunications/Records	26.0	28.0		28.0	7.0	7.0		7.0	31.5
Police-Jail	15.0	16.0		16.0					16.0
Police-Commercial Vehicle Enforcement	2.0	2.0		2.0					2.0
Police-School Resource Officer	12.0	12.0		12.0					12.0
Animal Services	10.0	10.0		10.0	1.0	1.0		1.0	10.5
Public Safety Total	348.0	357.0	10.0	367.0	45.0	45.0		45.0	389.5
Public Works									
Engineering & Capital Projects Admin.									
Traffic Management	0.0	0.0	4.0	4.0					4.0
Engineering	14.0	14.0		14.0					14.0
Capital Projects	12.0	13.0		13.0					13.0
Public Works Administration - GF	2.0	2.8		2.8					2.8
Public Works Administration - W&S	8.3	8.5	(1.0)	7.5					7.5
Facilities Maintenance	5.7	5.7		5.7					5.7
Custodial Services	3.0	3.0		3.0					3.0
Fleet Maintenance	4.0	6.0		6.0					6.0
Streets & Drainage	16.0	16.0		16.0					16.0
Grounds Maintenance - GF	2.6	4.5	3.0	7.5					7.5
Grounds Maintenance - W&S	6.4	4.5		4.5					4.5
Traffic Operations	6.0	6.0	(6.0)	0.0					0.0
Lift Stations	7.0	7.0		7.0					7.0
Wastewater Treatment	15.0	15.0	(2.0)	13.0					13.0
Water Production	15.0	16.0		16.0					16.0
Distribution & Collection	24.0	24.0	3.0	27.0					27.0
W&S Construction	8.0	10.0		10.0					10.0
Meter Services	7.0	7.0		7.0					7.0
Pre-Treatment FOG			3.0	3.0					3.0
Backflow Compliance		1.0	2.0	3.0					3.0
Public Works Total	156.0	164.0	6.0	170.0					170.0

* Fire Operations- PT 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.

**CITY OF PEARLAND
FISCAL YEAR 2019 BUDGETED
POSITIONS BY DEPARTMENT**

Function/Department	FULL-TIME POSITIONS				PART-TIME POSITIONS			FY 2019
	FY 2017	FY 2018	FY 2019	FY 2017	FY 2018	FY 2019	Total	
	AMENDED	AMENDED	CHANGE BUDGETED	AMENDED	AMENDED	CHANGE BUDGETED	FTE	
Community Services								
Municipal Court - GF	11.5	11.5	11.5	1.0	1.0	1.0	12.0	
Municipal Court Special Funds	1.5	1.5	1.5	1.0	1.0	1.0	2.0	
Communications	4.0	4.0	4.0	1.0	1.0	1.0	4.5	
Community Services								
Community Develop. Admin.	4.0	5.0	5.0				5.0	
Planning	6.0	6.0	6.0				6.0	
Permits & Inspections	18.0	16.0	16.0				16.0	
Community Services Total	45.0	44.0	44.0	3.0	3.0	3.0	45.5	
Parks & Recreation								
Parks Administration	6.0	8.0	8.0				8.0	
Parks & Rec. Resource Development								
Parks	25.0	24.0	24.0				24.0	
Recreation	11.0	3.0	3.0	56.0	14.0	14.0	10.0	
Natural Resources	3.0	2.0	1.0	3.0			3.0	
Athletics	2.0	3.0	3.0	4.0	4.0	4.0	5.0	
Aquatics**		2.0	2.0		28.0	28.0	16.0	
Special Events	2.0	2.0	2.0				2.0	
Senior Programs	3.0	3.0	3.0	3.0	3.0	3.0	4.5	
Recreation Operations**		4.0	4.0		27.0	27.0	17.5	
Parks & Recreation Total	52.0	51.0	1.0	52.0	63.0	76.0	90.0	
Other Funds								
Economic Development	5.0	6.0	6.0				6.0	
Convention & Visitors' Bureau	3.0	3.0	3.0	1.0	1.0	1.0	3.5	
Other Funds	8.0	9.0	9.0	1.0	1.0	1.0	9.5	
ALL FUNDS								
General Fund	558.2	571.5	12.0	583.5	114.0	127.0	127.0	647.0
Water & Sewer Fund	107.8	113.5	7.0	120.5	2.0	1.0	1.0	121.0
Total Other Funds	10.0	11.0	11.0	11.0	2.0	2.0	2.0	12.0
Grand Total	676.0	696.0	19.0	715.0	118.0	130.0	130.0	780.0

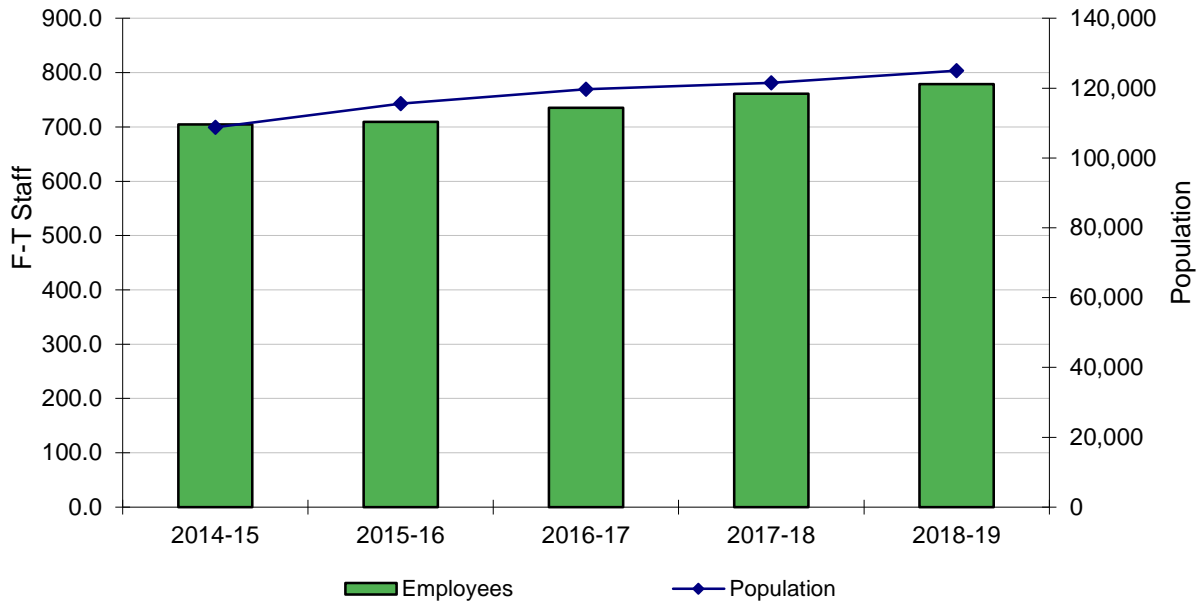
Change from FY 2018 to FY 2019

19

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

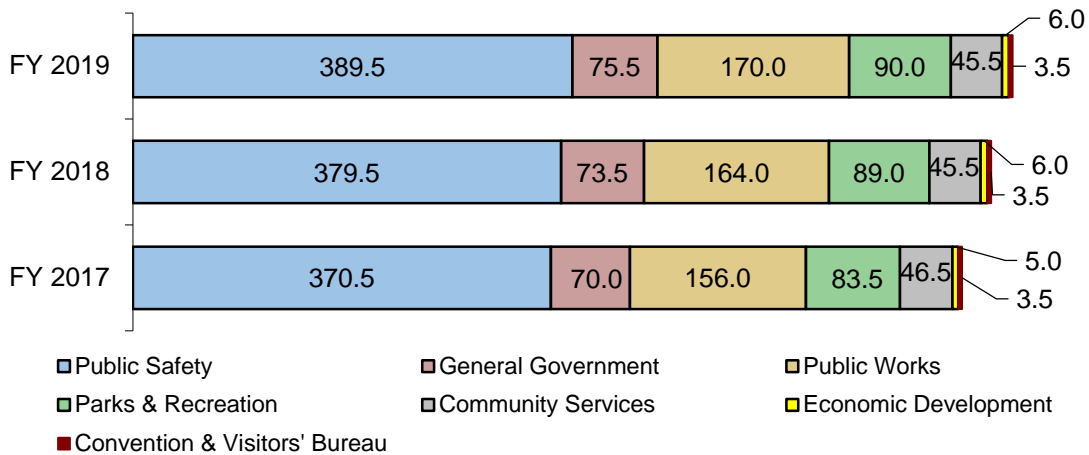
** Parks Aquatics and Recreation Operations - PT Lifeguards Rec Attendants are pooled positions based on number of hours, not positions.

City of Pearland Full-Time Equivalent Staff to Population FY2015-FY2019



Fiscal Year	FTE	Population	No. of Positions Per 1,000 Population
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	761.0	121,500	6.26
2018-19	780.0	125,000	6.24

City of Pearland Service (FTEs) by Service Area



**CITY OF PEARLAND
FY 2019 ADOPTED BUDGET
SUMMARY ALL FUNDS
REVENUES AND EXPENDITURES**

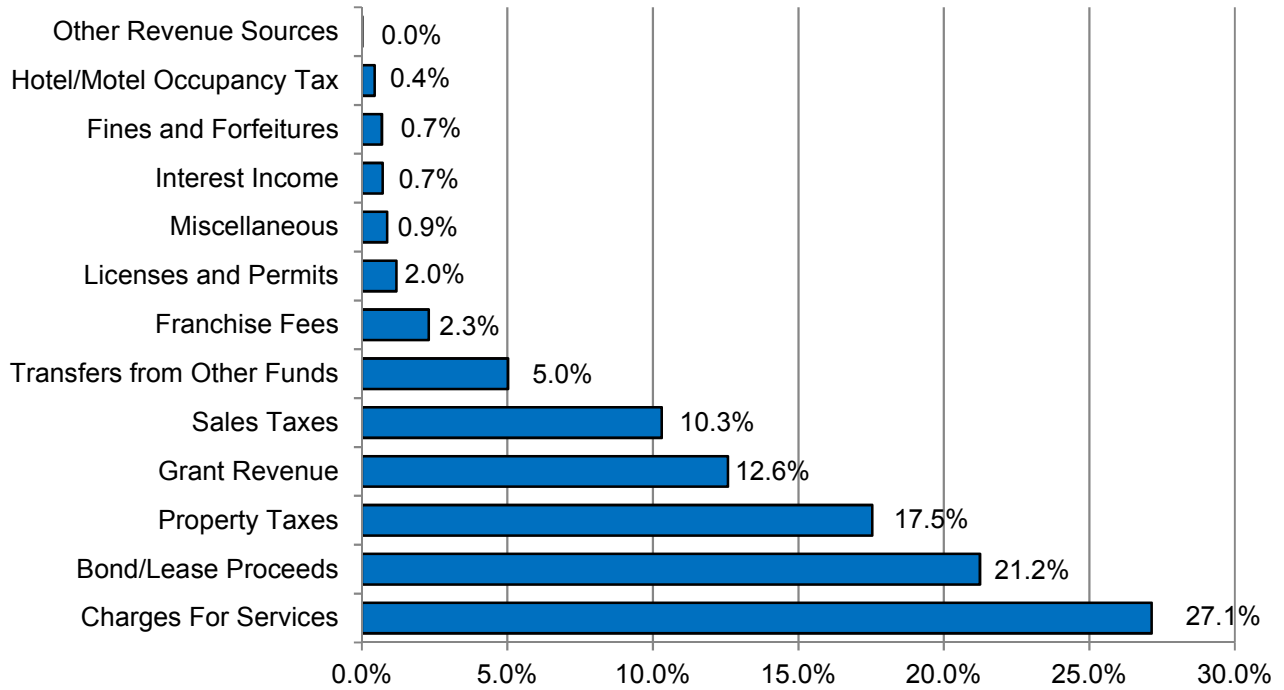
REVENUES	FY2017 ACTUAL	FY2018 ORIGINAL BUDGET	FY2018 YEAR END AMENDED	FY2019 ADOPTED BUDGET
Property Taxes	\$50,386,963	\$55,496,643	\$54,750,728	\$57,833,973
Sales Taxes	\$30,621,844	\$32,124,462	\$32,663,239	\$33,989,580
Franchise Fees	\$7,263,341	\$7,420,000	\$7,424,583	\$7,571,694
Licenses and Permits	\$5,473,409	\$5,710,150	\$4,631,094	\$3,905,535
Fines and Forfeitures	\$2,653,342	\$2,710,950	\$2,462,450	\$2,266,250
Charges For Services	\$81,207,154	\$84,274,757	\$86,071,268	\$89,517,298
Interest Income	\$965,002	\$947,360	\$2,860,299	\$2,354,793
Hotel/Motel Occupancy Tax	\$1,421,958	\$1,450,000	\$1,590,000	\$1,450,000
Bond/Lease Proceeds	\$105,425,411	\$61,664,823	\$50,542,154	\$70,047,605
Grant Revenue	\$11,467,844	\$18,662,053	\$44,186,603	\$41,479,183
Miscellaneous	\$4,700,901	\$2,677,929	\$4,966,591	\$2,854,669
Other Revenue Sources	\$6,477,183	\$12,000	\$6,816,594	\$12,000
TOTAL REVENUES	\$308,064,353	\$273,151,127	\$298,965,603	\$313,282,580
Transfers from Other Funds	\$92,466,072	\$11,725,961	\$27,286,386	\$16,550,589
TOTAL AVAILABLE RESOURCES	\$400,530,424	\$284,877,088	\$326,251,989	\$329,833,169
EXPENDITURES				
General Government	\$11,835,077	\$12,427,472	\$11,921,583	\$12,243,344
Public Safety	\$44,516,592	\$42,935,108	\$44,272,980	\$45,295,805
Community Services	\$3,932,789	\$4,130,991	\$4,187,546	\$4,213,784
Public Works	\$43,070,916	\$43,934,668	\$46,498,135	\$48,565,156
Parks & Recreation	\$6,704,792	\$6,305,101	\$6,848,606	\$7,258,141
Utility Billing	\$1,410,743	\$1,366,736	\$1,497,716	\$1,644,923
Debt Service	\$109,247,137	\$47,962,111	\$47,820,510	\$63,585,932
Construction ¹	\$40,103,002	\$84,917,146	\$221,060,410	\$136,705,638
Insurance Coverage	\$8,117,250	\$8,936,912	\$8,725,959	\$9,103,591
Economic Development Corporation	\$2,790,307	\$8,248,524	\$3,593,014	\$5,007,496
Other ²	\$12,677,119	\$9,577,591	\$14,449,054	\$19,115,311
TOTAL EXPENDITURES	\$284,405,723	\$270,742,360	\$410,875,513	\$352,739,121
Transfers to Other Funds	\$92,466,107	\$16,903,900	\$22,065,959	\$14,196,642
TOTAL EXPENDITURES AND OTHER USES	\$376,871,830	\$287,646,260	\$432,941,472	\$366,935,763
Revenues Over/(Under) Expenditures	23,658,594	(2,769,172)	(106,689,483)	(37,102,594)

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

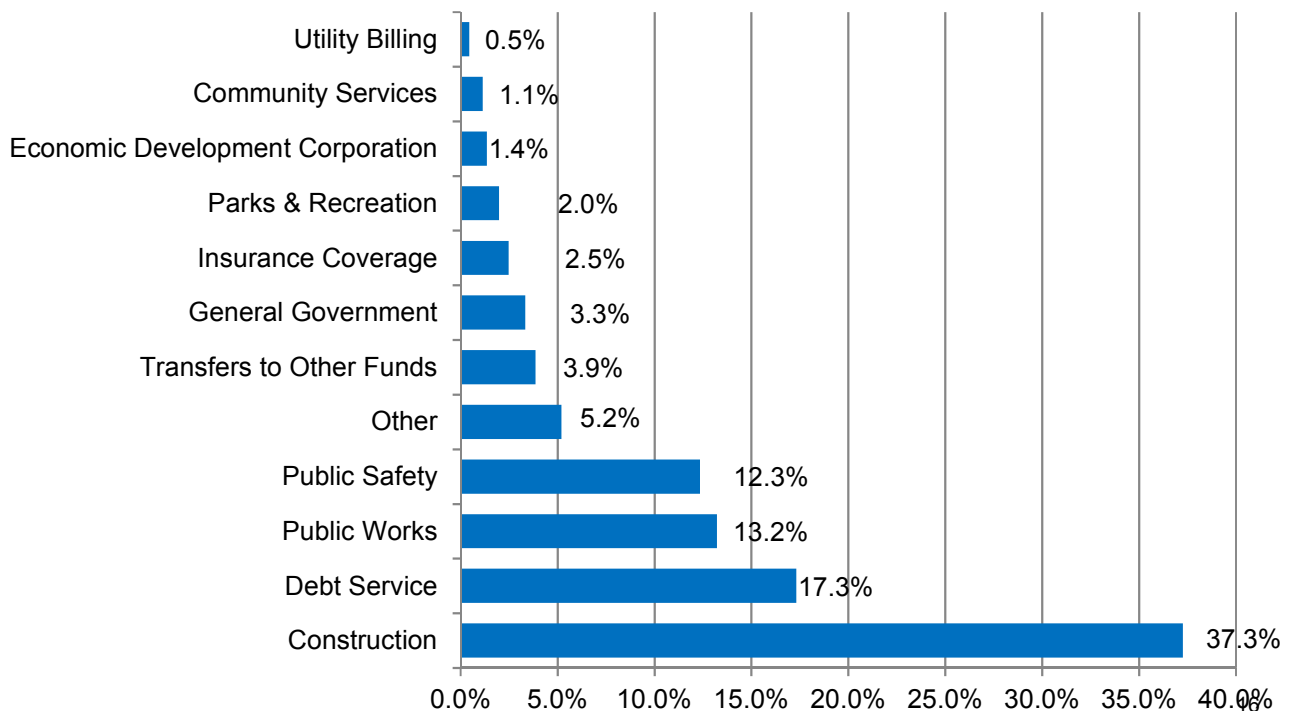
²Other includes expenditures for Special Revenue Funds, excluding transfers.

**CITY OF PEARLAND
 FY 2019 ADOPTED BUDGET
 SUMMARY ALL FUNDS
 REVENUES AND EXPENDITURES**

**Revenue Summary All Funds
 Adopted FY 2019 Budget**



**Expenditure Summary All Funds
 Adopted FY 2019 Budget**



**CITY OF PEARLAND
FY 2019 ADOPTED BUDGET
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

SUMMARY ALL FUNDS

FUND	FY 2019 ADOPTED BEG BALANCE	FY 2019 ADOPTED REVENUES	FY 2019 ADOPTED EXPENDITURES	FY 2019 ADOPTED END BALANCE
General Fund	\$ 11,886,007	\$ 80,793,874	\$ 80,424,112	\$ 12,255,769
Debt Service Fund	6,832,501	37,918,371	38,941,094	5,809,778
Special Revenue Funds	7,492,820	2,748,042	3,292,676	6,948,186
Proprietary Funds	22,286,042	62,901,199	61,116,720	24,070,521 *
Capital Project Funds	35,515,406	120,823,357	142,515,642	13,823,121
Internal Service Funds	2,754,175	12,917,945	12,887,778	2,784,342
PEDC Fund	22,933,931	11,730,381	27,757,741	6,906,571
TOTAL	\$ 109,700,882	\$ 329,833,169	\$ 366,935,763	\$ 72,598,288

*Exclusive of \$4,356,022 reserved for debt service pursuant to bond covenants.

SPECIAL REVENUE FUNDS

FUND	FY 2019 ADOPTED BEG BALANCE	FY 2019 ADOPTED REVENUES	FY 2019 ADOPTED EXPENDITURES	FY 2019 ADOPTED END BALANCE
305 Hotel/Motel Occupancy Tax	\$ 4,587,786	\$ 1,460,800	\$ 1,530,225	\$ 4,518,361
310 Court Building Security	14,332	43,700	51,006	7,026
315 Citywide Donation	26,683	30,967	39,673	17,977
320 Court Technology	(584)	50,003	38,171	11,248
325 Street Assessment*				
330 Park Donations	58,378	128,000	122,500	63,878
331 Tree Trust	413,217	7,800	50,750	370,267
335 Police State Seizure	225,097	4,000	37,200	191,897
336 Federal Police	83,657	76,200		159,857
340 Park Development	894,248	138,000	749,154	283,094
345 Sidewalk	6,388	5,005	4,220	7,173
350 Grant Fund	147,692	58,866	58,791	147,767
351 Community Development Block Grant		390,001	390,001	
360 Traffic Improvement	597,929	7,500	1,141	604,288
365 Court Juvenile Management	21,101	62,200	61,444	21,857
370 Municipal Channel	669,187	285,000	158,400	795,787
380 Regional Detention*				
510 Lower Kirby*	(252,291)			(252,291)
TOTAL	\$ 7,492,820	\$ 2,748,042	\$ 3,292,676	\$ 6,948,186

* These Funds have no budgeted activity for FY 2019

**CITY OF PEARLAND
FY 2019 ADOPTED BUDGET
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

PROPRIETARY FUNDS

FUND	FY 2019 ADOPTED BEG BALANCE	FY 2019 ADOPTED REVENUES	FY 2019 ADOPTED EXPENDITURES	FY 2019* ADOPTED END BALANCE
600 Water & Sewer Fund	\$ 23,440,374	\$ 55,197,384	\$ 53,416,720	\$ 20,865,016 *
610 Solid Waste Fund	(1,154,332)	7,703,815	7,700,000	(1,150,517)
TOTAL	\$ 22,286,042	\$ 62,901,199	\$ 61,116,720	\$ 19,714,499

*Net of any reserve requirements.

CAPITAL PROJECT FUNDS

FUND	FY 2019 ADOPTED BEG BALANCE	FY 2019 ADOPTED REVENUES	FY 2019 ADOPTED EXPENDITURES	FY 2019 ADOPTED END BALANCE
500 Capital Projects General	\$ 926,916	\$ 10,000	\$ 390,245	\$ 546,671
501 Capital Projects-CO	3,412,567	27,487,518	36,630,645	(5,730,560)
503 Certificates of Obligation Series 2006	14,625		3,916	10,709
506 Capital Projects-GO	4,155,866	54,065,839	57,609,494	612,211
550 Utility Impact Fee Fund	24,329,730	29,990,000	37,234,738	17,084,992
555 Shadow Creek Impact Fee	1,431,825	260,000	700,000	991,825
560 Certificates of Obligation 1998				
565 W & S Revenue Bonds	405,721	6,085,000	6,257,916	232,805
570 Water/Sewer Pay As You Go CIP	837,728	2,925,000	3,688,688	74,040
575 MUD 4 Capital Program	428			428
TOTAL	\$ 35,515,406	\$ 120,823,357	\$ 142,515,642	\$ 13,823,121

INTERNAL SERVICE FUNDS

FUND	FY 2019 ADOPTED BEG BALANCE	FY 2019 ADOPTED REVENUES	FY 2019 ADOPTED EXPENDITURES	FY 2019 ADOPTED END BALANCE
700 Property Liability Insurance	\$ 150,437	\$ 1,433,425	\$ 1,441,259	\$ 142,603
702 Medical Self-Insurance	2,603,738	7,765,280	7,747,279	2,621,739
703 Motor Pool Fund	0	3,719,240	3,699,240	20,000
TOTAL	\$ 2,754,175	\$ 12,917,945	\$ 12,887,778	\$ 2,784,342

PEARLAND ECONOMIC DEVELOPMENT CORPORATION (PEDC)

FUND	FY 2019 ADOPTED BEG BALANCE	FY 2019 ADOPTED REVENUES	FY 2019 ADOPTED EXPENDITURES	FY 2019 ADOPTED END BALANCE
900 Economic Development Fund	\$ 22,933,931	\$ 11,730,381	\$ 27,757,741	\$ 6,906,571
TOTAL	\$ 22,933,931	\$ 11,730,381	\$ 27,757,741	\$ 6,906,571

Pearland, Texas

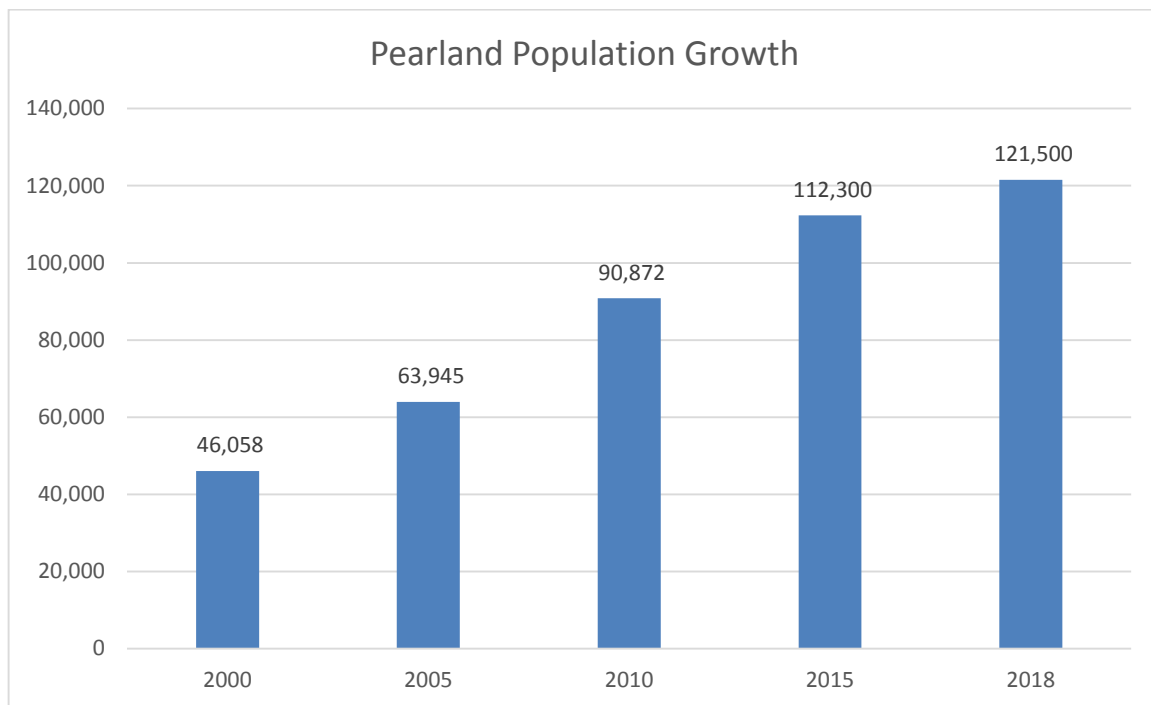
Where Town and Country Meet

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 2018, based on U.S. Census population and the City of Pearland Planning Department statistics, Pearland's population increased from 46,058 to 125,000, 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 \$10.9 billion in 2018, a 73% 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

65%

OF HOUSEHOLDS
HAVE INCOMES
OVER \$75,000

POPULATION

125,000

ESTIMATED 2018 PEARLAND
POPULATION

AGE DISTRIBUTION

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

MEDIAN AGE: 34.7

UNEMPLOYMENT RATE

4.5%

UNEMPLOYMENT

EDUCATION

45.7

BACHELOR'S DEGREE
OR HIGHER

INCOME

\$95,954

MEDIAN HOUSEHOLD INCOME

HOMEOWNERS

75.3%

OF RESIDENTS ARE
HOMEOWNERS

HOME VALUE

\$194,200

MEDIAN HOME VALUE

TOP EMPLOYERS

PEARLAND INDEPENDENT SCHOOL DISTRICT
KELSEY-SEYBOLD
CITY OF PEARLAND
ALVIN ISD
MEMORIAL HERMAN
MERIT MEICAL
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)	61.80	62.21	47.02	32.38	51.29	35.45	34.11
Population Density	1,898	2,915	2,551	2,733	2,045	2,167	3,626
POPULATION (US CENSUS)							
2017 Estimate	117,286	181,330	119,940	88,485	104,903	76,804	123,678
% Change (10-13)	0.3%	38.3%	31.4%	12.3%	25.5%	7.0%	23.8%
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 (FY17 CAFR, UNLESS OTHERWISE NOTED)							
Credit Rating (Moody's)	Aa1	Aaa	Aa2	AAA	Aa2	Aa2	Aa1
Credit Rating (\$&P)	AA+	AAA	AA	AAA	AA	AA	AA+
Total Net Position (in thousands)	\$ 1,237,908	\$ 1,077,432	\$ 731,177	\$ 667,402	\$ 512,913	\$ 296,641	\$ 835,837
Operating Rate*	0.2934	0.3756	0.2791	0.1813	0.4138	0.4576	0.2981
Debt Tax Rate*	0.1532	0.1646	0.4300	0.1363	0.1500	0.3544	0.1219
Total Property Tax Rate*	0.4466	0.5402	0.7091	0.3176	0.5638	0.8120	0.4200
Total Sales Tax Revenue (in thousands)	\$ 40,409	\$ 27,118	\$ 31,976	\$ 41,830	\$ 17,656	\$ 24,051	\$ 64,210
Sales Tax Revenue Per Resident	\$ 345	\$ 150	\$ 267	\$ 473	\$ 168	\$ 313	\$ 519
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	74.8%	67.7%	76.7%	81.9%	72.1%	57.5%	60.8%
Persons Per Household	2.99	2.91	2.91	3.03	2.77	2.86	3.11
Median Household Income	\$ 117,642	\$ 83,257	\$ 95,972	\$ 108,504	\$ 97,087	\$ 49,930	\$ 74,087
Median Home Value	\$ 300,900	\$ 228,500	\$ 185,400	\$ 283,400	\$ 202,000	\$ 96,100	\$ 192,500
% Below Poverty Rate	3.8%	6.9%	4.5%	5.1%	5.3%	16.4%	9.6%
% of Housing Stock Built After 1980	96.3%	88.7%	86.0%	80.7%	86.2%	42.7%	87.7%
% Housing Units in Multi-unit Structures (2008-2012)	17.7%	21.8%	19.0%	9.4%	19.4%	31.3%	29.0%
% Bachelor's Degree or Higher	59.9%	44.6%	45.7%	56.5%	42.5%	14.7%	37.5%
EMPLOYMENT BREAKDOWN BY INDUSTRY (2012 AMERICAN COMMUNITY SURVEY)							
Mean Travel Time to Work (min)	29.7	28.9	34.5	30.7	30.2	24.4	25.1
Agriculture, forestry, fishing and hunting, and mining	1.0%	1.3%	3.6%	6.1%	2.0%	1.5%	0.3%
Construction	4.1%	7.2%	6.7%	4.2%	6.2%	18.3%	6.3%
Manufacturing	8.7%	8.5%	11.6%	8.5%	12.9%	12.6%	11.5%
Wholesale trade	3.3%	3.6%	3.6%	4.5%	2.3%	2.0%	3.0%
Retail trade	11.3%	11.7%	6.8%	12.1%	8.6%	9.8%	11.8%
Transportation and warehousing, and utilities	3.2%	2.8%	3.6%	3.6%	5.3%	7.3%	3.7%
Information	4.2%	3.5%	1.6%	2.6%	1.3%	0.5%	2.9%
Finance and insurance, and real estate and rental and leasing	14.3%	10.8%	7.9%	8.1%	5.8%	4.0%	6.9%
Professional, scientific, and management, and administrative and waste management services	17.7%	16.5%	12.5%	16.6%	14.2%	10.2%	14.3%
Educational services, and health care and social assistance	20.0%	19.1%	30.4%	22.5%	25.6%	17.7%	20.6%
Arts, entertainment, and recreation, and accommodation and food services	6.7%	8.1%	2.7%	5.1%	6.6%	9.8%	8.5%
Other services, except public administration	3.6%	4.0%	3.9%	3.9%	3.6%	4.0%	4.8%
Public administration	2.0%	2.9%	5.5%	2.1%	5.8%	2.3%	5.3%

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



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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

Staff Organization

Pearland Citizens

└─ **Mayor & City Council**

├─ **Legal**
├─ **Municipal Court Judge**
└─ **City Manager**

Budget

Community Development

Fire

Information Technology

Police

Pearland Economic Development Corporation

Deputy City Manager

City Secretary

Communications

Convention & Visitors Bureau

Finance

Human Resources

Library

Municipal Court

Parks & Recreation

Assistant City Manager

Engineering & Capital Projects

Public Works

**CITY OF PEARLAND, TEXAS
CITY MANAGEMENT**

Elected Officials

Tom Reid
Tony Carbone
Derrick Reed
Gary Moore
Adrian Hernandez
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
Clarence Whittwer
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
Library Director*
Director of Communications
Municipal Court Administrator
Chief Information Officer

*Lisa Loranc
Joshua Lee
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.

FY19 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 17 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
	March 20 th : City-wide Budget Kick-off – Departments given access to Financial System
April	P&Z Board reviews CIP list
	April 28 th : Department Budgets and Supplemental Requests due
	Department Meetings with Budget Office and Management
May	P&Z second review of CIP list and recommendation to the City Manager
	May 30 th : 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 13 th : Budget Discussion #1
	August 20 th : Budget Discussion #2
September	September 10 th : Public Hearing on Tax Rate
	September 17 th : Record Vote on <ul style="list-style-type: none"> • Tax Rate Ordinance • Budget Ordinance • Non-Development Fee Ordinance • Development Fees Ordinance
	September 24 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 2019 Begins

**CITY OF PEARLAND
TAX COLLECTIONS***

	FY 2017 BUDGETED LEVY	FY 2017 ADJUSTED LEVY	FY 2018 CERTIFIED ROLL
REVENUES			
City Levy	55,516,309	54,563,770	57,670,756
TIRZ	17,303,551	16,189,143	18,395,879
TOTAL	72,819,860	70,752,913	76,066,636

City Collection Rate*	99.0%	99.3%	99.0%
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ALLOCATION:

General Fund	20,465,007	20,150,000	20,991,229.00
Debt Service Fund	34,501,636	33,921,636	36,119,704.00
TIRZ	17,130,516	16,189,143	18,211,920.33
TOTAL ALLOCATION	72,097,159	70,260,779	75,322,853.33

Tax Year	Budgeted 2017	Adjusted 2017	Budgeted 2018
Certified Value	9,100,610,457	9,929,146,756	9,794,215,651
Plus: Protested or not Certified Values	1,488,622,839	653,864,668	1,158,995,226
Less: Frozen Amounts	225,054,739	225,054,739	226,879,712
Net Taxable Value	10,364,178,557	10,357,956,685	10,726,331,165
Less: TIRZ Added Value	2,484,550,226	2,363,174,997	2,594,045,209
Taxable Value to City	7,879,628,331	7,994,781,688	8,132,285,956

Tax Rate per \$100

General Fund	0.255059	0.279158
Debt Service Fund	0.4300	0.4300
Total Tax Rate	0.685059	0.709158

Tax Rate Split

General Fund	37.23%	39.36%
Debt Service Fund	62.77%	60.64%
Total	100.00%	100.00%

*Amounts reflected above include an estimated Harris County total. This will be updated in late August

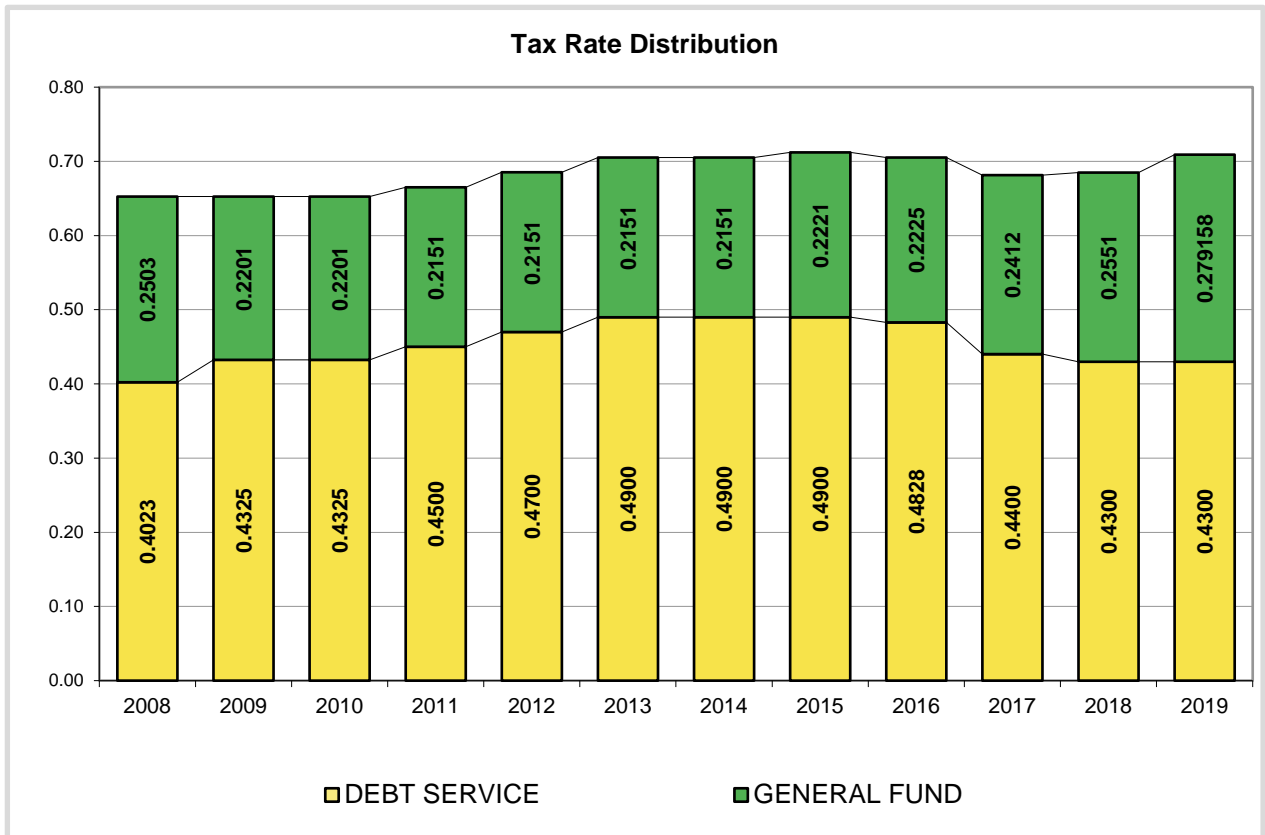
TAX RATE DISTRIBUTION

**CURRENT FOR FISCAL YEAR 2017-2018
ADOPTED FOR FISCAL YEAR 2018-2019**

<u>FISCAL YEAR</u>	<u>GENERAL FUND 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	0.2551	0.4300	0.6851
2019	0.279158	0.4300	0.7092

Notes:

1. The maximum tax rate for the City of Pearland is \$2.50 per \$100 assessed valuation.
2. The City does not have legal debt margin as the law does not mandate any debt limit on the City.



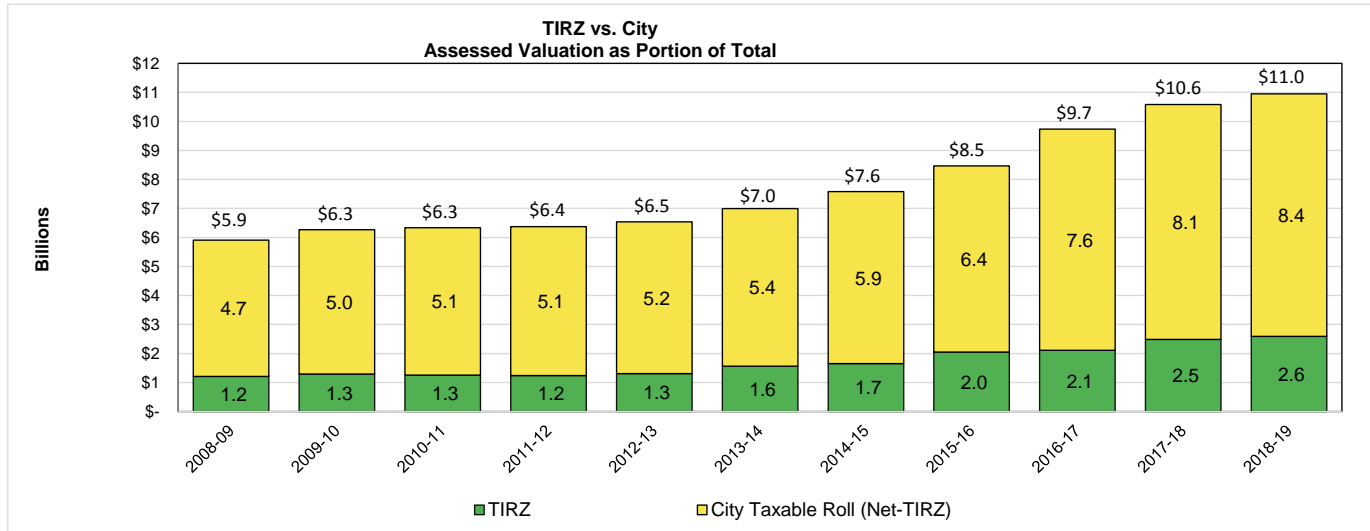
ASSESSED VALUATION, TAX LEVIED AND TAXES COLLECTED

PROJECTED FOR FISCAL YEAR 2017-2018
AND ADOPTED FOR FISCAL YEAR 2018-2019

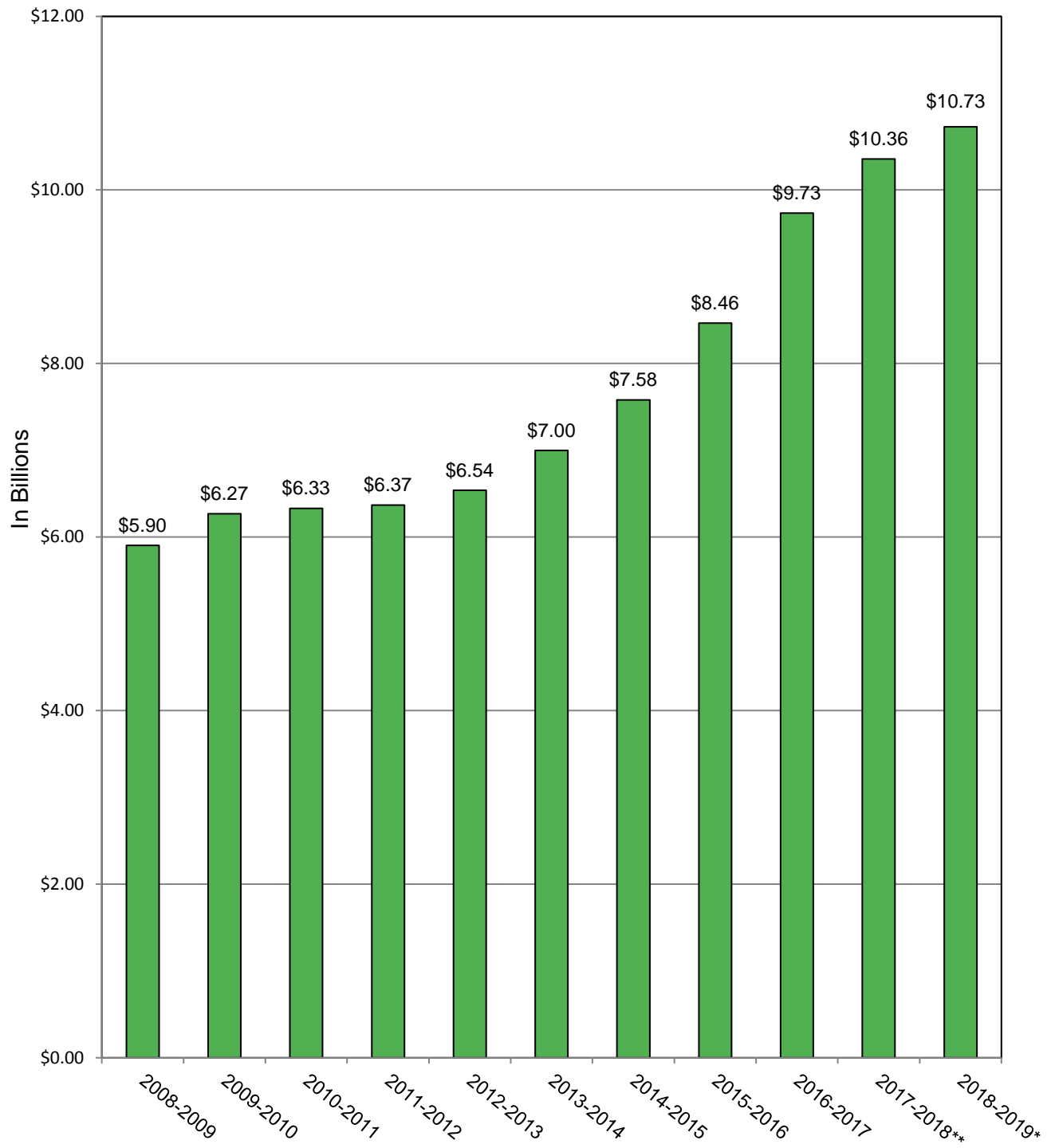
Fiscal Year	Tax Year as of 1/1	TIRZ	Net Assessed Valuation	% Change	City Taxable Roll (Net-TIRZ)	% Change	Operations and Maint. Rate	Debt Service Rate	Total City Property Tax Rate	Total Tax Levy	Current Tax Collections	% of Current Taxes Collected
2008-2009	2008	\$ 1,208,429,744	\$ 5,904,826,560	9.6%	\$ 4,696,396,816	6.8%	0.2201	0.4325	0.6526	\$ 38,368,354	\$ 37,820,603	98.6%
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%
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%
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%
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%
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%
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%
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%
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	\$ 64,977,413	\$ 64,579,894	99.4%
2017-2018**	2017	\$ 2,484,550,226	\$ 10,580,236,420	8.7%	\$ 8,095,686,194	6.2%	0.2551	0.4300	0.685059	\$ 70,752,913	\$ 69,931,022	98.8%
2018-2019*	2018	\$ 2,594,045,209	\$ 10,953,210,877	3.5%	\$ 8,359,165,668	3.3%	0.2792	0.4300	0.709158	\$ 77,675,571	\$ 76,898,815	99.0%

*Estimated

**YTD Collections as of 6/31/2018



NET ASSESSED VALUATION



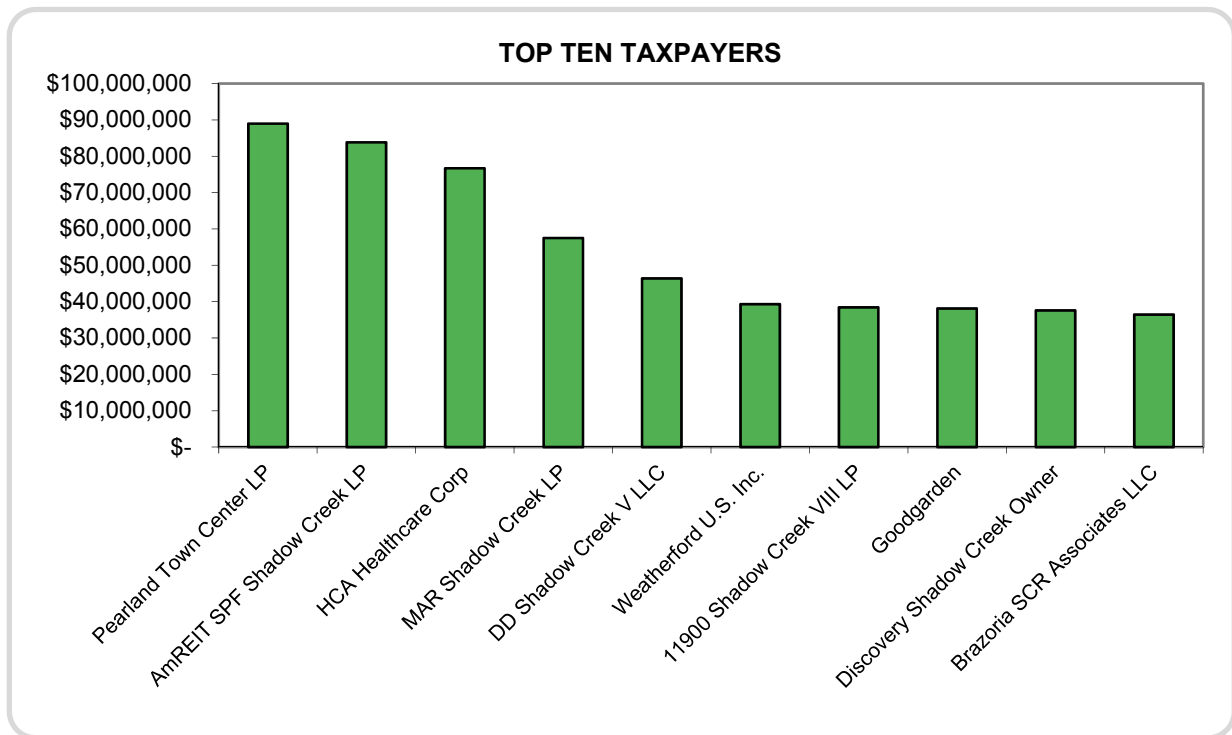
* Net assessed valuation

** Certified Value for fiscal year 2018

**PRINCIPAL TAXPAYERS
FISCAL YEAR 2017-2018**

<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	\$ 88,999,489	0.83%
2 AmREIT SPF Shadow Creek LP	Retail Center Management	\$ 83,832,600	0.78%
3 HCA Healthcare Corp	Hospital	\$ 76,694,850	0.72%
4 MAR Shadow Creek LP	Multi-Family Residential	\$ 57,481,391	0.54%
5 DD Shadow Creek V LLC	Multi-Family Residential	\$ 46,405,710	0.43%
6 Weatherford U.S. Inc.	Oil Field Service, Rental & Fishing	\$ 39,314,580	0.37%
7 11900 Shadow Creek VIII LP	Multi-Family Residential	\$ 38,420,360	0.36%
8 Goodgarden	Multi-Family Residential	\$ 38,141,170	0.36%
9 Discovery Shadow Creek Owner	Multi-Family Residential	\$ 37,577,690	0.35%
10 Brazoria SCR Associates LLC	Retail Center Management	\$ 36,452,500	0.34%
TOTAL PRINCIPAL TAXPAYERS		\$ 543,320,340	5.07%
ALL OTHERS		\$ 10,183,010,825	94.93%
TOTAL		\$ 10,726,331,165	100.00%

SOURCES: Brazoria and Harris Counties Tax Assessor Collector





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CITY OF PEARLAND MULTI-YEAR FORECAST FISCAL YEARS 2019 - 2021

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 2018-2019 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 19 tax rate increased from \$0.6851 to \$0.7092 per \$100 valuation; an increase of \$0.0241. The total tax rate is anticipated to increase in FY 20 by \$0.0348 and in FY 21 by \$0.0355.
- ◆ 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. In FY 19, the total tax rate is expected to increase \$0.0566 from 2007.
- ◆ Revenue increases are not needed in fiscal year 2019 in the water/sewer fund. Additional increases are needed in fiscal years 2020 and 2021 of 5.2% and 12.2%, 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 not 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 property valuation growth for 5% in FY 20 and 4.5% in FY 21.

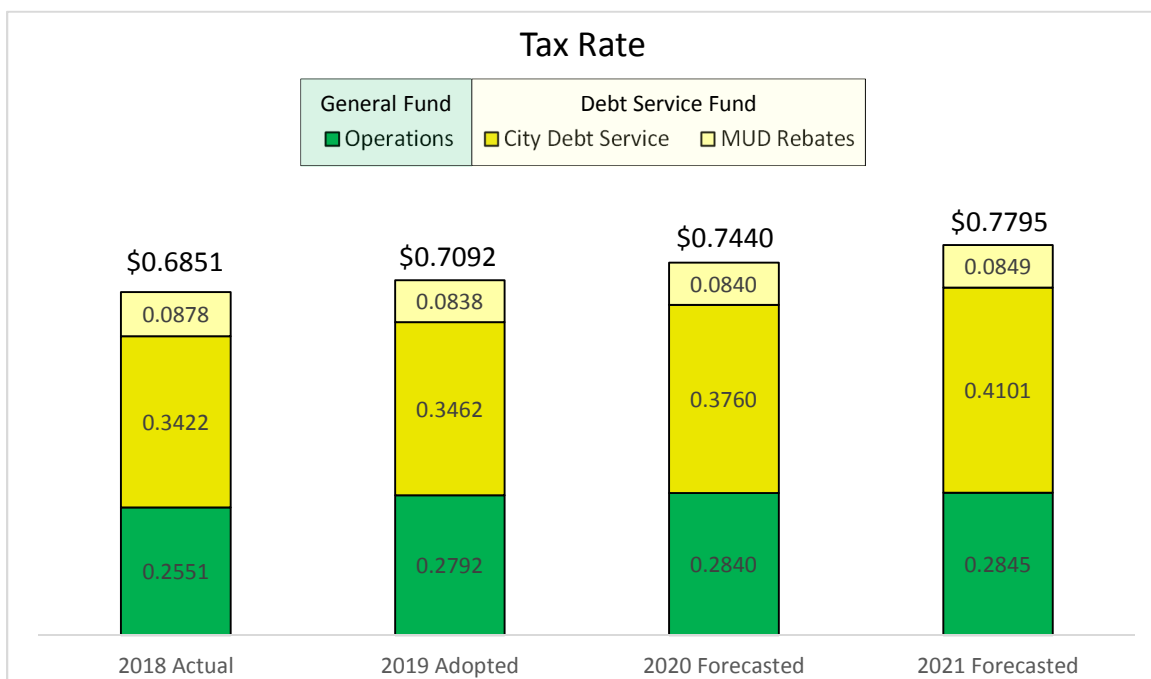
INDIVIDUAL FUND OVERVIEWS

Tax Rate

In FY 19, the adopted tax rate of \$0.7092, represents an increase of \$0.0241, allocates \$0.2792, or 39% to the General Fund and \$0.4300 or 61% 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. The FY19 adopted tax rate is at the Effective Tax Rate.

As shown on the table below, by FY 21, the total tax rate is \$0.7795; 36% to the General Fund and 64% to the Debt Service Fund, which represents an increase of \$0.005 to the General Fund and an increase of \$0.065 to the Debt Service Fund from the FY 19 adopted tax rate.

As compared to last year's multi-year forecast, the FY 19 tax rate is \$0.0132 higher than projected, driven by lower than anticipated property tax growth.



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 and proceed with a \$77 million 2019 Bond Program, the Debt Service tax rate will need to increase by \$0.0650 from the adopted FY 19 tax rate of \$0.4300 to the FY 21 tax rate of \$0.4950.

General Fund

The General Fund is structurally balanced for FY 19 whereby expenses are greater than revenues. The policy reserve requirement of 2 months recurring operating expenditures increases from \$12,181,840 in FY 19 to \$17,123,524 in FY 21. This sharp increase is driven by a directive from Council to increase the minimum fund balance to 25% of total expenditures over the next several years. Total expenditures are projected to increase \$5.2 million, driven by new facilities and continued growth in our staffing needs. This projection accounts for 30 new Firefighters to staff Fire Stations #8 and #7. This projection also accounts for the addition of two police officers each year.

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 19. General Fund property tax revenues as a percentage of total increases to 27% by FY 21. Sales tax receipts are projected to increase 3% per year.

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 of 5.2% is anticipated in 2020 to eliminate the need for a much larger revenue increase for 2021, currently forecasted to be 12.7%, to meet cash reserve ratios. The City plans to issue \$34.2 million, \$141.6 million, and \$109.5 million in fiscal years 2019, 2020 and 2021 respectively. The bonds will be used to begin construction on the expansion of two water reclamation facilities (Barry Rose and JHEC), construction of the Surface Water Plant, and other water and sewer line replacements.

The utility system users generate the revenues that support the system. Annual water and sewer charges by fiscal year 2021 total \$62.03 million, an increase of \$11.85 million from fiscal year 2019, and include growth in the number of connections, as well as two revenue increases. The growth in the number of connections average 2.5% annually over the multi-year forecast.

Total expenditures increase to \$71.35 million in fiscal year 2021, up from \$53.42 million in fiscal year 2019. Debt service increases over the forecast period, from \$17.7 million in fiscal year 2019 to \$34.7 million in fiscal year 2021. Revenues generate about \$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. The ending fund balance is projected to be \$14.2 million in FY 2021, an increase of \$7.3 million. Sales tax revenue is a major component of funding for the Corporation. Revenues from sales taxes increased by 6.1 % between FY19 and FY21, from \$11.1 million in FY19 to \$11.8 million in FY21.

CONCLUSION

The adopted 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 2019-2021
DEBT SERVICE**

	ACTUAL FY 2017	AMENDED FY 2018	ADOPTED FY 2019	FORECASTED FY 2020 FY 2021	
REVENUES					
PROPERTY TAXES	\$ 32,476,674	\$ 34,297,205	\$ 36,501,204	\$ 41,082,581	\$ 46,236,346
OTHER REVENUE*	1,487,644	1,678,479	1,417,167	2,047,625	2,202,806
BOND PROCEEDS	72,407,342				
TOTAL	106,371,660	35,975,684	37,918,371	43,130,205	48,439,152
EXPENDITURES					
MUD REBATES	6,936,997	7,157,603	7,587,066	8,042,290	8,524,827
BOND PAYMENT	99,925,103	27,897,041	31,354,028	34,895,135	38,806,367
SHORT-TERM NOTE	1,874,519				
TOTAL	108,736,619	35,054,644	38,941,094	42,937,425	47,331,194
REVENUES OVER (UNDER) EXPENDITURES	(2,364,959)	921,040	(1,022,723)	192,781	1,107,958
FUND BALANCE - BEGINNING	8,276,420	5,911,461	6,832,501	5,809,778	6,002,558
FUND BALANCE - ENDING	\$ 5,911,461	\$ 6,832,501	\$ 5,809,778	\$ 6,002,558	\$ 7,110,516
Reserve 10%	\$ 3,698,269	\$ 3,505,464	\$ 3,894,109	\$ 4,293,742	\$ 4,733,119
Over Policy	\$ 2,213,192	\$ 3,327,036	\$ 1,915,668	\$ 1,708,816	\$ 2,377,396

*Includes estimated Delinquent Tax Collections, Penalties and Interest, UofH Lease Payments, Interest Income and Transfers

(a) Includes the City's Series 2018 Certificates of Obligation and Series 2018 Permanent Improvement Bonds.

MULTI-YEAR BUDGET 2019-21
GENERAL FUND OVERVIEW

Includes \$77m Bond Package

DESCRIPTION	ACTUAL 2017	AMENDED 2018	ADOPTED 2019	FORECASTED 2020	FORECASTED 2021
REVENUE					
PROPERTY TAXES	\$ 17,910,289	\$ 20,453,523	\$ 21,332,769	\$22,349,429	\$ 23,363,643
SALES & USE TAXES	\$ 20,457,029	\$ 21,957,016	\$ 22,855,294	\$ 23,540,953	\$ 24,247,181
FRANCHISE FEES	\$ 6,975,738	\$ 7,154,583	\$ 7,296,694	\$ 7,442,628	\$ 7,591,480
LICENSES & PERMITS	\$ 5,434,917	\$ 3,783,035	\$ 3,785,535	\$ 3,899,101	\$ 4,016,074
FINES & FORFEITURES	\$ 2,510,849	\$ 2,313,750	\$ 2,110,750	\$ 2,110,750	\$ 2,110,750
CHARGES FOR SERVICE	\$ 15,396,511	\$ 16,203,603	\$ 17,618,566	\$ 18,820,368	\$ 19,701,910
INVESTMENT EARNINGS	\$ 71,512	\$ 250,000	\$ 250,000	\$ 257,500	\$ 265,225
MISCELLANEOUS	\$ 1,534,335	\$ 2,914,027	\$ 983,806	\$ 983,806	\$ 983,806
TRANSFERS IN	\$ 3,791,394	\$ 3,816,116	\$ 4,560,460	\$ 4,697,274	\$ 4,838,192
TOTAL REVENUES	74,082,574	78,845,653	80,793,874	84,101,809	87,118,263
EXPENDITURES					
GENERAL GOVERNMENT	13,275,529	12,210,182	12,273,619	12,312,664	12,359,197
PUBLIC SAFETY	44,244,560	43,809,708	45,258,605	45,655,167	46,065,795
COMMUNITY SERVICES	3,663,847	3,858,338	3,904,763	4,015,666	4,052,734
PUBLIC WORKS	12,881,801	14,934,853	12,651,388	12,689,979	12,801,017
PARKS & RECREATION	6,575,912	6,506,972	6,335,737	6,396,273	6,458,689
ANTICIPATED ADDITIONAL				2,031,461	3,880,190
TOTAL EXPENDITURES	80,641,650	81,320,053	80,424,112	83,101,210	85,617,621
REVENUES OVER(UNDER) EXPENDITURES	(6,559,076)	(2,474,400)	369,762	1,000,599	1,500,642
BEGINNING FUND BALANCE	\$ 20,919,483	\$ 14,360,407	\$ 11,886,007	\$ 13,256,368	\$ 15,757,609
ENDING FUND BALANCE	\$ 14,360,407	\$ 11,886,007	\$ 12,255,769	\$ 14,256,967	\$ 17,258,251
POLICY REQUIREMENT*	11,808,269	11,828,989	12,181,840	14,127,206	17,123,524
AMOUNT OVER POLICY	\$ 2,552,138	\$ 57,018	\$ 73,929	\$ 129,761	\$ 134,727
TAX RATE					
GENERAL FUND	0.2412	0.2551	0.2792	0.2840	0.2845
DEBT SERVICE	0.4400	0.4300	0.4300	0.4600	0.4950
TOTAL TAX RATE	0.6812	0.6851	0.7092	0.7440	0.7795
TAX RATE SPLIT					
GENERAL FUND	35%	37%	39%	38%	36%
DEBT SERVICE	65%	63%	61%	62%	64%
TAX RATE INCREASE (DECREASE)					
GENERAL FUND		0.0139	0.0241	0.0048	0.0005
DEBT SERVICE		-0.0100	0.0000	0.0300	0.0350
TOTAL TAX RATE		0.0039	0.0241	0.0348	0.0355

*Assumes that the City moves to a 17% minimum in FY20 and 20% minimum in FY21

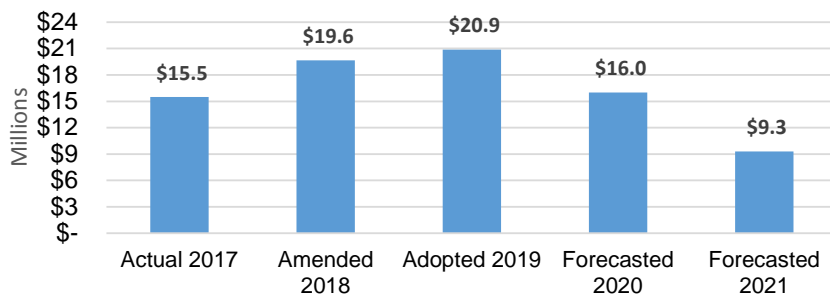
**MULTI-YEAR BUDGET 2019-21
WATER & SEWER FUND DETAIL**

DESCRIPTION	ACTUAL 2017	AMENDED 2018	ADOPTED 2019	FORECASTED	
				2020	2021
CHARGES FOR SERVICE					
WATER/SEWER CHARGES	\$ 42,317,191	\$ 49,000,000	\$ 50,174,884	\$ 54,039,135	\$ 62,025,849
SANITATION BILLING FEE	407,321	415,000	425,000	429,250	433,543
CONNECTION FEE	158,913	163,000	165,000	166,650	168,317
WATER/SEWER TAP FEE	355,739	356,000	395,000	398,950	402,940
LATE PAYMENT FEE	313,319	640,000	650,000	656,500	663,065
METER SET FEE	1,725	2,000	3,000	3,030	3,060
CURB STOP REPLACEMENT FEE					
GREASE TRAP FEE	54,992	51,000	55,000	55,550	56,106
RECONNECT FEE	33,280	36,000	40,000	40,400	40,804
MISCELLANEOUS	1,756	23,000	2,000	2,020	2,040
TOTAL CHARGES FOR SERVICE	43,644,236	50,686,000	51,909,884	55,791,485	63,795,722
MISCELLANEOUS REVENUE					
NSF FEES	5,350	3,000	7,500	7,575	7,651
REIMBURSEMENTS	2,857				
MISCELLANEOUS	57,023	4,000	5,000	5,050	5,101
TOTAL MISCELLANEOUS	65,230	7,000	12,500	12,625	12,751
INTEREST					
INTEREST	84,855	325,000	325,000	328,250	331,533
TOTAL INTEREST	84,855	325,000	325,000	328,250	331,533
TRANSFERS IN					
TRANSFERS IN	2,650,000	2,950,000	2,950,000	3,100,000	3,100,000
TOTAL INTERFUND TRANSFERS	2,650,000	2,950,000	2,950,000	3,100,000	3,100,000
OTHER FINANCING SOURCES					
SALE OF PROPERTY					
MISCELLANEOUS					
CAPITAL PROCEEDS	52,675,631				
TOTAL OTHER FINANCING SOURCES	52,675,631				
TOTAL REVENUES	99,119,952	53,968,000	55,197,384	59,232,360	67,240,006

**MULTI-YEAR BUDGET 2019-21
WATER & SEWER FUND DETAIL**

DESCRIPTION	ACTUAL 2017	AMENDED 2018	ADOPTED 2019	FORECASTED 2020	FORECASTED 2021
EXPENDITURES					
PUBLIC WORKS					
ADMINISTRATION	\$ 679,440	\$ 1,139,941	\$ 727,551	\$ 750,851	\$ 775,201
LIFT STATIONS	1,784,854	1,770,024	1,780,483	1,835,405	1,892,271
WASTEWATER	5,742,781	5,444,834	5,709,337	5,884,744	6,066,060
BACKFLOW COMPLIANCE			270,642	279,294	288,327
WATER PRODUCTION	9,572,564	9,513,266	10,758,831	11,026,468	11,301,735
DISTRIBUTION AND COLLECTION	2,426,141	2,597,609	3,099,461	3,202,137	3,309,226
CONSTRUCTION	828,089	1,353,346	1,652,469	1,705,770	1,761,148
WATER METER SERVICES	1,295,624	953,079	1,155,056	986,611	1,019,463
WATER/SEWER GROUNDS	435,017	438,372	528,303	545,718	563,882
PRETREATMENT			253,326	261,779	270,610
INFORMATION TECHNOLOGY	513,603	772,792	1,285,576	1,325,709	1,367,283
UTILITY BILLING	1,410,743	1,497,716	1,644,923	1,699,112	1,755,690
OTHER REQUIREMENTS	3,950,522	8,160,780	6,843,361	6,921,073	6,290,151
DEBT SERVICE	69,868,062	17,692,469	17,707,401	26,536,565	34,689,632
TOTAL EXPENDITURES	98,507,440	51,334,228	53,416,720	62,961,236	71,350,677
REVENUES OVER(UNDER) EXPENDITURES	612,512	2,633,772	1,780,664	(3,728,876)	(4,110,671)
BEGINNING CASH EQUIVALENTS	\$ 18,500,872	\$ 20,806,602	\$ 23,440,374	\$ 25,221,038	\$ 21,492,163
RESERVE FOR DEBT SERVICE	3,616,964	3,796,725	4,356,022	5,486,194	8,097,130
ENDING CASH EQUIVALENTS	\$ 15,496,420	\$ 19,643,649	\$ 20,865,016	\$ 16,005,969	\$ 9,284,361
BOND COVERAGE - 1.4 min required	13.48	4.08	3.49	1.90	1.69
CASH RESERVE RATIO - 25% min requir	54%	58%	58%	44%	25%
NUMBER OF CONNECTIONS	36,146	37,034	37,944	38,877	39,833
% REVENUE INCREASE NEEDED	15.6%	10.0%	0.0%	5.2%	12.2%
REVENUE BONDS TO BE ISSUED	\$ -	\$ 29,543,646	\$ 34,246,314	\$ 141,637,000	\$ 109,499,000
DEBT SERVICE COVERAGE					
REVENUES	\$ 99,119,952	\$ 53,968,000	\$ 55,347,384	\$ 59,232,360	\$ 67,240,006
LESS OPERATING EXPENSES	28,639,378	33,641,759	32,549,319	32,654,671	33,531,046
NET REVENUES AVAILABLE FOR DEBT SERVICE	\$ 70,480,574	\$ 20,326,241	\$ 22,798,065	\$ 26,577,689	\$ 33,708,960
TOTAL AVERAGE ANNUAL DEBT SERVICE (LESS GO)	\$ 5,229,910	\$ 4,976,575	\$ 6,530,828	\$ 13,963,265	\$ 19,896,275

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



MULTI-YEAR BUDGET 2019-22
PEARLAND ECONOMIC DEVELOPMENT CORPORATION

DESCRIPTION	AMENDED 2018	ADOPTED 2019	FORECASTED 2020	2021
REVENUES				
SALES TAX	\$ 10,703,352	\$ 11,131,486	\$ 11,465,431	\$ 11,809,394
OTHER*	3,779,000	598,895	644,742	468,359
TOTAL OPERATING REVENUE	\$ 14,482,352	\$ 11,730,381	\$ 12,110,173	\$ 12,277,753
EXPENDITURES				
OPERATING EXPENDITURES	2,241,998	3,280,348	2,825,279	2,954,587
BOND PAYMENTS	1,231,000	12,916,503	-	-
INFRASTRUCTURE/ REDEVELOPMENT/SH35/FM518	2,005,000	7,015,000	1,043,747	170,000
INCENTIVES	884,429	1,336,890	1,874,890	1,181,890
288 CORRIDOR IMPROVEMENTS	523,000	490,000	300,000	6,750,000
OFFICE BUILDOUT	63,232	-	-	-
LOWER KIRBY	5,075,085	2,339,000	-	-
PARKS & RECREATION INDOOR FACILITY	-	-	-	-
CORRIDOR ENCHANCEMENTS/ ENTRYWAYS	65,000	380,000	-	-
TOTAL EXPENDITURES	\$12,088,744	\$27,757,741	\$6,043,916	\$11,056,477
REV OVER/(UNDER) EXP	2,393,608	(16,027,361)	6,066,257	1,221,276
BEGINNING TOTAL FUND BALANCE	\$20,540,323	\$22,933,931	\$6,906,571	\$12,972,828
ENDING TOTAL FUND BALANCE	\$22,933,931	\$6,906,571	\$12,972,828	\$14,194,103
10% SET ASIDE	1,070,335	1,113,149	1,146,543	1,180,939
ACCUMULATED SET ASIDE	2,080,040	3,193,189	4,339,732	5,520,671
ENDING FUND BALANCE LESS SET ASIDE	20,853,891	3,713,382	8,633,096	8,673,432

*Other includes Interest, CSI Rent, BCD Assessments and Lower Kirby Reimbursements

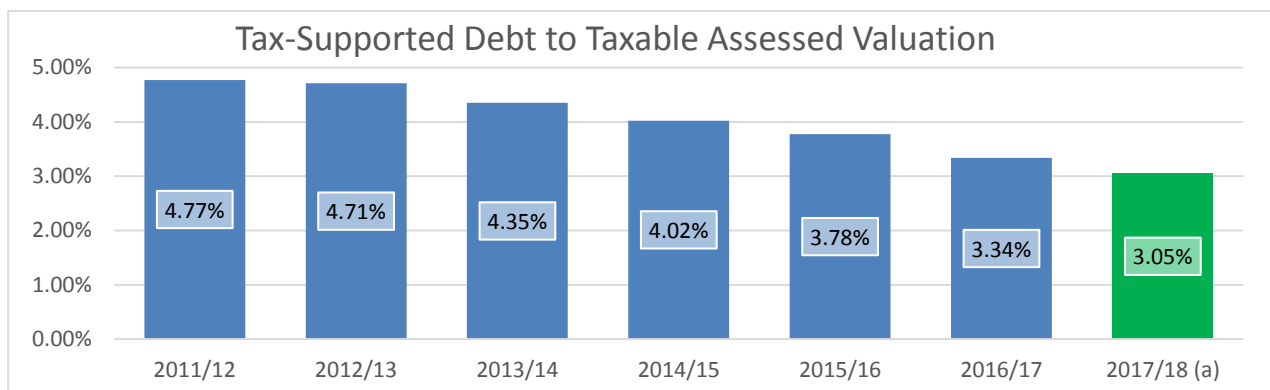
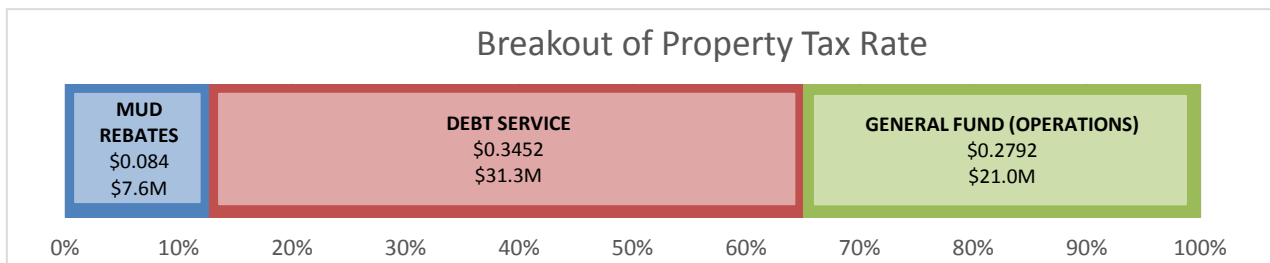


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**DEBT SERVICE FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 ADOPTED BUDGET**

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
PROPERTY TAXES*	\$ 32,476,674	\$ 34,791,636	\$ 34,297,205	\$ 36,501,204
MISCELLANEOUS	914,683	895,275	985,275	874,914
TRANSFERS	572,961	548,132	693,204	542,253
BOND PROCEEDS	72,407,342			
TOTAL	106,371,660	36,235,043	35,975,684	37,918,371
EXPENDITURES				
MUD REBATES	6,936,997	7,710,558	7,157,603	7,587,066
BOND PAYMENT	99,925,103	28,042,304	27,897,041	31,354,028
SHORT-TERM NOTE	1,874,519			
TOTAL	108,736,619	35,752,862	35,054,644	38,941,094
REVENUES OVER (UNDER) EXPENDITURES	(2,364,959)	482,181	921,040	(1,022,723)
FUND BALANCE - BEGINNING	8,276,420	6,410,451	5,911,461	6,832,501
FUND BALANCE - ENDING	\$ 5,911,461	\$ 6,892,632	\$ 6,832,501	\$ 5,809,778
Reserve 10%	\$ 3,698,269	\$ 3,575,286	\$ 3,505,464	\$ 3,894,109
Over Policy	\$ 2,213,192	\$ 3,317,346	\$ 3,327,036	\$ 1,915,668
Funds Committed	\$ -	\$ 5,122,240	\$ -	\$ 5,011,130
Uncommitted Fund Balance	\$ 5,911,461	\$ 1,770,392	\$ 6,832,501	\$ 798,648

*Property Tax revenue includes \$5,011,130 in "committed" fund balance the City has pledged for use if property tax revenue does not come



(a) Includes the City's proposed Series 2018 Certificates of Obligation and Series 2018 Permanent Improvement Bonds. Preliminary, subject to change.

DEBT SERVICE FUND SUMMARY FY 2019 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 property values estimated, the budget as proposed assumes a Debt Service tax rate of \$0.4300 per \$100 assessed valuation, which is the same as the FY 2018 debt service tax rate, to meet fiscal year 2019 obligations.

The Debt Service tax rate generates \$36,211,204 in current property taxes at a 99.0% collection rate, *including* \$5,011,130 of fund balance the City has committed to cover debt service payments should property taxes not generate enough revenue to cover them. The commitment is the second year the City has designated funds to lower the Debt Service Fund Tax Rate, committing \$5.1 million in FY18 as well. In FY 18, the City did not have to use any of that committed fund balance to cover debt service payment, as Property Tax revenue was sufficient to cover obligations.

Fund revenues includes \$794,914 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 \$444,607 for debt associated with water/sewer construction issued with General Obligation debt to save interest costs.

Expenditures total \$38,941,094 for fiscal year 2019 and include \$31,216,028 in bond principal and interest payments. Debt (General Obligation and Certificates of Obligation) anticipated to be issued includes \$41.45 million in fiscal year 2019 pursuant to the City's capital improvement program of which, \$16 million is reimbursable from TIRZ #2, once obligations ahead of the City are paid and the TIRZ has enough increment to pay the City.

After the General Obligation issuances in 2019, there will remain \$8 million in bonds yet to be issued at September 30, 2019 out of the \$162.0 million voted in 2007. Total principal outstanding paid from property taxes at September 30, 2019 is anticipated to be \$301.3 million (this excludes new debt and property tax backed debt paid by the water/sewer fund).

Net debt per capita is \$2,516 at September 30, 2019, down from \$2,690 in fiscal year 2018, 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 16%, while population has grown 57% during the same time period, from 79,322 to projected 125,000 in fiscal year 2019. 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 \$319.92 million at September 30, 2018. Debt levels are mitigated due to a strong regional economy, a large and diverse tax base, and prudent financial management. Moody's Investor Services and Fitch Ratings have assigned bond credit ratings of Aa2 and AA respectively. The ratings put the City of Pearland in the echelon of low credit risk issuers.

Tax rebates to in-city MUD's total \$7,587,066, an increase of \$429,463 from fiscal year 2018 year-end projections, as newer districts continue to develop as well as increase in valuations.

The FY 2019 Debt Service ending fund balance at September 30, 2019 is projected to be \$5,809,778 and is \$1,915,668 over the reserve policy of \$3,894,109. However, that balance includes the aforementioned assignment for potential use in debt service in FY 2019.

A tax rate increase may be needed in fiscal years 2020 and 2021 due to the continued issuance of voter approved bonds to complete capital projects as well as a potential 2019 new bond referendum of approximately \$124.54 million currently incorporated into the forecast with the first issuance in 2019.

**DEBT SERVICE FUND
IN-CITY MUNICIPAL UTILITY DISTRICT (MUD) DETAIL
FY 2019 ADOPTED BUDGET**

A Municipal Utility District (MUD) is a political subdivision of the State of Texas authorized by the Texas Commission of Environmental Quality (TCEQ) to provide water, sewage, drainage and other utility-related services within the MUD boundaries. The City collects property tax revenue (the City's normal property Tax Rate applicable to all City properties) for properties within each MUD then makes annual payments or "rebates" of a portion of the City's collection back to each MUD within the City's boundaries. The rebates are considered a portion of the City's annual debt obligations to be paid by the debt service component of the tax rate.

Certain Municipal Utility Districts (MUDs) located within the City limits receive a property tax rebate from the City. The Districts that receive these rebates include Brazoria County MUDs 17, 18, 19, 23, 26, 28, 34, 35 and 509. Most receive a 15 cent rebate, either in perpetuity until certain MUDs dissolve or until debt service tax rates change in certain ways outlined in the MUD agreements. However, amended Utility Agreements that went into effect on July 13, 2015 have resulted in the City reducing its rebates down to 10 cents for annexes to existing MUDs, or new Districts formed after that date. For example, the original Harris County MUD 509 annexed new land into its MUD in 2015 (Riverstone Ranch, Massey Lake, Afton Lake, Baker's Landing, and Barry Rose/Pearland Parkway) and receives a 10 cent rebate from these Harris-Brazoria MUD 509 areas instead of the 15 cents per \$100 of appraised values the older, original territory, solely located in Harris County receives.

MUDs 17, 18, 19 and 23 independently receive the 15 cent rebate in perpetuity, but the rebate will go away for each of these MUDs as each of these is dissolved*. Alternatively, MUDs 26, 34, 35 and original Harris County portion of MUD 509 are subject to a proportional attrition of the rebate if the debt service portion of their tax rate goes below 80 cents. Should the debt service portion of these MUDs' tax rates go below 65 cents, that MUD's rebate goes away entirely. This is the case with MUD 35**.

Brazoria County MUDs 26, 34 and Harris County MUD 509 are all above 65 cents. These MUDs have kept their debt service portion of their tax rate at 66 cents in order to retain the City's rebate. They use this excess to call and pay off their own debt as opposed to lowering their tax rate. The rebate for MUD 28 does not take into consideration whether it is debt service or O&M, so if that District's overall tax rate decreases by 15 cents, the City is thereafter relieved of its obligation to make the annual payment.

MUD DESCRIPTION	TAX RATE	REBATE	FY 2017 ACTUAL	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
BRAZ/FT BEND MUD 1	0.8480	N/A	1,705,964	1,655,022	1,754,324
MUD 17	0.3800	0.1500	688,394	730,416	774,241
MUD 18	0.3900	0.1500	623,744	648,823	687,753
MUD 19	0.4700	0.1500	813,863	798,792	846,720
MUD 23	0.4700	0.1500	351,915	356,073	377,438
MUD 26	0.7000	0.1500	1,198,373	1,227,737	1,301,402
MUD 28	0.8000	0.1500	705,462	808,067	856,552
MUD 34	1.0000	0.1500	656,723	637,485	675,735
MUD 35**	0.6900	N/A	116,608	143,219	151,813
MUD 509	0.8500	0.1500	75,951	151,969	161,088
TOTAL MUD REBATES			6,936,997	7,157,603	7,587,066

*An in-City MUD can be dissolved once it has paid off all of its debt in full, all infrastructure projects in the District completed, developer reimbursements made and other administrative costs reconciled, and the governing body of the MUD has officiated the dissolution of the District.

**MUD 35 has a debt service portion of its tax rate at \$0.50 so no longer qualifies for rebate. Budget will be adjusted at mid-year to reflect the change

**GOVERNMENTAL DEBT MATURITY SCHEDULE
AS OF 9/30/2018
GENERAL LONG-TERM DEBT***

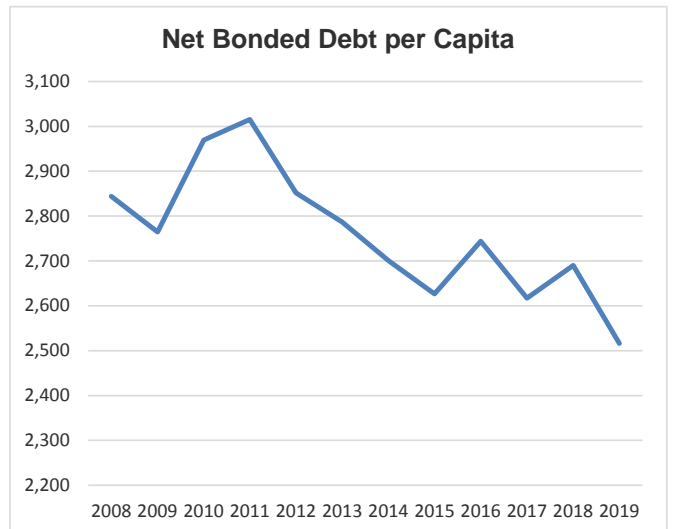
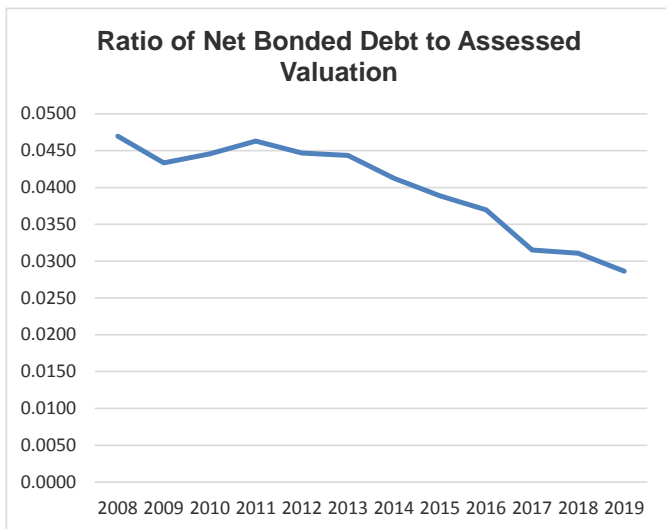
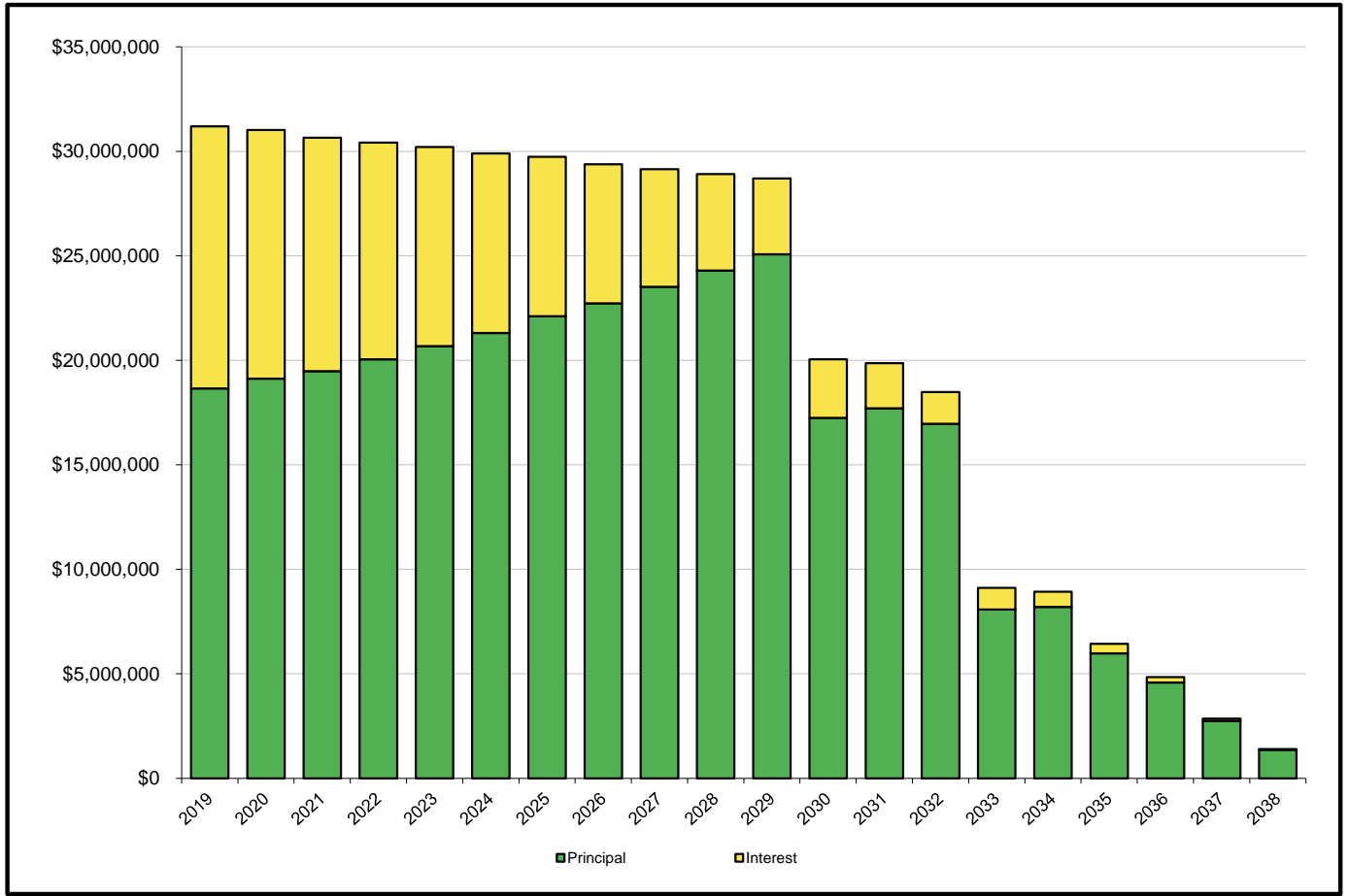
Fiscal Year	Principal	Interest	Total
2018-2019	18,660,000	12,529,207	31,189,207
2019-2020	19,130,000	11,894,810	31,024,810
2020-2021	19,480,000	11,167,433	30,647,433
2021-2022	20,045,000	10,376,595	30,421,595
2022-2023	20,685,000	9,519,283	30,204,283
2023-2024	21,310,000	8,586,789	29,896,789
2024-2025	22,115,000	7,625,414	29,740,414
2025-2026	22,730,000	6,653,108	29,383,108
2026-2027	23,520,000	5,626,739	29,146,739
2027-2028	24,300,000	4,609,753	28,909,753
2028-2029	25,075,000	3,626,611	28,701,611
2029-2030	17,245,000	2,803,783	20,048,783
2030-2031	17,700,000	2,163,749	19,863,749
2031-2032	16,965,000	1,517,274	18,482,274
2032-2033	8,085,000	1,033,469	9,118,469
2033-2034	8,200,000	733,750	8,933,750
2034-2035	5,975,000	467,941	6,442,941
2035-2036	4,585,000	258,953	4,843,953
2036-2037	2,750,000	114,556	2,864,556
2037-2038	1,370,000	29,400	1,399,400
TOTAL	319,925,000	101,338,617	421,263,617

Series Name	Principal Amount
Certificates of Obligation Series 2007	3,285,000
Permanent Improvement Bonds Series 2008	405,000
Certificates of Obligation Series 2008	185,000
Permanent Improvement and Refunding Bonds Series 2009*	1,205,000
Certificates of Obligation Series 2009	645,000
Certificates of Obligation Series 2009-A	1,275,000
Permanent Improvement Bonds Series 2010A	9,455,000
Permanent Improvement Bonds Series 2011	4,415,000
Certificates of Obligation Series 2011	630,000
BC MUD 4 Series 2011	260,000
Permanent Improvement Refunding Bonds Series 2012*	35,620,000
Permanent Improvement Bonds Series 2013	7,840,000
Certificates of Obligation Series 2013	2,330,000
Permanent Improvement and Refunding Bonds Series 2014	36,035,000
Certificates of Obligation Series 2014	3,700,000
Permanent Improvement and Refunding Bonds Series 2015	46,070,000
Permanent Improvement Bonds Series 2015	7,220,000
Certificates of Obligation Series 2015	4,125,000
Permanent Improvement and Refunding Bonds Series 2015A	8,555,000
Permanent Improvement and Refunding Bonds Series 2016A	31,630,000
Certificates of Obligation Series 2016	12,595,000
Permanent Improvement and Refunding Bonds Series 2016B	27,185,000
Permanent Improvement and Refunding Bonds Series 2017	54,840,000
Certificates of Obligation Series 2017	5,895,000
Permanent Improvement Bonds Series 2018	7,440,000
Certificates of Obligation Series 2018	7,085,000
TOTAL	319,925,000

Does not include new debt anticipated to be issued.

* Excludes refunding portion associated with Water/Sewer

**GOVERNMENTAL DEBT TO MATURITY
AS OF 9/30/2018**



**GENERAL DEBT SERVICE SCHEDULE
FY 2019 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/19
3/1/2019	Series 2007 Certificates of	23,250,000		53,381	53,381	
9/1/2019	Obligation			53,381	53,381	
	Fiscal Year Total		<u>0</u>	<u>106,763</u>	<u>106,763</u>	<u>3,285,000</u>
3/1/2019	Series 2008 Permanent Improvement	22,835,000	405,000	10,125	415,125	
9/1/2019	Bonds				0	
	Fiscal Year Total		<u>405,000</u>	<u>10,125</u>	<u>415,125</u>	<u>0</u>
3/1/2019	Series 2008 Certificates of	9,000,000	185,000	3,700	188,700	
9/1/2019	Obligation				0	
	Fiscal Year Total		<u>185,000</u>	<u>3,700</u>	<u>188,700</u>	<u>0</u>
3/1/2019	Series 2009 Permanent Improvement	14,580,000	590,000	20,024	610,024	
9/1/2019	and Refunding Bonds*			9,994	9,994	
	Fiscal Year Total		<u>590,000</u>	<u>30,018</u>	<u>620,018</u>	<u>615,000</u>
3/1/2019	Series 2009 Certificates of	8,520,000		12,900	12,900	
9/1/2019	Obligation		320,000	12,900	332,900	
	Fiscal Year Total		<u>320,000</u>	<u>25,800</u>	<u>345,800</u>	<u>325,000</u>
3/1/2019	Series 2009A Certificates of	12,145,000	640,000	21,199	661,199	
9/1/2019	Obligation			10,319	10,319	
	Fiscal Year Total		<u>640,000</u>	<u>31,518</u>	<u>671,518</u>	<u>635,000</u>
3/1/2019	Series 2010A Permanent Improvement	12,415,000	415,000	180,426	595,426	
9/1/2019	Bonds			174,201	174,201	
	Fiscal Year Total		<u>415,000</u>	<u>354,628</u>	<u>769,628</u>	<u>9,040,000</u>
3/1/2019	Series 2011 Permanent Improvement	5,400,000	175,000	83,766	258,766	
9/1/2019	Bonds			80,266	80,266	
	Fiscal Year Total		<u>175,000</u>	<u>164,031</u>	<u>339,031</u>	<u>4,240,000</u>
3/1/2019	Series 2011 Certificates of	2,095,000	210,000	6,584	216,584	
9/1/2019	Obligation			4,389	4,389	
	Fiscal Year Total		<u>210,000</u>	<u>10,973</u>	<u>220,973</u>	<u>420,000</u>
3/1/2019	Series 2011 BC MUD 4	2,640,000	130,000	4,550	134,550	
9/1/2019	Refunding Bonds*			2,275	2,275	
	Fiscal Year Total		<u>130,000</u>	<u>6,825</u>	<u>136,825</u>	<u>130,000</u>
3/1/2019	Series 2012 Permanent Improvement	43,575,000	3,210,000	614,250	3,824,250	
9/1/2019	Refunding Bonds*			550,050	550,050	
	Fiscal Year Total		<u>3,210,000</u>	<u>1,164,300</u>	<u>4,374,300</u>	<u>32,410,000</u>
3/1/2019	Series 2013 Permanent	9,315,000	320,000	166,634	486,634	
9/1/2019	Improvement Bonds			160,234	160,234	
	Fiscal Year Total		<u>320,000</u>	<u>326,868</u>	<u>646,868</u>	<u>7,520,000</u>
3/1/2019	Series 2013 Certificates	2,745,000	90,000	51,844	141,844	
9/1/2019	of Obligation			50,494	50,494	
	Fiscal Year Total		<u>90,000</u>	<u>102,338</u>	<u>192,338</u>	<u>2,240,000</u>

**GENERAL DEBT SERVICE SCHEDULE
FY 2019 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/19
3/1/2019	Series 2014 Permanent Improvement	40,410,000	1,240,000	795,791	2,035,791	
9/1/2019	Refunding Bonds*			777,241	777,241	
	Fiscal Year Total		1,240,000	1,573,031	2,813,031	34,795,000
3/1/2019	Series 2014 Certificates	4,625,000	230,000	56,109	286,109	
9/1/2019	of Obligation			53,809	53,809	
	Fiscal Year Total		230,000	109,919	339,919	3,470,000
3/1/2019	Series 2015 Permanent Improvement	47,165,000	2,130,000	1,033,634	3,163,634	
9/1/2019	Refunding Bonds			1,001,684	1,001,684	
	Fiscal Year Total		2,130,000	2,035,319	4,165,319	43,940,000
3/1/2019	Series 2015 Permanent Improvement	8,495,000	425,000	107,663	532,663	
9/1/2019	Bonds			103,413	103,413	
	Fiscal Year Total		425,000	211,075	636,075	6,795,000
3/1/2019	Series 2015 Certificates	4,860,000	245,000	62,050	307,050	
9/1/2019	of Obligation			59,600	59,600	
	Fiscal Year Total		245,000	121,650	366,650	3,880,000
3/1/2019	Series 2015A Permanent Improvement	10,210,000	1,990,000	126,988	2,116,988	
9/1/2019	Refunding Bonds			97,138	97,138	
	Fiscal Year Total		1,990,000	224,125	2,214,125	6,565,000
3/1/2019	Series 2016A Permanent Improvement	33,275,000	820,000	628,475	1,448,475	
9/1/2019	Refunding Bonds			620,275	620,275	
	Fiscal Year Total		820,000	1,248,750	2,068,750	30,810,000
3/1/2019	Series 2016 Certificates	13,995,000	700,000	160,925	860,925	
9/1/2019	of Obligation			153,925	153,925	
	Fiscal Year Total		700,000	314,850	1,014,850	11,895,000
3/1/2019	Series 2016B Permanent Improvement	29,840,000	2,050,000	640,775	2,690,775	
9/1/2019	Refunding Bonds			599,775	599,775	
	Fiscal Year Total		2,050,000	1,240,550	3,290,550	25,135,000
3/1/2019	Series 2017 Permanent Improvement	56,900,000	1,095,000	1,188,634	2,283,634	
9/1/2019	Refunding Bonds			1,161,259	1,161,259	
	Fiscal Year Total		1,095,000	2,349,894	3,444,894	53,745,000
3/1/2019	Series 2017 Certificates	6,205,000	315,000	98,700	413,700	
9/1/2019	of Obligation			95,550	95,550	
	Fiscal Year Total		315,000	194,250	509,250	5,580,000
3/1/2019	Series 2018 Permanent Improvement	7,440,000	375,000	144,004	519,004	
9/1/2019				146,850	146,850	
	Fiscal Year Total		375,000	290,854	665,854	7,065,000
3/1/2019	Series 2018 Certificates	7,085,000	355,000	137,157	492,157	
9/1/2019	of Obligation			139,900	139,900	
	Fiscal Year Total		355,000	277,057	632,057	6,730,000
	TOTAL	439,020,000	18,660,000	12,529,207	31,189,207	301,265,000

*Excludes Water/Sewer Component
Does not include new debt anticipated to be issued.



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**GENERAL FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 57.3% 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 583 full-time positions and 127 part-time positions including utilities, fuel, park and right-of-way maintenance, and street lighting, just to name a few.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
PROPERTY TAXES	\$ 17,910,289	\$ 20,705,007	\$ 20,453,523	\$ 21,332,769
SALES AND USE TAXES	20,457,029	21,368,690	21,957,016	22,855,294
FRANCHISE FEES	6,975,738	7,120,000	7,154,583	7,296,694
LICENSES & PERMITS	5,434,917	5,590,150	3,783,035	3,785,535
FINES & FORFEITURES	2,510,849	2,550,450	2,313,750	2,110,750
CHARGES FOR SERVICE	15,396,511	16,753,256	16,203,603	17,618,566
MISCELLANEOUS	1,605,847	1,158,475	3,164,027	1,233,806
TRANSFERS IN	3,791,394	3,824,407	3,816,116	4,560,460
TOTAL REVENUES	74,082,574	79,070,435	78,845,653	80,793,874
EXPENDITURES				
GENERAL GOVERNMENT	10,844,828	11,199,377	10,665,781	10,494,897
PUBLIC SAFETY	44,244,560	42,582,371	43,809,708	45,258,605
COMMUNITY SERVICES	4,085,692	4,281,761	4,261,739	4,307,687
PUBLIC WORKS	12,881,801	13,457,097	14,934,853	12,651,388
PARKS & RECREATION	6,575,912	6,158,101	6,506,972	6,335,737
TOTAL OPERATING EXPENDITURES	78,632,794	77,678,707	80,179,053	79,048,314
TRANSFERS OUT	2,008,856	1,036,811	1,141,000	1,375,798
TOTAL EXPENDITURES	80,641,650	78,715,518	81,320,053	80,424,112
REVENUES OVER/(UNDER) EXPENDITURES	(6,559,077)	354,917	(2,474,400)	369,762
BEGINNING FUND BALANCE	20,919,483	12,096,765	14,360,407	11,886,007
ENDING FUND BALANCE	\$ 14,360,407	\$ 12,451,682	\$ 11,886,007	\$ 12,255,769
Policy - 2 months Recurring Oper.	11,808,269	11,923,040	11,828,989	12,181,840
Fund Balance Over Policy	2,552,138	528,642	57,018	73,929

**GENERAL FUND
REVENUE AND EXPENDITURE SUMMARY
FY 2019 ADOPTED BUDGET**

OVERVIEW – FUND BALANCE

The City anticipates ending FY 2018 on September 30, 2018, with a fund balance of \$11,886,007, \$57,018 over fund balance policy. The adopted FY 2019 fund balance over policy is increased to \$73,929, with the adopted ending fund balance of \$12,255,769 for FY 2019.

REVENUES

Revenues in FY 2019 are anticipated to exceed those in 2018 in all categories except Fines & Forfeitures and Miscellaneous revenues. Overall, the increase in total revenues from FY 2018 is 2.5%. Property tax, sales tax and charges for services are the three major revenue sources for the City.

Property Tax revenues increased in 2019 by 4.0% over FY 18 year-end amended revenue. FY 2019 sales tax revenue is projected to grow at 3.8%. Charges for Services include TIRZ administration fees, which are increasing by \$1,240,629 as a result of property values in the TIRZ increasing. Miscellaneous revenues are decreasing due additional anticipated Hurricane Harvey Reimbursement over and above the \$1.6 million budgeted in FY18. Fines & Forfeitures for FY 19, based on the trajectory of the last several years, are expected to decline. All other revenue sources have minor changes.

Total Revenues

FY 2019 Adopted	\$80,793,874	
FY 2018 Amended	<u>\$78,845,653</u>	
Increase / (Decrease)	\$ 1,948,221	2.5% increase

EXPENDITURES

Fiscal year 2019 total expenditures are \$80,424,112, 1.1% lower than the FY 2018 Amended Budget. Salaries and benefits remain the major expenditure for FY 19, at 73% of the total an increase of three percentage points over FY 2018 Amended.

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 FY 2019 adopted budget contains four new police officers, and continues to bring firefighters on board with six new positions. Public Works saw a decline of \$1,014,000 in funding for street and sidewalk rehabilitation.

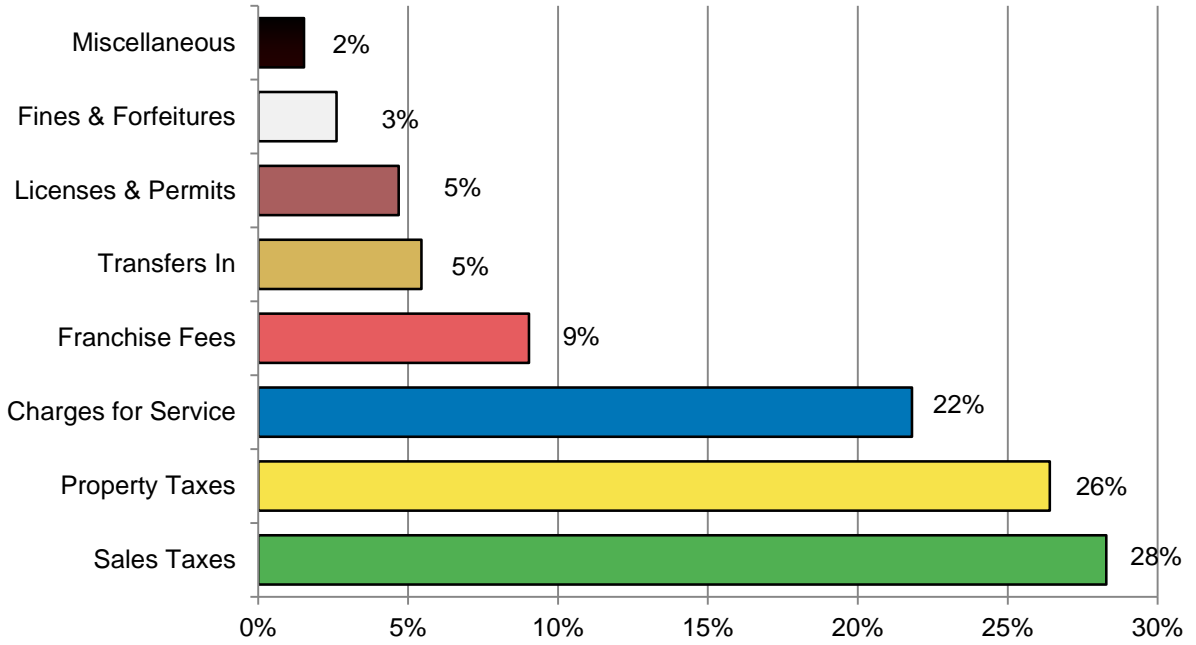
A 2% cost of living increase is included for all personnel, to support recruitment and retention efforts. This is in addition to the annual 3% step increases for Certified Police Officers and an additional six months of elevated wages resulting from the FY18 100% implementation of the Compensation & Classification Study.

Total Expenditures

FY 2019 Adopted	\$80,424,112	
FY 2018 Amended	<u>\$81,320,053</u>	
Increase / (Decrease)	(\$ 895,941)	1.1% decrease

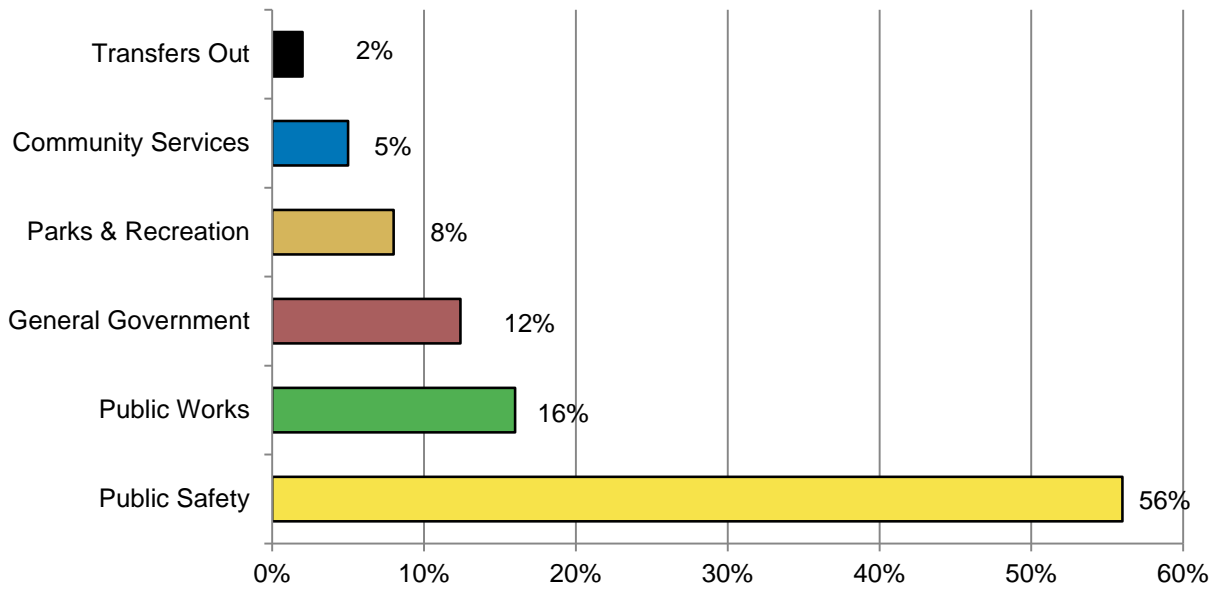
**GENERAL FUND SUMMARY
FY 2019 ADOPTED BUDGET**

Total Revenues - \$80.8M



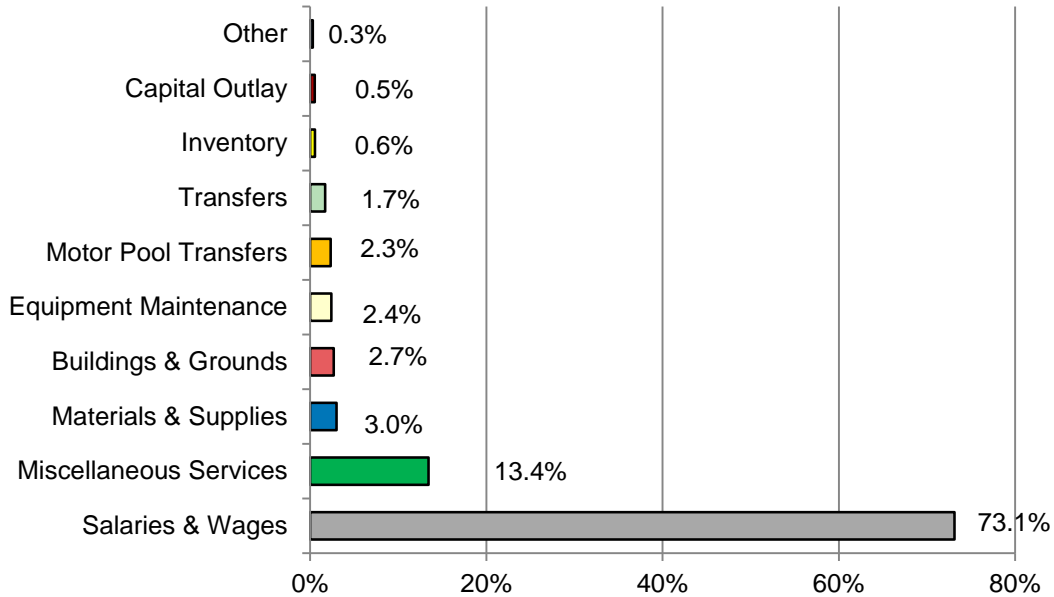
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**Total Expenditures - \$80.4M
By Function/Department**



GENERAL FUND EXPENDITURE SUMMARY
(All Departments)
FY 2019 ADOPTED BUDGET

General Fund Expenditures by Type



BY CATEGORY	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
SALARIES & WAGES	\$ 53,274,036	\$ 55,529,052	\$ 55,315,153	\$ 58,806,243
MATERIALS & SUPPLIES	2,530,393	2,495,582	2,368,289	2,333,953
BUILDINGS & GROUNDS	3,128,950	2,814,437	3,938,980	2,158,391
EQUIPMENT REPAIR & MAINTENANCE	3,236,922	3,009,006	3,328,257	1,941,461
MISCELLANEOUS SERVICES	11,153,609	10,771,635	11,615,530	10,809,209
OTHER CHARGES	18,677	249,986	148,969	251,245
INVENTORY	522,502	492,370	746,065	443,865
CAPITAL OUTLAY	4,767,706	2,316,639	2,717,810	425,638
MOTOR POOL TRANSFERS				1,878,309
SUB-TOTAL	78,632,794	77,678,707	80,179,053	79,048,314
TRANSFERS	2,008,856	1,036,811	1,141,000	1,375,798
TOTAL	\$ 80,641,650	\$ 78,715,518	\$ 81,320,053	\$ 80,424,112

**GENERAL FUND EXPENDITURES
BY FUNCTION/DEPARTMENT
FY 2019 ADOPTED BUDGET**

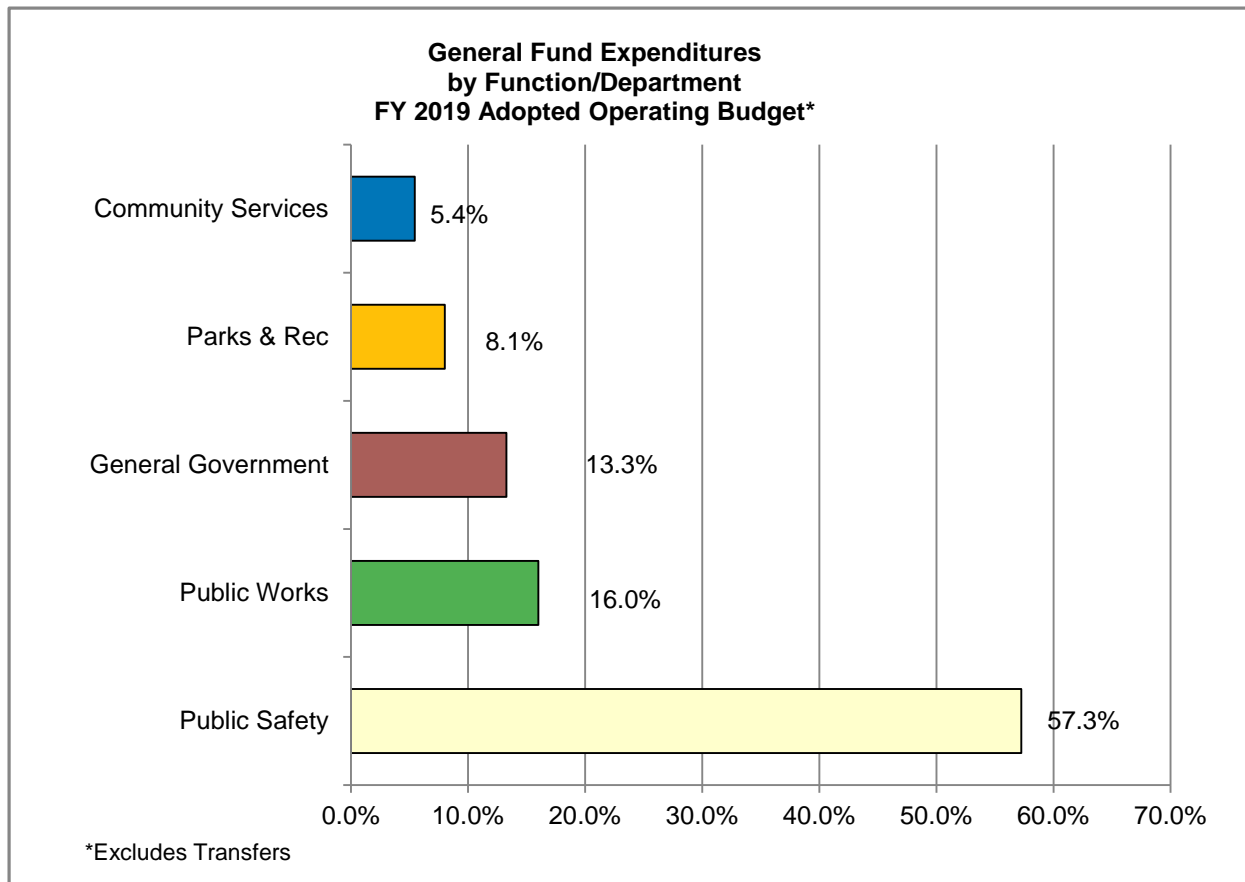
FUNCTION/DEPARTMENT	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
GENERAL GOVERNMENT				
CITY COUNCIL	\$ 109,990	\$ 141,818	\$ 132,565	\$ 143,741
CITY MANAGER	993,873	1,040,073	1,024,840	1,076,495
HUMAN RESOURCES	1,050,408	1,051,403	1,084,901	1,115,248
CITY SECRETARY	409,185	359,115	396,530	381,108
LEGAL	762,220	784,103	867,327	818,855
INFORMATION TECHNOLOGY	3,320,716	2,899,806	3,267,120	3,024,785
FINANCE	2,425,043	2,178,228	2,204,838	2,201,814
OTHER REQUIREMENTS ¹	1,773,393	2,744,831	1,687,660	1,732,851
GENERAL GOVERNMENT TOTAL	10,844,828	11,199,377	10,665,781	10,494,897
PUBLIC SAFETY				
POLICE	28,675,461	27,504,412	27,975,224	28,069,784
POLICE ADMINISTRATION	1,896,826	1,798,785	1,982,737	1,880,489
PATROL	16,251,937	14,888,939	15,313,820	15,311,045
INVESTIGATIONS	3,321,348	3,636,392	3,519,229	3,377,595
COMMUNITY SERVICE	1,071,311	925,337	946,011	1,047,357
COMMUNICATIONS & RECORDS	2,095,897	2,226,618	2,238,773	2,313,723
JAIL	1,151,684	1,201,135	1,152,026	1,209,394
COMMERCIAL VEHICLE ENFORCEMENT	284,880	254,857	262,189	268,353
SCHOOL RESOURCE OFFICERS (SRO)	1,422,500	1,360,216	1,426,625	1,449,792
TRAINING	305,944	308,700	307,470	317,535
ANIMAL SERVICES	873,134	903,433	826,344	894,501
FIRE	15,569,099	15,077,959	15,834,484	17,188,821
FIRE ADMINISTRATION	1,203,877	1,154,913	1,174,040	1,292,831
FIRE OPERATIONS	12,728,633	12,270,764	12,972,592	14,127,759
FIRE MARSHAL	934,391	811,465	850,980	906,747
EMERGENCY MANAGEMENT	108,703	214,682	214,990	225,314
HEALTH/CODE ENFORCEMENT	593,496	626,135	621,882	636,170
PUBLIC SAFETY TOTAL	44,244,560	42,582,371	43,809,708	45,258,605
COMMUNITY SERVICES				
COMMUNITY DEVELOPMENT				
COMMUNITY DEVELOPMENT ADMINISTRATION	420,764	379,210	440,227	524,359
PERMITS & INSPECTIONS	1,338,928	1,472,939	1,305,330	1,357,631
PLANNING	612,084	677,912	740,405	613,400
COMMUNICATIONS	533,439	525,405	527,638	568,378
MUNICIPAL COURT	758,631	819,663	844,738	840,995
LIBRARY ²	421,845	406,632	403,401	402,924
COMMUNITY SERVICES TOTAL	4,085,692	4,281,761	4,261,739	4,307,687
PUBLIC WORKS				
PUBLIC WORKS AND ENGINEERING ADMINISTRATION				
PUBLIC WORKS OPERATIONS ADMINISTRATION	184,077	182,287	618,504	317,576
TRAFFIC OPERATIONS AND MAINTENANCE	1,134,865	1,118,369	1,073,192	950,161
CUSTODIAL SERVICES	440,357	480,627	476,585	530,760
FLEET MANAGEMENT	467,075	428,343	391,941	
STREETS & DRAINAGE	4,990,354	5,149,446	5,900,063	4,299,832
RIGHT-OF-WAY MAINTENANCE	1,455,178	1,670,686	1,673,911	1,972,997
FACILITIES MANAGEMENT	1,917,190	1,690,191	2,033,448	1,658,857
ENGINEERING & CAPITAL PROJECTS:				
ENGINEERING	1,285,559	1,529,988	1,604,360	1,580,840
CAPITAL PROJECTS	1,007,147	1,207,160	1,162,849	1,340,365
PUBLIC WORKS TOTAL	12,881,801	13,457,097	14,934,853	12,651,388

**GENERAL FUND EXPENDITURES
BY FUNCTION/DEPARTMENT
FY 2019 ADOPTED BUDGET**

FUNCTION/DEPARTMENT	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
PARKS & RECREATION				
ADMINISTRATION	642,400	772,304	784,212	801,816
RECREATION CENTER/NATATORIUM	2,521,430	429,780	388,919	433,712
ATHLETICS	254,570	374,840	353,212	359,931
SPECIAL EVENTS	385,564	402,941	404,827	393,924
SENIOR PROGRAM	268,431	285,317	262,587	302,682
AQUATICS	17,100	544,495	627,068	584,451
PARKS	2,197,318	1,913,190	2,249,286	1,966,711
NATURAL RESOURCES	287,429	304,702	273,085	275,889
RECYCLING	1,672	1,525	1,200	1,200
RECREATION OPERATIONS		1,129,007	1,162,576	1,215,421
PARKS & RECREATION TOTAL	6,575,912	6,158,101	6,506,972	6,335,737
TOTAL OPERATING EXPENDITURES	78,632,794	77,678,707	80,179,053	79,048,314
TRANSFERS	2,008,856	1,036,811	1,141,000	1,375,798
GENERAL FUND TOTAL	\$ 80,641,650	\$ 78,715,518	\$ 81,320,053	\$ 80,424,112

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

Mayor & City Council

Legal
City Manager

Budget

Information Technology

Deputy City Manager

City Secretary

Finance

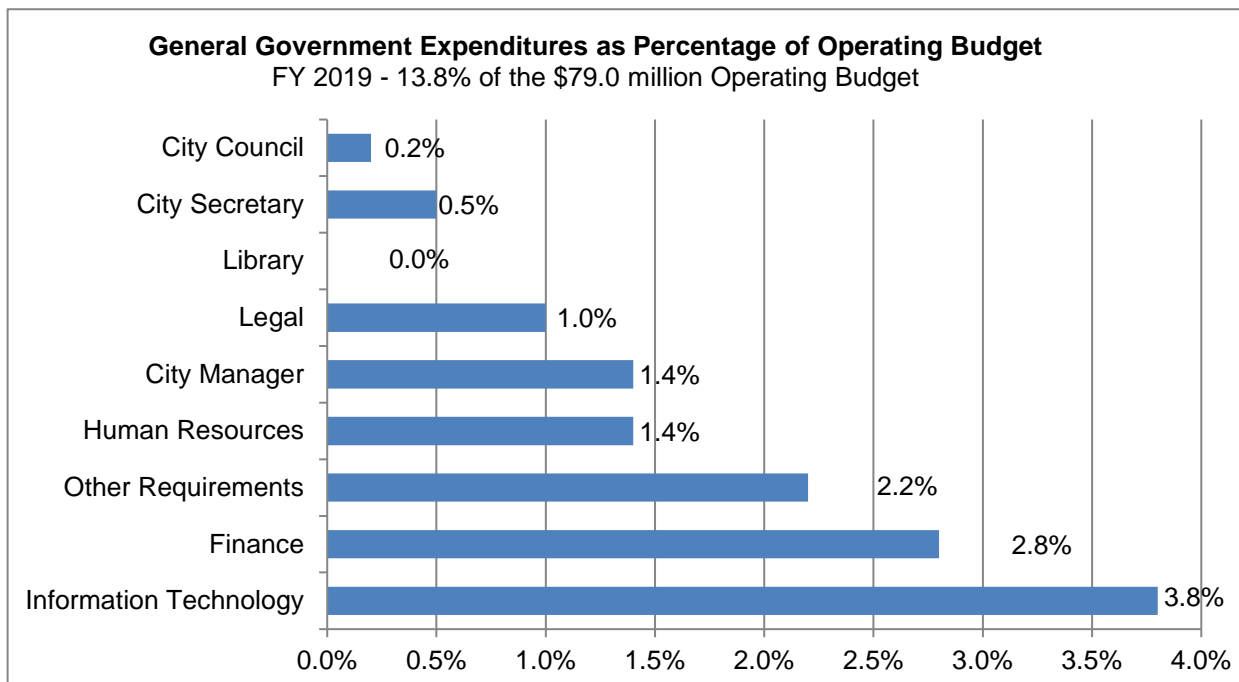
Human Resources

**GENERAL GOVERNMENT
EXPENDITURE SUMMARY
FY 2019 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
CITY COUNCIL	\$ 109,990	\$ 141,818	\$ 132,565	\$ 143,741
CITY MANAGER	993,873	1,040,073	1,024,840	1,076,495
LEGAL	762,220	784,103	867,327	818,855
CITY SECRETARY	409,185	359,115	396,530	381,108
HUMAN RESOURCES	1,050,408	1,051,403	1,084,901	1,115,248
FINANCE	2,425,043	2,178,228	2,204,838	2,201,814
INFORMATION TECHNOLOGY	3,320,716	2,899,806	3,267,120	3,024,785
OTHER REQUIREMENTS*	1,773,393	2,744,831	1,687,660	1,732,851
GENERAL GOVERNMENT TOTAL	\$ 10,844,828	\$ 11,199,377	\$ 10,665,781	\$ 10,494,897

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

EXPENDITURES BY CATEGORY	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
SALARIES & WAGES	\$ 5,597,326	\$ 6,357,153	\$ 5,451,590	\$ 5,400,245
MATERIALS & SUPPLIES	169,476	188,392	189,200	183,873
EQUIPMENT REPAIR & MAINTENANCE	1,621,154	1,561,668	1,556,224	1,609,044
MISCELLANEOUS SERVICES	2,941,310	2,770,963	3,033,386	3,044,115
OTHER CHARGES	15,017	246,986	145,969	248,245
INVENTORY	328,409	452,315	656,154	406,600
CAPITAL OUTLAY	172,137	28,532	36,659	
MOTOR POOL TRANSFERS				5,699
GENERAL GOVERNMENT TOTAL	\$ 10,844,828	\$ 11,606,009	\$ 11,069,182	\$ 10,897,821



CITY COUNCIL

GOALS

- ◆ Maintain strong relationships with Federal, State and 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.
- ◆ Establish annual tax rate and debt service rate.

FISCAL YEAR 2018 ACCOMPLISHMENTS

- ◆ Awarded various Capital Improvement projects to assist with the growth and maintenance of the City.
- ◆ Streamlined the Conditional Use Process.
- ◆ Maintained Debt Service Tax rate and strong credit rates.
- ◆ Maintained Water and Sewer rates; Finances of the Enterprise Fund are Strong.

FISCAL YEAR 2019 OBJECTIVES

- ◆ Provide leadership and direction over all bond issuances and refinancing's.
- ◆ Review Financial Policies including fund balances ranges.
- ◆ Provide leadership and direction for capital projects with adoption of CIP and updates to Land Use Plan.
- ◆ Conduct Early Budget Input Session in accordance with the City's Strategic Priorities.
- ◆ Adopt an annual budget for 2019/2020 that will ensure sustainability for the City over the next 5 to 10 years.
- ◆ Provide leadership in accordance with the Governance Model.

PERFORMANCE MEASURES

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
Ordinances Considered	90	71	49*	55
Resolutions Considered	250	201	233	256

*Instituted new Conditional Use Process (CUP). New process adopts CUP by Resolution instead of Ordinance.

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 approves and coordinates materials for the 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 Special Projects/Grants Administrator 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 2019 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.
- ◆ Maintain and expand cooperative relationships with Pearland ISD, Alvin ISD, Brazoria County, Harris County, Houston Galveston Area Council, TxDOT, Brazoria County Drainage District #4, etc.
- ◆ Continue to advocate for added traffic safety/transportation capacity and mobility improvements city-wide.
- ◆ Support Strategic Economic Development growth as described in the adopted 20/20 Plan.

FISCAL YEAR 2018 ACCOMPLISHMENTS

- ◆ Held City Council Early Budget Input Session on February 17, 2018
- ◆ Worked with TIRZ #2 Board on Plan Amendment # 4 that will provide funding for Shadow Creek Ranch Library; Shadow Creek Ranch Fire/Police Station; Shadow Creek Ranch Park, Phase II Improvements; Shadow Creek Trail; Shadow Creek Parkway Landscaping; Shadow Creek Ranch Sidewalks; Shadow Creek Ranch Street Lighting and Intersection Improvements all within the TIRZ 2 boundary.
- ◆ Submitted annual operating budget recommending the Effective Tax Rate in September of 2018.

FISCAL YEAR 2019 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 debt service; Highlight portion of debt service to developer subdivisions with In-City MUD's.
- ◆ Propose plan for City's 2019 Bond Referendum question to electorate.
- ◆ Process reimbursement payments from disaster relief for Hurricane Harvey.

PERFORMANCE MEASURES

	<u>FY 2016 Actual</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Target</u>
Number of authorized FTE ¹ employees per 1,000 population	6.38	6.28	6.28	6.28
GF Operating Budget \$ per capita	\$660	\$713	\$660	\$643

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. Combined these divisions are responsible for a variety of workforce services including: talent management, organizational development, salary and benefits management, health and wellness, organizational support, 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 2019 Include:

- ◆ No significant items.

GOALS

- ◆ Recruit, engage and retain top talent.
- ◆ Manage risks within the organization.
- ◆ Promote work-life balance and wellness.
- ◆ Develop/manager/adapt effective and efficient support structures, systems and process

FISCAL YEAR 2018 ACCOMPLISHMENTS

- ◆ Full implementation of the Human Resource and Payroll modules of the New World Systems.
- ◆ Developed and implemented Personnel Action Form (PAF) process resulting in a digital process that reduced/combined a numbers of forms, improved efficiency and tracking
- ◆ Initiated and worked with a team to conduct the first hiring event for Public Works Department.
- ◆ Developed and led Recruitment & Selection training for supervisors.
- ◆ 100% response to Open Enrollment
- ◆ Hosted immunization clinic (HEP and Tetanus) for Public Works employees.
- ◆ Increased collection of damages from 3rd parties by 66% from FY17.
- ◆ Increased new account creations by 12% for 457 and 45% on IRA accounts.

FISCAL YEAR 2019 OBJECTIVES

- ◆ Implementation of improved New Hire Orientation process.
- ◆ Increase internal training offerings/hours for employees.
- ◆ Develop recruitment strategies to engage both active and passive job seekers.
- ◆ Streamline the certificate of insurance process throughout the City
- ◆ Establish Safety Committee
- ◆ Establish regular reporting of workforce data

	<u>FY 2016</u> <u>Actual</u>	<u>FY 2017</u> <u>Actual</u>	<u>FY 2018</u> <u>Actual</u>	<u>FY 2019</u> <u>Target</u>
Number of vacated or new positions posted	140	142	150	150
Number of employment applications received	10,420	13,010	15,482	18,423
Annualized Citywide turnover rate (FT employees)	13%	25%	16%	10%
Number of training hours to new and existing employees	68	131	69	100

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 2019 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 and process accurate 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 2018 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.
- ◆ Conducted City wide iCompass automated agenda training
- ◆ Administered Oaths of Office for new City Employees
- ◆ Processed Boards and Commission.

FISCAL YEAR 2019 OBJECTIVES

- ◆ Implement the automated minute module of iCompass in 2019 for transparency and to facilitate transcribing and posting of Council meeting minutes.
- ◆ Explore the automation system to enhance the Records Management Program as required by the City Code and the laws of the State of Texas. The City Secretary's Office will be available to provide assistance to City departments to assure that all city records are retained in accordance with the State of Texas Records Retention Manual and that records are retained in the same format. The total completion of this goal to have all city departments on the same digital record retention and management system will take more than a year to accomplish; however, it is essential that this goal be accomplished to provide proper record retention of City records.
- ◆ Further automation of the TRAKiT software for Alcoholic Beverage Permits to enhance the payment process.
- ◆ Explore the automation system process for Open Records to increase transparency, accountability, and compliance across the organization.
- ◆ Conduct City wide training of the iCompass (agenda software), agenda process, and Public Information Act.
- ◆ Successfully administer the 2019 Elections
- ◆ Administer the department's budget efficiently and monitor the funds allocated and expended.

CITY SECRETARY

PERFORMANCE MEASURES

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
PUBLIC RECORDS				
Open Records Requests processed (<i>Freedom of Information Act</i>)	1,252	1,294	1687	1,410
ELECTIONS				
Number of registered voters (average)	63,584	68,633	71,459	75,032
Number of votes cast (average)	2,751	7,660	7,315	7,504
Average % of voter turnout	4.3%	11.2%	10.24%	10%

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 2019 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 review of development regulations.
- ◆ Assist all City departments with the implementation of their respective goals and objectives.

FISCAL YEAR 2018 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.
- ◆ Coordinated legal proceedings allowing for the demolition of 12 unsafe structures in the City.

FISCAL YEAR 2019 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.
- ◆ Continue development of the City's Unsafe Building Abatement Program.
- ◆ Coordinate meetings with the 2019 Charter Review Commission and the development of proposed Charter Amendments.

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 2019 include:

- ◆ Equipment Repair & Maintenance increase driven by software renewals

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 2018 ACCOMPLISHMENTS

- ◆ Assisted with Networking and audio/video solutions for City Hall renovation and Nature Center.
- ◆ Installed new air conditioning units in the Public Safety Building server room for better air control.
- ◆ Installed/setup contact center for Parks and Community Development main lines for better call control and quality assurance.
- ◆ Consolidated the City, SCADA, and traffic network to enhance service delivery.
- ◆ Installed and setup 26 Connect Grid Routers for SCADA communication.
- ◆ Installed and setup over 90 virtual desktop systems throughout city departments.
- ◆ Worked with Capital Projects on the installation of fiber communications for the Reflection Bay Water Reclamation Facility Expansion.
- ◆ Installed 158 in-vehicle routers in public safety vehicles and meter services for real-time communication.
- ◆ Implemented the backend technology for the advanced meter infrastructure project.
- ◆ Implemented network equipment upgrades for the traffic division.
- ◆ Installed 25 cameras at key intersections for the traffic division.
- ◆ Installed and configured time devices throughout city facilities for time and attendance tracking system.
- ◆ Implemented a unified service request system for both GIS and IT also implemented the system for Parks and Communications.
- ◆ Implemented phone call analytics and reporting software along with real-time dashboards for call volume metrics.

INFORMATION TECHNOLOGY

- ◆ Replaced failing cameras at the Public Safety facility.
- ◆ Installed digital signage in key facilities allowing Communications to centrally manage content delivery system.
- ◆ Migrated to new phone circuits providing full redundancy for all facilities.
- ◆ Implemented Call Recording capabilities for main lines at Utility Billing, City Hall and Community Development to provide quality assurance for departments.
- ◆ Provided technical guidance on drone equipment for Police, Fire, and Communications.
- ◆ Upgraded GIS hardware and software and migrated to new system separating workloads to provide scalability for future growth.
- ◆ Implemented data collection tools to Public Works facilitating real-time information exchange.
- ◆ Acquired new GPS survey grade equipment for enhanced accuracy and faster delivery.
- ◆ Migrated to the newest SQL Server platform for SDE database.
- ◆ Upgraded ArcSDE SQL Server to ArcGIS 10.5 software version.
- ◆ Upgraded ArcGIS Desktop end users to ArcGIS 10.5 software version.
- ◆ Improved GIS Home page functionality - online mapping services enhancing the functionality.

FISCAL YEAR 2019 OBJECTIVES

- ◆ Partner with Pearland Independent School District to provide the Police Department with visibility and access for additional safety and protection of students and faculty.
- ◆ Implement additional cameras at traffic intersections and facilitate a partnership with TxDOT and TranStar.
- ◆ Expand wireless coverage at key facilities and city locations to allow video uploads and connectivity for field personnel.
- ◆ Provide technical guidance for Service Center Facility and Fire Station 1 construction.
- ◆ Implement technology for Emergency Operations ahead of an event.
- ◆ Plan for Emergency Operations Center upgrades.
- ◆ Improve EOC communication, data collection, and reporting by leveraging GIS technology.
- ◆ Review current technology applications to assess life cycle expectancy.
- ◆ Replace Toughbooks in Police and Fire vehicles that are end-of-life.
- ◆ Implement Asset Management system and coordinate with Public Works for roll out.
- ◆ Update ERP Software to version 2019.1 as required by software vendor.
- ◆ Increase licensing capacity for GIS applications.
- ◆ Create and customize GIS dashboards for Public Works, Police, and Fire operations.
- ◆ Enlist data collection assistance from various departments to keep information up-to-date.
- ◆ Review and enhance security protocols city wide.
- ◆ Integrate database information into GIS to provide visual representation of the data.
- ◆ Implement new system backup strategy for improved reliability.
- ◆ Provide technical guidance on call center capabilities and expectation for emergency operations.
- ◆ Refine and rework the City's Intranet to streamline information dissemination.
- ◆ Provide technical expertise for record retention policies to departments.
- ◆ Provide support and resources for LEAN process improvement.

PERFORMANCE MEASURES

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
Number of PC's supported	680	706	756	770*
Number of support calls	884	906	1200**	1000
Number of new software programs installed	2	2	4	2
Average number of GIS layers maintained	120	135	142	150
Number of maps requested/prepared	240	256	225	200***

* PC additions due to additional personnel and facilities (Fire Station 1)

** Call metrics increased based on consolidating to one main line for IT Emergency Help

*** Reduction target is to facilitate more electronic viewing capabilities

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.

MISSION STATEMENT: To serve as fiscal stewards of the City's resources by providing financial services in an accurate, efficient, ethical, and innovative manner by building a bond of trust in accordance with best recognized practices and principles of governmental finance.

Key Budget Items for FY 2019 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 2018 ACCOMPLISHMENTS

- ◆ 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 for the 31 consecutive year.
- ◆ Awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the 41st consecutive year.
- ◆ Obtained the Government Treasurer Organization of Texas (GTOT) Investment Policy Certification
- ◆ Implementation of the Personnel Budgeting Module in the New World Financial System
- ◆ Increased Investment earnings by implementing sweep accounts at depository.

FINANCE

FISCAL YEAR 2019 OBJECTIVES

- ◆ Begin implementation of a department wide Cross-training and Succession Planning Initiative
- ◆ 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.
- ◆ Update Comprehensive Financial Management Policies.
- ◆ Implement Fixed Assets module in New World Financial Systems.
- ◆ Implement GASB reporting module.
- ◆ Implement new organization-wide training plan
- ◆ Develop and maintain procedural documentation for all internal processes including TIRZ, DAP, and PEDC
- ◆ Work with Purchasing Work Group to improve our purchasing process
- ◆ Continue to improve reporting and data analysis
- ◆ Complete physical inventory of the City's Fixed Assets.
- ◆ Maintain the State Comptroller's Transparency STARS.
- ◆ Obtain the Government Finance Officers Association's annual Distinguished Budget Award
- ◆ Obtain the Government Treasurer's Organization of Texas Investment Policy Certification
- ◆ Obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.
- ◆ Implement innovative practices in accordance with local, state and federal laws.
- ◆ Obtain the Achievement of Excellence in Procurement Award
- ◆ Implement organizational Cash Handling Policy and procedures

PERFORMANCE MEASURES

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	2019 Target
Investments in compliance with policy and PFIA	100%	100%	100%	100%
Number of audit comments	0	0	unknown	0
Tax Backed Bond Rating				
Moody's	Aa2	Aa2	Aa2	Aa2
Fitch	AA	AA	AA	AA
Revenue Bond Rating				
Moody's	Aa3	Aa3	Aa3	Aa3
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 2019 Include:

- ◆ Radio maintenance agreement with City of Houston - \$325,000
- ◆ KPB franchise fee - \$300,000
- ◆ Credit Card Charges - \$200,000
- ◆ Sales tax incentives (Kelsey Seybold and Costco) - \$200,000
- ◆ Capital leases - Siemens energy lease (\$114,486), lease on pumper truck (\$87,471), ERP lease (\$166,809) and lease on ladder truck and Parks and Recreation equipment (\$174,085).

Public Safety

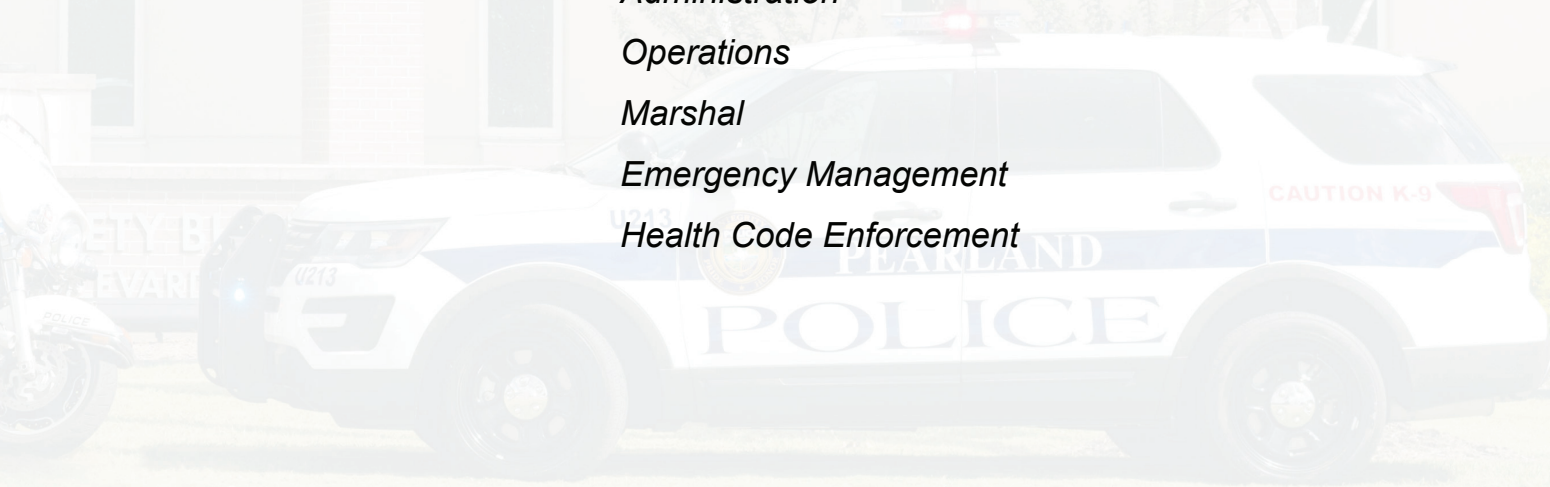
City Manager

Police

- Administration*
- Patrol*
- Commercial Motor Vehicle*
- Investigations*
- Community Services*
- Training*
- School Resource Officer*
- Communications/Records*
- Jail*
- Animal Services*

Fire

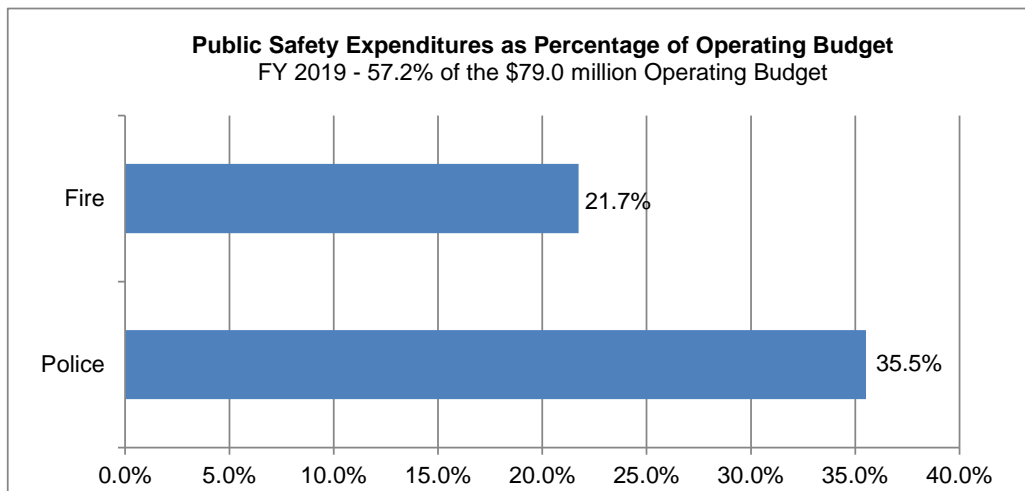
- Administration*
- Operations*
- Marshal*
- Emergency Management*
- Health Code Enforcement*



**PUBLIC SAFETY
EXPENDITURE SUMMARY
FY 2019 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
POLICE ADMINISTRATION	\$ 1,896,826	\$ 1,798,785	\$ 1,982,737	\$ 1,880,489
PATROL OPERATIONS	16,251,937	14,888,939	15,313,820	15,311,045
COMMERCIAL VEHICLE ENFORCEMENT	284,880	254,857	262,189	268,353
INVESTIGATIONS	3,321,348	3,636,392	3,519,229	3,377,595
POLICE COMMUNITY SERVICES	1,071,311	925,337	946,011	1,047,357
POLICE TRAINING	305,944	308,700	307,470	317,535
SCHOOL RESOURCE OFFICER	1,422,500	1,360,216	1,426,625	1,449,792
POLICE COMMUNICATIONS/RECORDS	2,095,897	2,226,618	2,238,773	2,313,723
JAIL	1,151,684	1,201,135	1,152,026	1,209,394
ANIMAL SERVICES	873,134	903,433	826,344	894,501
POLICE TOTAL	28,675,461	27,504,412	27,975,224	28,069,784
FIRE ADMINISTRATION	1,203,877	1,154,913	1,174,040	1,292,831
FIRE OPERATIONS	12,728,633	12,270,764	12,972,592	14,127,759
FIRE MARSHAL	934,391	811,465	850,980	906,747
EMERGENCY MANAGEMENT	108,703	214,682	214,990	225,314
HEALTH/CODE ENFORCEMENT	593,496	626,135	621,882	636,170
FIRE TOTAL	15,569,099	15,077,959	15,834,484	17,188,821
PUBLIC SAFETY TOTAL	\$ 44,244,560	\$ 42,582,371	\$ 43,809,708	\$ 45,258,605

EXPENDITURES BY CATEGORY	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
SALARIES & WAGES	\$ 36,241,616	\$ 36,736,671	\$ 37,797,647	\$ 40,241,874
MATERIALS & SUPPLIES	1,388,072	1,307,680	1,248,715	1,217,402
BUILDINGS & GROUNDS	17,207	15,340	30,575	28,300
EQUIPMENT REPAIR & MAINTENANCE	1,105,280	1,123,976	1,327,889	235,217
MISCELLANEOUS SERVICES	1,734,253	1,836,443	1,837,732	1,868,926
INVENTORY	174,088	38,255	52,775	37,265
CAPITAL OUTLAY	3,584,045	1,524,006	1,514,375	166,152
MOTOR POOL TRANSFERS				1,463,469
PUBLIC SAFETY TOTAL	\$ 44,244,560	\$ 42,582,371	\$ 43,809,708	\$ 45,258,605



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 improve citizens' 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, home safety inspections, Youth Leadership Academy, 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 2019 include:

- ◆ Addition of two police officers and 1 vehicle in January
- ◆ Addition of two police officers and 1 vehicle in July

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 parents and school officials on matters relating to the law/legal process and procedures relating to juveniles and school safety.
- ◆ 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 laws when necessary.
- ◆ Enhance the local adoption program and provide education to the citizens of Pearland on the benefits of spaying and neutering.
- ◆ Utilize DDACTS as an effective police strategy to reduce crime and traffic crashes in "hot spot" areas.

POLICE

FISCAL YEAR 2018 ACCOMPLISHMENTS

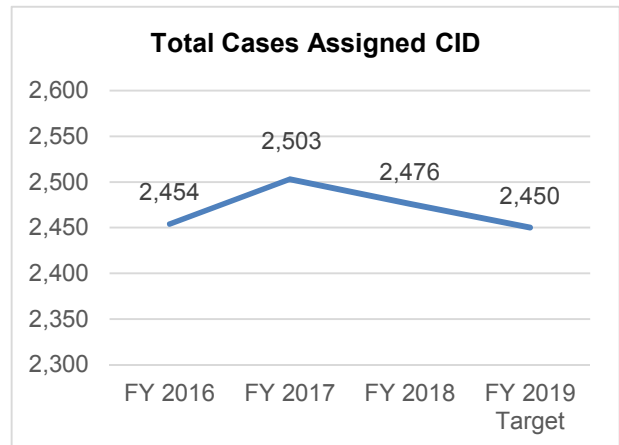
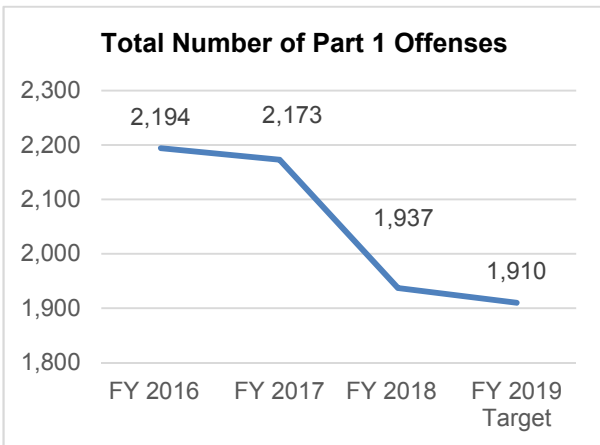
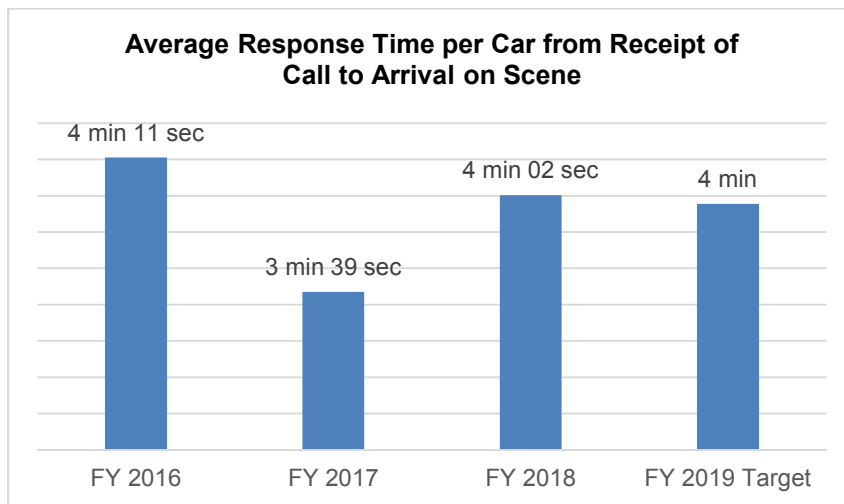
- ◆ Obtained an RFID (Radio Frequency Identification Device) system to track and monitor cell and security checks in the jail for increased accountability and prisoner safety.
- ◆ Along with other departmental partners, implemented and staffed personnel to utilize the City's sUAV (small Unmanned Aerial Vehicles) in a legal manner for deployment on a range of needs.
- ◆ Completed the Dispatch Center modernization project started in FY17.
- ◆ Enhanced Jail security through the use of identifying clothing of inmates.
- ◆ Worked with other departments to utilize the LESO program in the acquisition of High Water vehicles to improve responses to future flooding.
- ◆ Increased cooperative training involving civilian and sworn personnel.
- ◆ Increased dispatching capabilities by adding two additional TCO positions.
- ◆ Added an additional officer to the DDACTS unit for deployment in a second DDACTS zone.
- ◆ Obtained and installed a reliable stand-alone Audio/Video recording system for interview rooms in the Criminal Investigations Division.
- ◆ Negotiated a new, more equitable contract with PISD for SRO services.
- ◆ Expanded National Night Out participation to 50+ block parties.
- ◆ Successfully graduated two Citizen Police Academies, one Teen Citizen Police Academy, and one Youth Leadership Class.
- ◆ Implemented the Safe Return Program.
- ◆ Expanded the Explorer Post and sent a team to the national finals which was awarded a top recognition.
- ◆ Acquired level 3 rifle resistant body armor for all sworn personnel and fire marshals through a State grant.

FISCAL YEAR 2019 OBJECTIVES

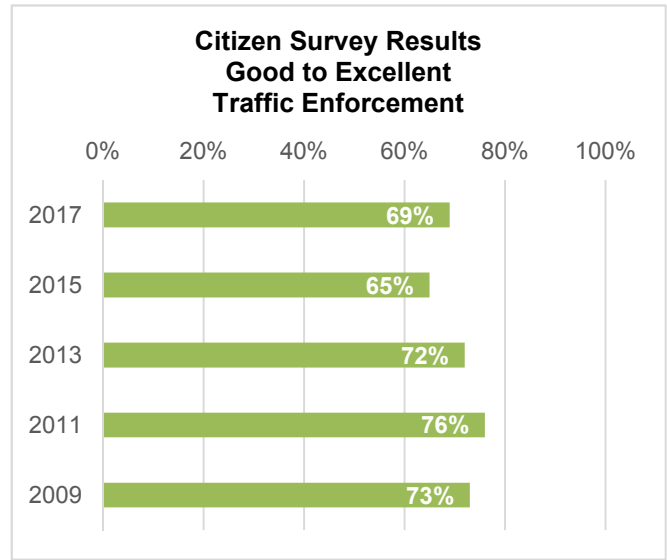
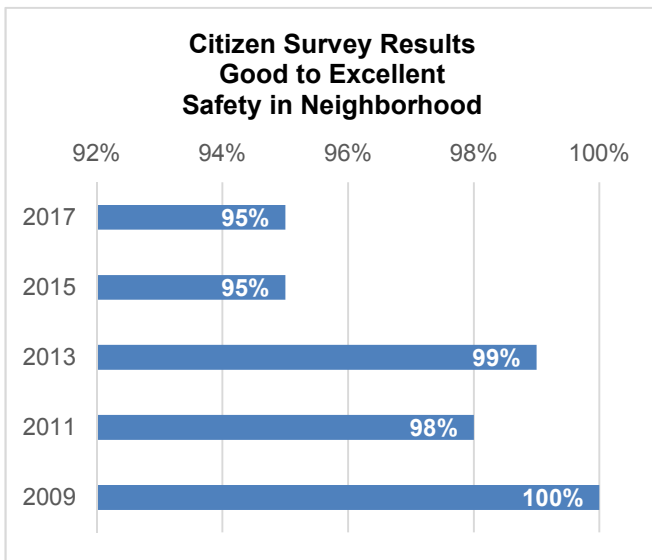
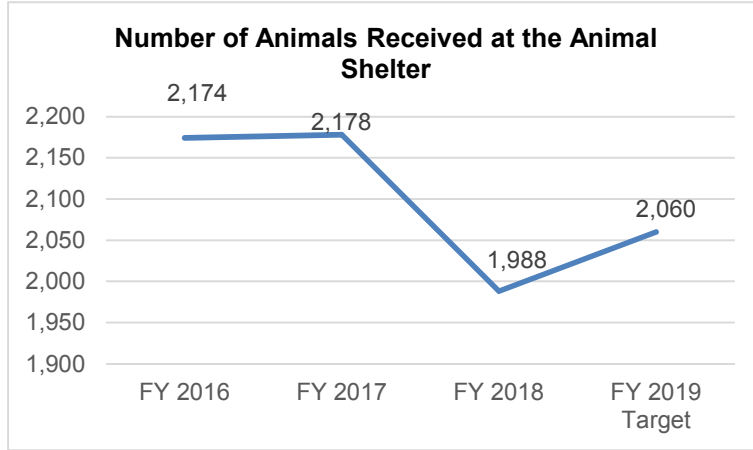
- ◆ Increase jail security through the use more accurate metal detectors.
- ◆ Complete the remodel of dispatch by completing the installation of new carpet.
- ◆ Continue to bridge the gap between civilian and sworn personnel by implementing additional training involving both sets of employees.
- ◆ Train all departmental personnel in the concept and use of "de-escalation".
- ◆ Explore the feasibility of adding additional high water vehicle capabilities in accordance with the CoP Emergency Management Plan.
- ◆ 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.
- ◆ Deploy hard entry devices to all campuses with assigned SROs.
- ◆ 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.
- ◆ Increase attendance by outside personnel for TCOLE courses taught at the PD.
- ◆ Instruct all operators of emergency vehicles on the safe operation of those vehicles.
- ◆ Obtain E-ticket writers/mobile tablets with report management system connectivity for the Motorcycle unit to more accurately track violators through integration with the report management system and increase efficiency during traffic stops.
- ◆ Obtain training for patrol/line officers in high-water rescues to decrease the response time during flood emergencies.
- ◆ 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.
- ◆ Conduct training in order to add personnel as certified pilots for the existing sUAS program as a means of decreasing response times for deployment of the asset.
- ◆ Obtain Internal Affairs Investigator certification training for assigned Professional Standards Investigator and Sergeant.

POLICE

- ◆ 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.
- ◆ Continue to explore the possibility of acquiring a Mobile Command Post to enable on scene command and control of significant incidents and planned events.
- ◆ Host and provide ALERTT level 1 or 2 training to area agencies to ensure a more coordinated response in the event of an active shooter.
- ◆ Increase volunteer participation in the handicap patrol by providing at least one Citizen on Patrol class.



POLICE



	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
Violent and non-violent person crimes reported	806	845	1066	840
Property and society crimes reported	4,184	4,308	4,482	4,310
Training hours completed, Pearland Officers	18,970	11,498	11,442	11,500
Number of 911 calls received by dispatch	33,819	33,919	36,787	37,250
Average time - citizen call to unit dispatched (in seconds), Priority 1 Calls	47sec	47sec	45sec	45sec
Average number of 911 calls per Telecommunication Operator / month	201	201	218	200
Number of offense / crash reports taken	11,037	11,416	12,609	11,700
Total arrests made by police	5,038	4,857	4,808	5,080
Dispatched calls per Patrol Officer / month	64	63	61	60
Average response time per car, Priority 1 Calls	4min	3min	4min	4min
Average response time per car, Priority 1 Calls	11sec	39sec	02sec	4min
Number of animals received at animal shelter	2,174	2,178	1,988	2,060
Percent of animals adopted	61%	83%	71%	80%

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). Pearland's ISO Public Protection Classification is a rating of 2/8B, among 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 Community Outreach. 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. Community Outreach provides public safety education.

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 2019 include:

- ◆ Continuous onboarding of Firefighters (6 months) - \$241,569

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 high risk occupancies annually, and moderate risk occupancies biennially.
- ◆ Increase the level of disaster preparedness among citizens through aggressive public awareness.
- ◆ Inspect all health code permitted businesses semi-annually.

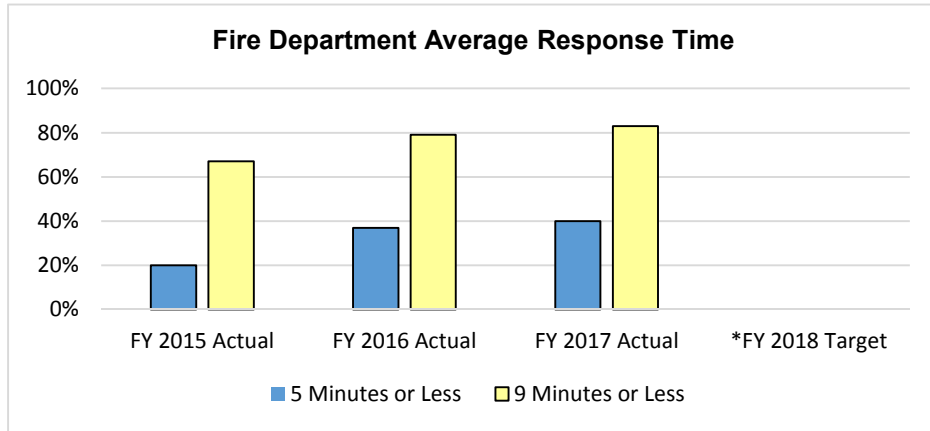
FISCAL YEAR 2018 ACCOMPLISHMENTS

- ◆ Continued implementation of Fire Department Strategic Plan.
- ◆ Began implementation of Lexipol policy management system.
- ◆ Began construction of new Fire Station #1 to replace the existing Fire Station #1.
- ◆ Began onboarding of personnel for new Fire Stations.
- ◆ Established citywide Emergency Management Working Group

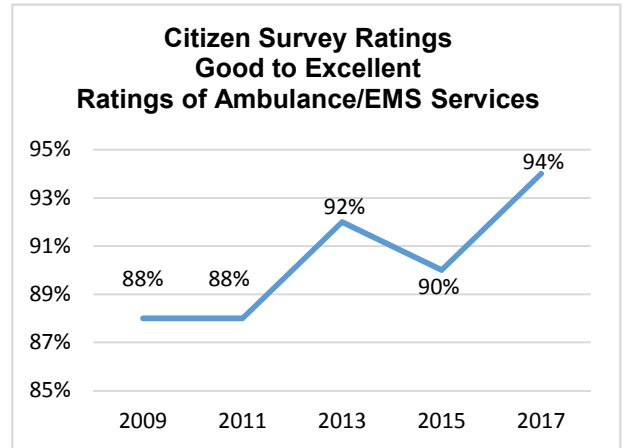
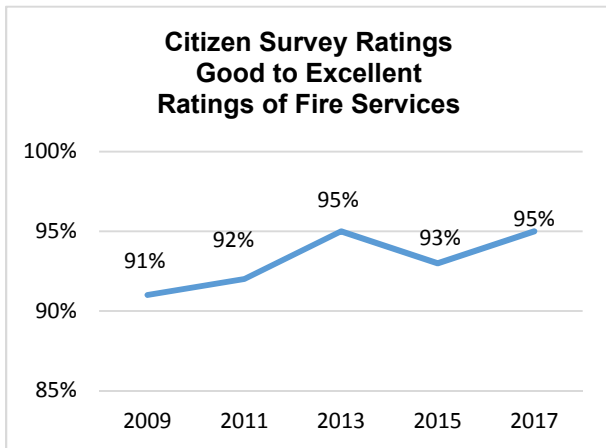
FISCAL YEAR 2019 OBJECTIVES

- ◆ Begin construction of new Fire Station #8.
- ◆ Begin design of Fire Station #7.
- ◆ Complete construction and begin operations at new Fire Station #1.
- ◆ Order vehicles for Fire Station #8.
- ◆ Review, revise and continue implementation of Fire Department Strategic Plan.
- ◆ Continue onboarding of personnel for new Fire Stations.
- ◆ Continue implementation of 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
Average Response Time:				
Percent 5 minutes or less	37%	40%	N/A	N/A
Percent 9 minutes or less	79%	83%	N/A	N/A
Alarm processing time <= 90 seconds	N/A	N/A	73%	90%
Alarm processing time <= 120 seconds	N/A	N/A	84%	99%
Turnout Time <= 2 minutes	N/A	N/A	89%	90%
Call to first unit arrival <= 7:30	N/A	N/A	51%	90%
Call to arrival of ERF <= 11:30	N/A	N/A	29%	90%
Total Estimated Fire Loss	\$4,421,186	\$2,521,840	\$2,950,592	\$2,000,000
Number of Code Enforcement Cases Opened	2,560	2,745	2,962	3,500
Number of Annual Inspections	1,244	2,211	1,720	2,500
Emergency Medical Transports	4,616	4,201	4,614	4,500
Public Safety Education Hours	306	420	610	650

Community Services

Mayor & City Council

— **Municipal Court Judge**
— **City Manager**

Community Development

Administration

Permits & Inspections

Planning

Deputy City Manager

Communications

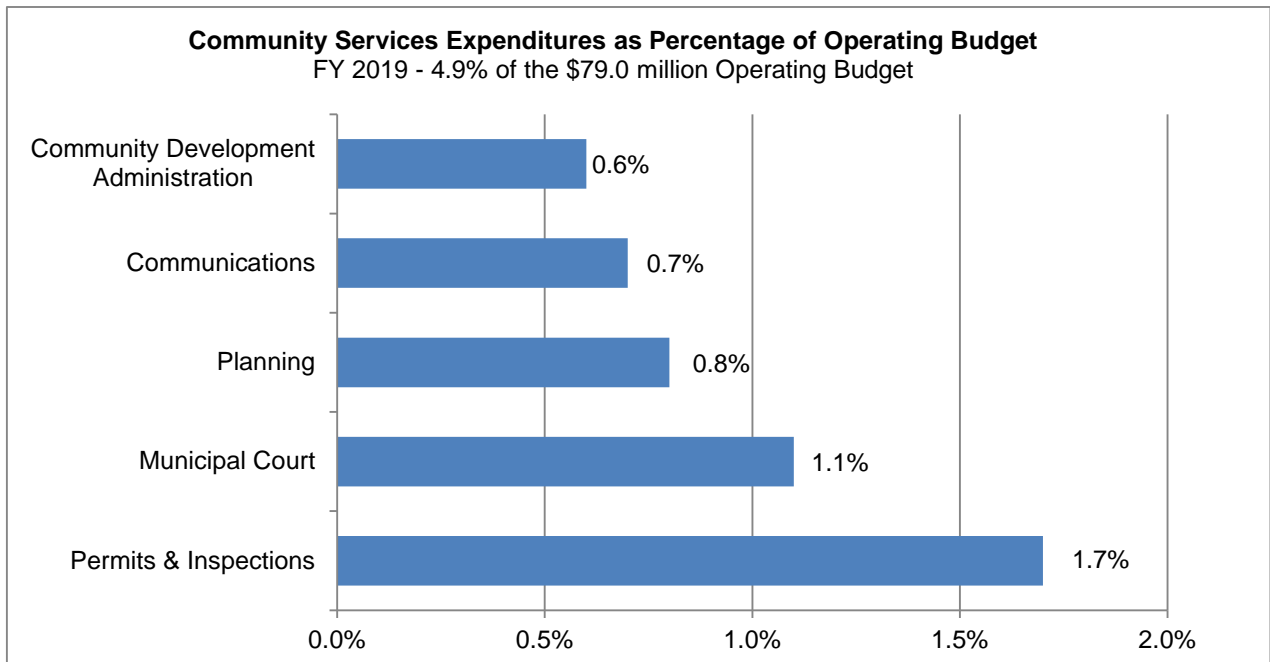
Library

Municipal Court

**COMMUNITY SERVICES
EXPENDITURE SUMMARY
FY 2019 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
COMMUNITY DEVELOPMENT				
COMMUNITY DEVELOPMENT ADMINISTRATION	\$ 420,764	\$ 379,210	\$ 440,227	\$ 524,359
PERMITS & INSPECTIONS	1,338,928	1,472,939	1,305,330	1,357,631
PLANNING	612,084	677,912	740,405	613,400
COMMUNICATIONS	533,439	525,405	527,638	568,378
MUNICIPAL COURT	758,631	819,663	844,738	840,995
LIBRARY	421,845	406,632	403,401	402,924
COMMUNITY SERVICES TOTAL	\$ 4,085,692	\$ 4,281,761	\$ 4,261,739	\$ 4,307,687

EXPENDITURES BY CATEGORY	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
SALARIES & WAGES	\$ 3,069,676	\$ 3,317,337	\$ 3,260,891	\$ 3,400,556
MATERIALS & SUPPLIES	110,452	147,210	126,616	130,866
EQUIPMENT REPAIR & MAINTENANCE	15,041	15,708	16,385	
BUILDINGS & GROUNDS				2,460
MISCELLANEOUS SERVICES	881,829	769,606	802,379	746,041
OTHER CHARGES	3,660	3,000	3,000	3,000
INVENTORY	5,034	1,800	26,716	
CAPITAL OUTLAY		27,100	25,752	
MOTOR POOL TRANSFERS				24,764
COMMUNITY SERVICES TOTAL	\$ 4,085,692	\$ 4,281,761	\$ 4,261,739	\$ 4,307,687



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 / 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 is responsible for ensuring that any privately owned structure that is new, remodeled, added on to or renovated is in substantial compliance with currently adopted codes and ordinances. Through this process the division protects citizens, health, safety and financial investment thus creating a more sustainable and resilient community. The Permit and Inspections division consist of the Permit Counter, Plan Review and Inspections groups. The division serves as the main point of contact for private development within the city. The division takes in permit applications, coordinate's the city's plan review process, reviews plans for compliance with building, mechanical, electrical and plumbing codes, issues permits, conducts inspections of building, mechanical, electrical and plumbing work and coordinates the approval of and issuance of certificates of occupancy. The division also serves as the administrator to other city departments for the TRAKiT software.

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 2019 Include:

- ◆ No Significant Changes

GOALS

- ◆ Implement the departmental mission: Quality Service - Excellent Results.
- ◆ Ensure City of Pearland is a desirable place for people to live, work, 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.

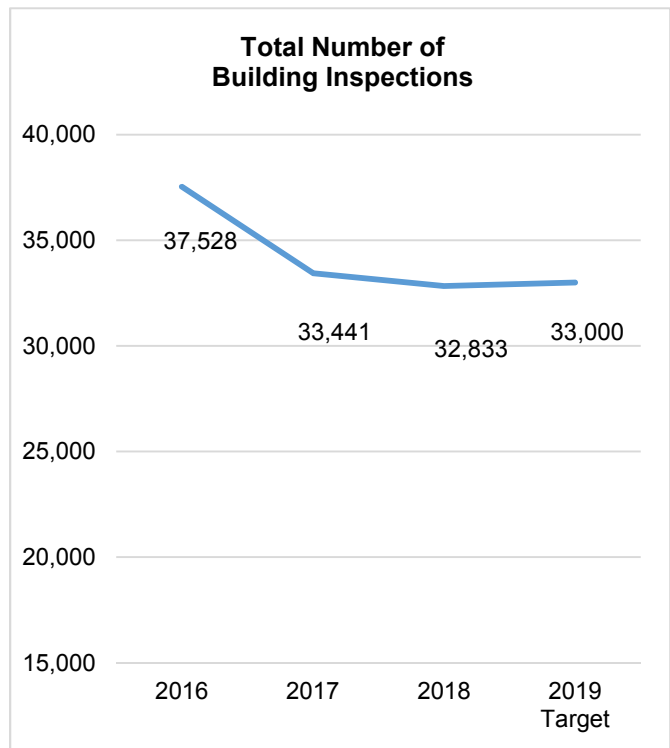
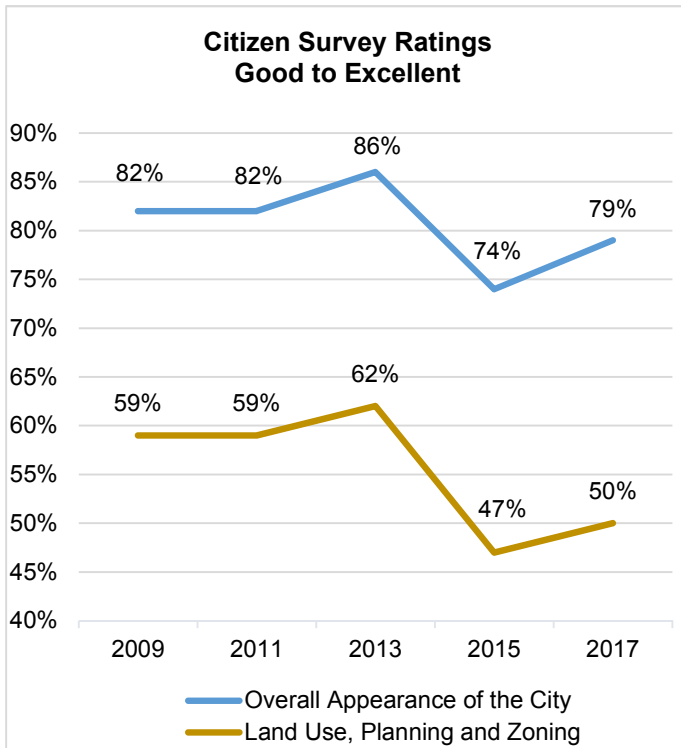
FISCAL YEAR 2018 ACCOMPLISHMENTS

- ◆ Planning Department reorganized into two sections: long-range and current.
- ◆ 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, Zoning Board of Adjustment, and the development review committee.
- ◆ 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 and online credit card payment processing.
- ◆ Updated the department webpage by making more information available, including creating the new Development Services page.
- ◆ Reformatted Quarterly Reports into PowerPoint presentations for increased legibility.

COMMUNITY DEVELOPMENT

FISCAL YEAR 2019 OBJECTIVES

- ◆ Ongoing improvements to the Enterprise Resource Planning (ERP) – TRAKiT software.
- ◆ Continue implementation of Action Steps listed in the 2015 Comprehensive Plan.
- ◆ Implement long-range planning at neighborhood level.
- ◆ 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.



	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	2019 Target
Zone Changes	18	14	15	14
Plat Reviews	124	183	188	185
Site Plans Reviewed	136	129	50	65
Total Plans Reviewed	1,349	1,164	1,071	1,100
Pre-development Meetings Conducted	116	83	65	70
Total Building Inspections	37,528	33,441	32,833	33,000
Total Permits Issued	14,612	12,475	10,042	11,500
Average Value Single Family Home Permitted	\$293,425	\$208,5245	\$201,606	\$215,000

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 2019 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 2018 ACCOMPLISHMENTS

- ◆ Implemented project management system to improve transparency and accountability.
- ◆ Developed Pearnert steering committee to continually improve intranet functionality.
- ◆ Implemented analytics on Pearnert and GIS to gain new insights.
- ◆ Migrated First Monday distribution to ConstantContact to improve effectiveness – Improved open rate 6% in 1 month with testing.
- ◆ Overhauled Utility Billing website content and online application to improve customer experience.
- ◆ Began rolling out digital content to connected TVs in City facilities to further diversify messaging platforms.
- ◆

FISCAL YEAR 2019 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.
- ◆ Develop video series leveraging the Pearland TV studio.
- ◆ Develop a comprehensive content calendar to improve efficiency.
- ◆ Update Pearnert.
- ◆ IPTV on all City owned TVs.
- ◆ Execute AMI communications plan.
- ◆ Develop a comprehensive strategic plan to improve e-communications offerings.

PERFORMANCE MEASURES

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
Facebook fans/friends	11,876	17,135	19,980	22,977
Twitter followers	3,278	5,475	6,470	7,441
YouTube subscribers	341	385	423	486
Instagram fans/followers	1,257	1,620	1,928	2,217
Percent of news releases published	93%	93%	93%	93%

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 2019 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 2018 ACCOMPLISHMENTS

- ◆ Set up the integration process from OSSSI to the Incode Court System for downloading of citations.
- ◆ Attended training as a department to increase productivity, improve communication, and build teamwork skills.
- ◆ 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 2019 OBJECTIVES

- ◆ Increase the utilization of ticket writers to streamline the court process and expedite the entering of citations into 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 2016</u> <u>Actual</u>	<u>FY 2017</u> <u>Actual</u>	<u>FY 2018</u> <u>Actual</u>	<u>FY 2019</u> <u>Target</u>
Number of Judge trials prepared	143	185	183	170
Number of Jury trials prepared	300	436	374	370
Number of warrants issued	6,390	5,980	6,056	6,142
Total number of charges brought in	17,611	16,257	15,333	15,000
Percent Guilty Charge	57%	56%	51%	48%
Percent Charges Dismissed	17%	21%	18%	19%
Outstanding warrants	16,236	15,459	13,982	13,500
Value of outstanding warrants	\$8,275,346	\$8,052,214	\$7,651,834	\$7,350,000

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 2019 Include:

- ◆ No significant items.

GOALS

- ◆ 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 2018 ACCOMPLISHMENTS

- ◆ Tom Reid Library reopened in March after renovations were completed.
- ◆ Summer Reading Club participation at the Tom Reid and Westside Library increased over the previous year and were the highest in the county.
- ◆ Westside added several new programs and both branches began offering 3D printing services to library patrons.

FISCAL YEAR 2019 OBJECTIVES

- ◆ Introduce a fiber arts themed Makerspace at the Tom Reid Library.
- ◆ Increase adult oriented programming at both branches.
- ◆ Began the design phase for the new Westside Library.

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
<u>Tom Reid Library</u>				
Number of volumes	87,795	58,736	77,371	80,000
Number of items checked out - circulation	438,589	357,600	225,633	450,000
<u>Business Center Drive Library</u>				
Number of volumes	59,493	60,688	56,724	60,000
Number of items checked out - circulation	415,091	502,052	516,263	550,000

Public Works and Engineering & Capital Projects

Assistant City Manager

Engineering & Capital Projects

Engineering

Capital Projects

Traffic

Public Works

Administration

Streets & Drainage

Grounds Maintenance

Facilities Management

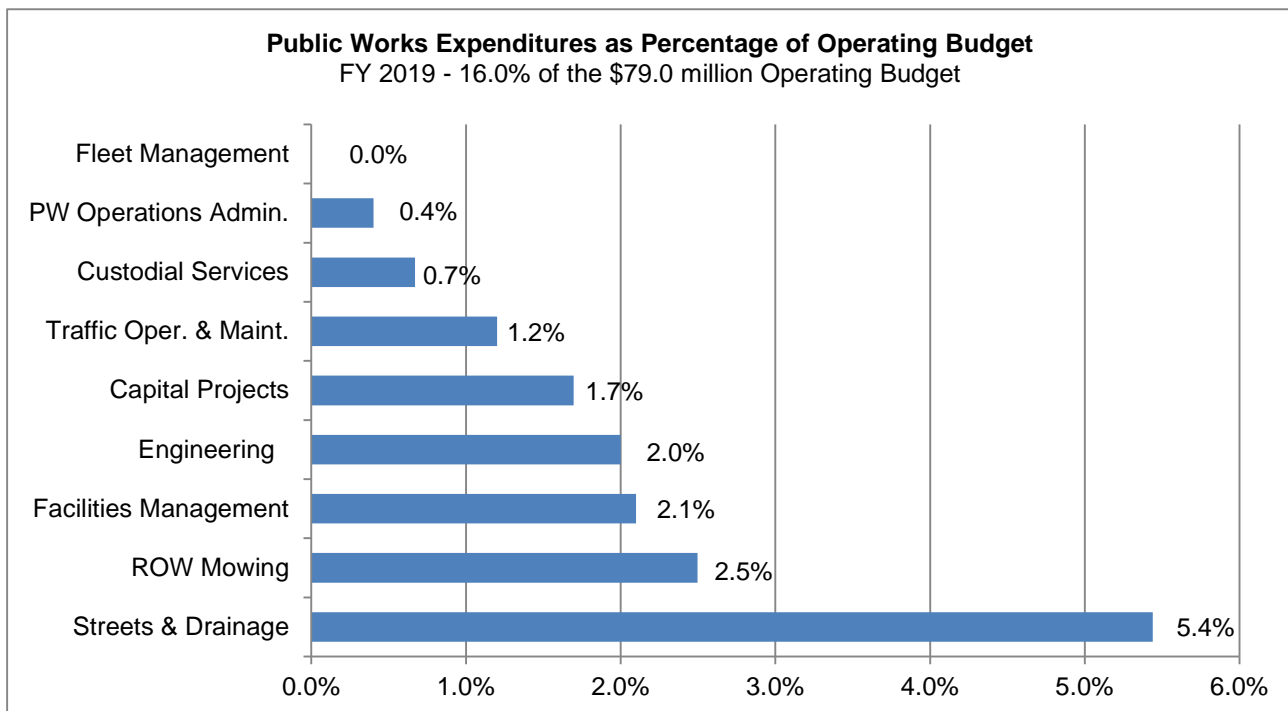
Custodial Services

Fleet Management (Internal Service Fund)

**PUBLIC WORKS
EXPENDITURE SUMMARY
FY 2019 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
ENGINEERING & CAPITAL PROJECTS ADMINISTRATION	\$ -	\$ -	\$ -	\$ -
ENGINEERING	1,285,559	1,529,988	1,604,360	1,580,840
CAPITAL PROJECTS	1,007,147	1,207,160	1,162,849	1,340,365
PUBLIC WORKS OPERATIONS ADMINISTRATION	184,077	182,287	618,504	317,576
TRAFFIC OPERATIONS AND MAINTENANCE	1,134,865	1,118,369	1,073,192	950,161
CUSTODIAL SERVICES	440,357	480,627	476,585	530,760
FLEET MANAGEMENT	467,075	428,343	391,941	
STREETS & DRAINAGE	4,990,354	5,149,446	5,900,063	4,299,832
ROW MOWING	1,455,178	1,670,686	1,673,911	1,972,997
FACILITIES MANAGEMENT	1,917,190	1,690,191	2,033,448	1,658,857
PUBLIC WORKS TOTAL	\$ 12,881,801	\$ 13,457,097	\$ 14,934,853	\$ 12,651,388

EXPENDITURES BY CATEGORY	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
SALARIES & WAGES	\$ 4,405,367	\$ 5,051,669	\$ 4,834,900	\$ 5,336,367
MATERIALS & SUPPLIES	341,580	347,395	323,757	311,530
BUILDINGS & GROUNDS	2,407,759	2,358,911	3,370,224	1,719,714
EQUIPMENT REPAIR & MAINTENANCE	403,060	202,216	323,703	53,200
MISCELLANEOUS SERVICES	4,588,137	4,840,146	5,453,805	4,665,641
INVENTORY	2,960		1,199	
CAPITAL OUTLAY	732,938	656,760	627,265	259,486
MOTOR POOL TRANSFERS				305,450
PUBLIC WORKS TOTAL	\$ 12,881,801	\$ 13,457,097	\$ 14,934,853	\$ 12,651,388



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 transportation mobility. The Public Works 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 Administration Division manages the Water/Wastewater and Distribution/Collections operations of the City within the Enterprise Fund.

Within the General Fund, the Public Works Department provides the maintenance of City owned buildings including the building envelope, 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, signs and pavement markings, landscaped right of ways, sidewalks, 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 City's Master Drainage Plan, Transportation Master Plan, Water and Wastewater Master Plans, Impact Fee updates and Traffic Impact analysis including traffic signal operations and maintenance.

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 2019 include:

- ◆ Reduction in Street Pavement - \$645,486
- ◆ Reduction in Sidewalks - \$369,274
- ◆ Street Sweeping - \$80,000
- ◆ Traffic Engineer - \$125,000

GOALS

- ◆ Continuously explore process improvement techniques to ensure efficient and effective processes for each service rendered by the department.
- ◆ Provide reliable, safe, and functional road and sidewalk systems through systematic assessment, and inspection, implementing pavement management strategies for maintenance of pavement conditions.
- ◆ Develop ROW Management Policy to govern future roadway development, streetscape design, and maintenance standards.
- ◆ Restore public landscapes after major impacts sustained from Hurricane Harvey.
- ◆ Successfully initiate policies and procedures to operate within the newly created Motor Pool Fund.
- ◆ Complete a Facilities Condition Assessment, report immediate concerns and budget needs through the Capital Improvement and operational budget process.
- ◆ Select qualified firms and begin implementation of Asset Management system and software.
- ◆ 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.
- ◆ Maintain a safe driving system for the motoring public by zone replacement of Traffic signs and Pavement markings.
- ◆ 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 systems maintenance and construction.
- ◆ Maintain a highly trained Project Management staff proficient with the tools necessary to manage complex capital projects in a professional manner.

PUBLIC WORKS

- ◆ Manage project scope, schedule, 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.

FISCAL YEAR 2018 ACCOMPLISHMENTS

- ◆ Completed Emergency Operations plans for each division within Public Works.
- ◆ Completed six and a half (6.5) miles of asphalt pavement overlay of roadways identified through ROW assessment.
- ◆ Installed/replaced 18,570 linear feet of sidewalk via sidewalk contract.
- ◆ Repaired 1,875 potholes in asphalt streets.
- ◆ Designed and awarded contract for asphalt paving rehabilitation Hatfield Rd from FM 518 to North City Limits.
- ◆ Installed/replaced 84 linear feet of culvert pipe to improve local drainage.
- ◆ Regraded 34,604 linear feet of ditches via City crews and contractor to maintain and improve drainage.
- ◆ Cleaned 13,873 linear feet of culvert pipe to remove silt and debris to maintain drainage.
- ◆ 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 completion of several gateway monument projects and numerous other median and facility landscape enhancements.
- ◆ Transitioned right-of-way permitting management and approval to TRAKIT software.
- ◆ Managed \$155,000 in landscape renovations, enhancements, and repairs of public landscapes. Items included but not limited to landscape enhancements to Broadway, City Hall, Library, and Dixie Farm.
- ◆ Documented over \$300,000 in landscape damages sustained by Hurricane Harvey to gain FEMA reimbursement.
- ◆ Combined four landscape maintenance contracts into one major maintenance contract.
- ◆ Decreased Fleet related outsourcing resulting in a cost savings of \$196,244.92.
- ◆ Installed new 28,000lb heavy duty lift to begin work on heavy equipment and heavy trucks.
- ◆ Verified equipment inventory by class/department and updated FASTER program to reflect changes.
- ◆ Completed a facility damage assessment for 19 buildings affected during Hurricane Harvey, and submitted for approximately \$544,220 of reimbursement through FEMA for repairs to the affected facilities.
- ◆ 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.
- ◆ Implemented a maintenance zoning plan in the Facilities Management division to streamline the work flow process. The zoning plan is designed to improve the response and communication to building and client needs.
- ◆ Completed a comprehensive City generator audit.
- ◆ 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, regulatory and warning signs in six subdivisions for improved visibility and safety.
- ◆ Developed new Traffic Signal standards.
- ◆ Completed the school flasher program to improve safety at schools and meet the current street requirements.
- ◆ Improved the service effectiveness, 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.
- ◆ Successful licensing of a Code Enforcement Officer within Public Works Department.
- ◆ Assisted the community and other departments in the recovery of Hurricane Harvey.

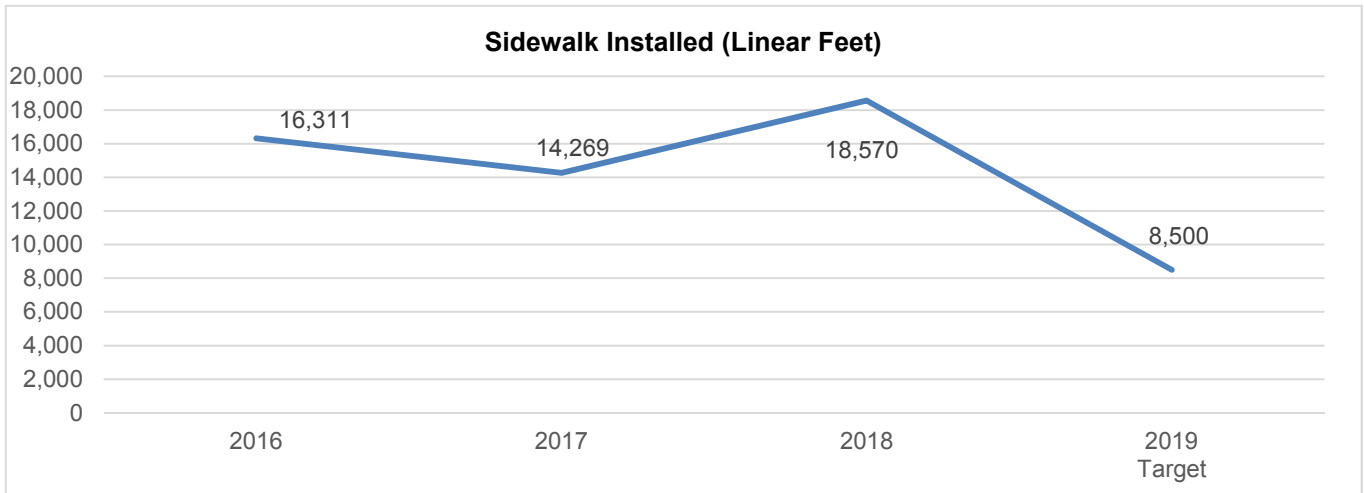
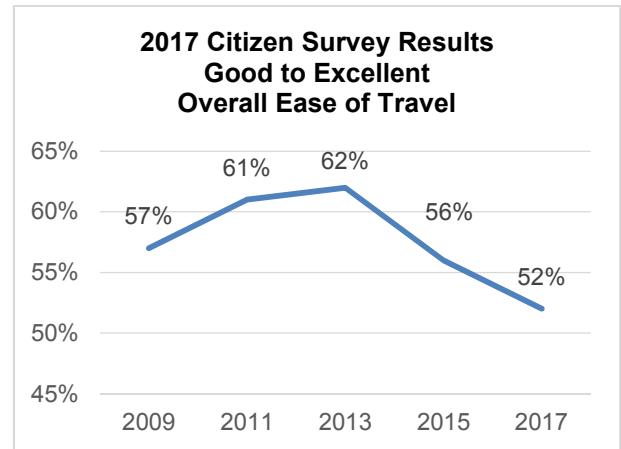
PUBLIC WORKS

- ◆ Relocated utilities beneath the northern embankment for the FM 518 overpass on SH 288 and at Smith Ranch Road in preparation for an elevated T-Ramp from Hughes Ranch Road to the toll lanes for the Toll Road Utility Relocation project.
- ◆ Completed the renovation of City Hall and City Hall Annex buildings.
- ◆ Reconstructed the Linwood Subdivision Street & Drainage from Old Alvin to Orange.
- ◆ Completed Orange Street Reconstruction (SH35 to Schleider Drive) project including improved area drainage.
- ◆ Extended Fite Road (McLean to Veterans) with a 4 lane concrete boulevard road.
- ◆ Completed the Tom Reid Library expansion and remodel, which doubled the library facility square footage.
- ◆ Added two new softball fields, pavilion and additional parking at Centennial Park.
- ◆ Installed over 2 miles of water lines along Hughes Ranch Rd west from Cullen to Smith Ranch Rd.
- ◆ Completed the additional trail segment of Trail Connectivity Ph II from Centennial Park to Pearland Pkwy for the Hike and Bike Master Plan.
- ◆ Completed the Deloris Fenwick Nature Center facility.
- ◆ Completed the redirecting of flows for the Green Tee 1 to Riverstone Wastewater Diversion project.

FISCAL YEAR 2019 OBJECTIVES

- ◆ Update Emergency operations plans for each Public Works division as city's plans develop and change.
- ◆ Install/replace 150 linear feet of culvert pipe via City crews and contractor to maintain positive drainage.
- ◆ Install/replace 8,500 linear feet of sidewalk via sidewalk contract.
- ◆ Regrade 40,000 linear feet of ditches via City crews and contractor.
- ◆ Clean 1,500 linear feet of culvert pipe.
- ◆ Repair 3,000 potholes in asphalt pavement streets.
- ◆ Initiate joint and crack seal program as part of street maintenance and preservation.
- ◆ Implement additional tools for sidewalk maintenance and repairs per sidewalk policy and criteria.
- ◆ Complete the asphalt paving rehabilitation of 5.09 lane miles of streets.
- ◆ Conduct ROW Assessment of asphalt roadways updating prior data from 2014.
- ◆ Continue rehabilitation of sidewalks, signs, pavement markings and roadways identified through ROW assessment and funded through budget process.
- ◆ 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 the transition of traffic sign services, lane markings and guardrail management from the Traffic Operations Division to the ROW Division.
- ◆ Achieve a more cost efficient Fleet division and improve customer service via the Motor Pool fund.
- ◆ Continue to decrease outsourcing in the Fleet division and continue to see cost benefits by keeping work in-house.
- ◆ Upgrade current fuel management software with updated tools, equipment, and software for better fuel management.
- ◆ Create a layer in GIS for Generator information and locations.
- ◆ Create and implement a Preventative Maintenance program for all City buildings.
- ◆ Complete facility condition assessment and rating system that identifies the condition of major infrastructure at City facilities and the remaining useful life of each, and submit required repairs and rehabilitation in future budgets.
- ◆ Complete City wide ITS traffic signal project upgrades.
- ◆ Implement new signal timing plans along key corridors (FM 518, Magnolia, FM 865 and FM 2234).
- ◆ Implement a street sweeping contract and maintain existing street sweeper for improved service delivery and storm water improvements.
- ◆ Continue installing fiber to connect city facilities and traffic signals.
- ◆ Continue Street sign replacement program (Year 5 of 7).
- ◆ Improve roadway safety by developing 4 year pavement marking program to remark streets citywide.
- ◆ Transition Traffic Committee request into the Track-it system.
- ◆ Complete the 15 Preliminary Engineering Reports and finalize the projects and costs for the FY19 Bond Program.
- ◆ Submit 4 Street Improvement projects and 1 trail project in the 2019-2023 TIP Program sponsored by HGAC.

PUBLIC WORKS



	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	2019 Target
Percent of Water Plants Mowed Within the 2-week Schedule	66%	49%	74%	75%
Street Sweeping (miles)	1,160	1,112	1,815	1,850
Ditch/Culvert Cleaning (feet)	55,519	48,463	34,604	40,000
Percent of Lane Miles in Need of Repair (asphalt)	37%	37%	37%	37%
Number of Open Sidewalk Repair Work Orders	637	674	680	675
Number of Potholes Repaired	4,158	2,499	1,875	3,000
Culvert Pipe Installed/Replaced (feet)	644	186	84	150
Average Total Value of Current Active Projects (millions)	\$288	\$399	\$529	\$510*
Percent of Change Orders to Total Contract Value	3.48%	1.72%	.8%	1.3%
Average Number of Active Projects Being Administered	28	34	33	38
<i>Percent of Active Projects Started on Schedule</i>	<i>80%</i>	<i>88%</i>	<i>80%</i>	<i>80%</i>
<i>Percent of Active Projects Completed on Schedule</i>	<i>75%</i>	<i>67%</i>	<i>73%</i>	<i>75%</i>

Parks & Recreation

Deputy City Manager

A woman wearing a blue t-shirt, a blue cap, and sunglasses is walking a white dog in a park. She is carrying a bag. In the background, there is a playground with blue equipment and a grassy area.

Parks & Recreation

Administration

Recreation

Athletics

Special Events

Senior Programs

Aquatics

Parks

Recycling

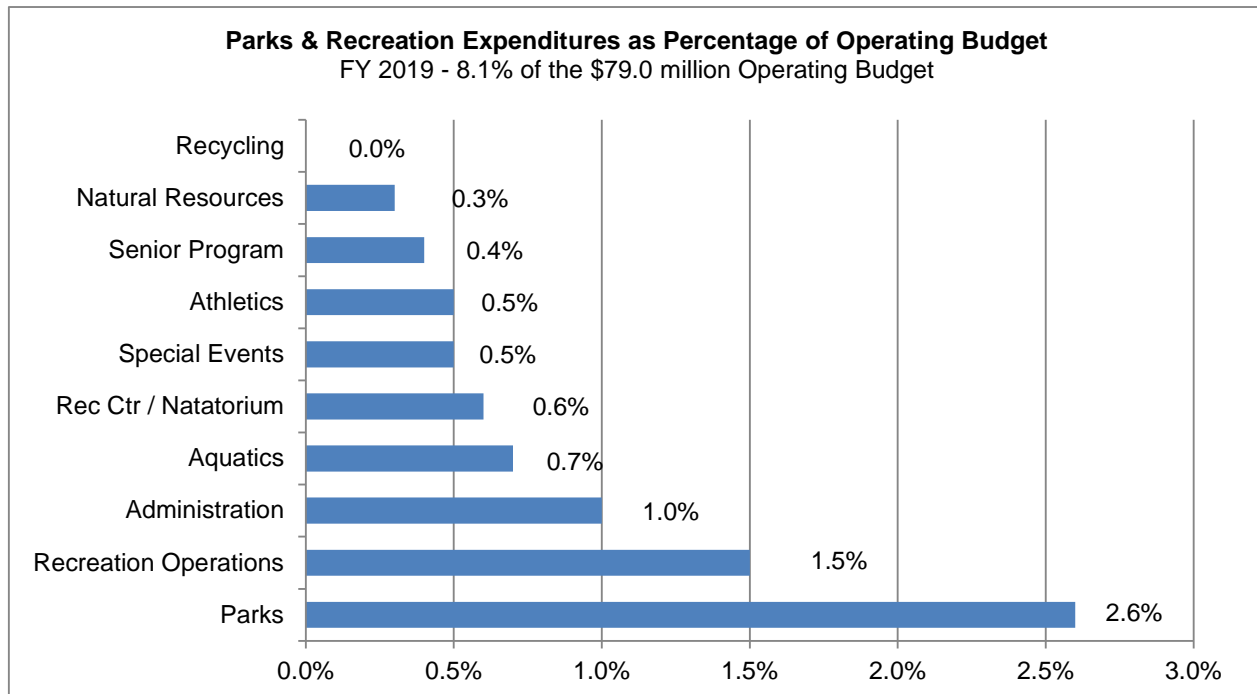
Natural Resources

Recreation Operations

**PARKS & RECREATION
EXPENDITURE SUMMARY
FY 2019 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
ADMINISTRATION	\$ 642,400	\$ 772,304	\$ 784,212	\$ 801,816
RECREATION CENTER/NATATORIUM	2,521,430	429,780	388,919	433,712
ATHLETICS	254,570	374,840	353,212	359,931
SPECIAL EVENTS	385,564	402,941	404,827	393,924
SENIOR PROGRAM	268,431	285,317	262,587	302,682
PARKS	2,197,318	1,913,190	2,249,286	1,966,711
NATURAL RESOURCES	287,429	304,702	273,085	275,889
AQUATICS	17,100	544,495	627,068	584,451
RECYCLING	1,672	1,525	1,200	1,200
RECREATION OPERATIONS		1,129,007	1,162,576	1,215,421
PARKS & RECREATION TOTAL	\$ 6,575,912	\$ 6,158,101	\$ 6,506,972	\$ 6,335,737

EXPENDITURES BY CATEGORY	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
SALARIES & WAGES	\$ 3,960,051	\$ 4,066,222	\$ 3,970,125	\$ 4,427,201
MATERIALS & SUPPLIES	520,814	506,008	483,531	491,082
BUILDINGS & GROUNDS	703,984	440,186	538,181	407,917
EQUIPMENT REPAIR & MAINTENANCE	92,387	105,438	104,468	44,000
MISCELLANEOUS SERVICES	1,008,079	960,006	887,687	886,610
INVENTORY	12,012		9,221	
CAPITAL OUTLAY	278,585	80,241	513,759	
MOTOR POOL TRANSFERS				78,927
PARKS & RECREATION TOTAL	\$ 6,575,912	\$ 6,158,101	\$ 6,506,972	\$ 6,335,737



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, enhance livability in the community. In addition to leisure classes, athletics and aquatics, adaptive/therapeutic, special events, wellness, fitness, 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 2019 include:

- ◆ Added Park Naturalist position \$48,179

GOALS

- ◆ Improve internal communication.
- ◆ Improve external communication.
- ◆ Enhance strategic environmental stewardship.
- ◆ Consistently deliver quality programs.
- ◆ Ensure social equity through service delivery.
- ◆ Enhance & update assets to deliver premiere experiences.
- ◆ Become a recognized leader.
- ◆ Enhance organizational & operational efficiency.
- ◆ Enhance public health through engagement.
- ◆ Create effective and efficient financial practices.

FISCAL YEAR 2018 ACCOMPLISHMENTS

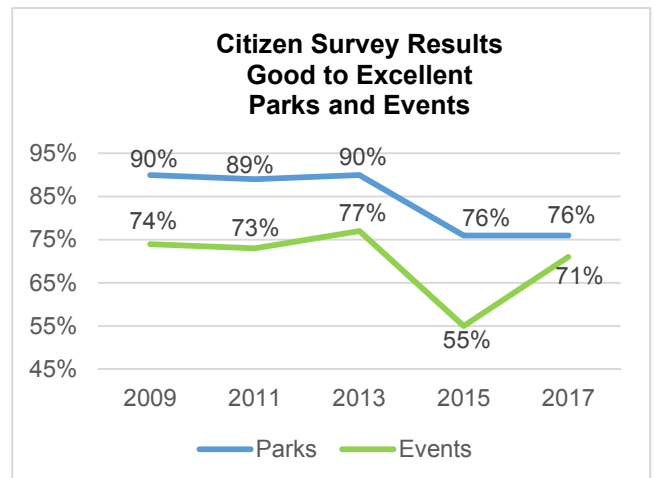
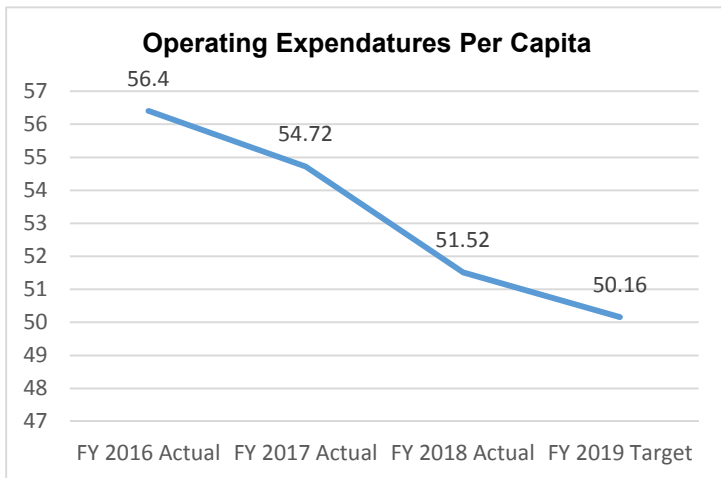
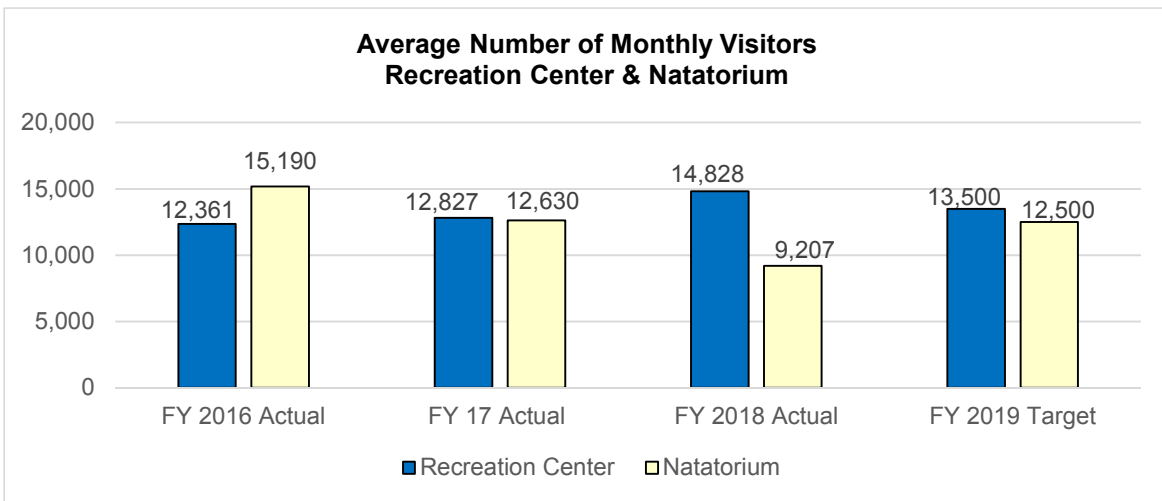
- ◆ Initiated an ongoing partnership program with the Houston Zoo to provide new Outdoor Recreation/Education opportunities to the public.
- ◆ Installed a Footgolf course at the existing Centennial Disc Golf course.
- ◆ Implemented an Adaptive Kayaking program.
- ◆ Developed the Natural Resources Division's strategic plan.
- ◆ Participated in the nation-wide City Nature Challenge.
- ◆ Removed 10 acres of non-native invasive Chinese Tallow trees.
- ◆ Grew approximately 3,700 native plants for habitat improvement projects.
- ◆ Stocked JHEC ponds with 1,100 catfish to increase public fishing opportunities.
- ◆ Installed 2 large shade structures at the Sports Complex at Shadow Creek Ranch.
- ◆ Completed Centennial Park Phase II bringing an additional 2 softball fields to Centennial.
- ◆ Resurfaced the 4 tennis courts at Centennial Park, 4 tennis courts at Independence Park and 2 basketball courts at Independence Park.
- ◆ Completed Trail Connectivity Phase II project from Magnolia to Veterans.
- ◆ Replaced indoor running track at the Recreation Center and Natatorium
- ◆ Implemented popup recreation programs.
- ◆ Partnered with Be a 9th Wonder Foundation to host an Adaptive Basketball Clinic for children with special needs.
- ◆ In conjunction with the Houston Rockets, we hosted two successful Li-Ning International Basketball Camps.
- ◆ Hosted the 2018 TAAF Winter Games of Texas
- ◆ Hosted the Southwest Zone Junior Olympic Qualifications, the largest water polo tournament ever held in the state of Texas.
- ◆ Provided swim lessons to 876 participants through the American Red Cross Learn-to-Swim program.
- ◆ Hosted USA Water Polo Olympic Development Program selection and training season.

PARKS & RECREATION

FISCAL YEAR 2019 OBJECTIVES

- ◆ Identify internal communication platforms.
- ◆ Create an Innovation and Sustainability Task Force.
- ◆ Develop a Strategic Marketing Plan.
- ◆ Restore, preserve & enhance natural areas in the community.
- ◆ Ensure programs and services are current, trending and relevant.
- ◆ Increase awareness of financial assistance program.
- ◆ Make planning decisions to eliminate barriers, either perceived or real.
- ◆ Utilize data, community needs and trends when updating assets.

PERFORMANCE MEASURES



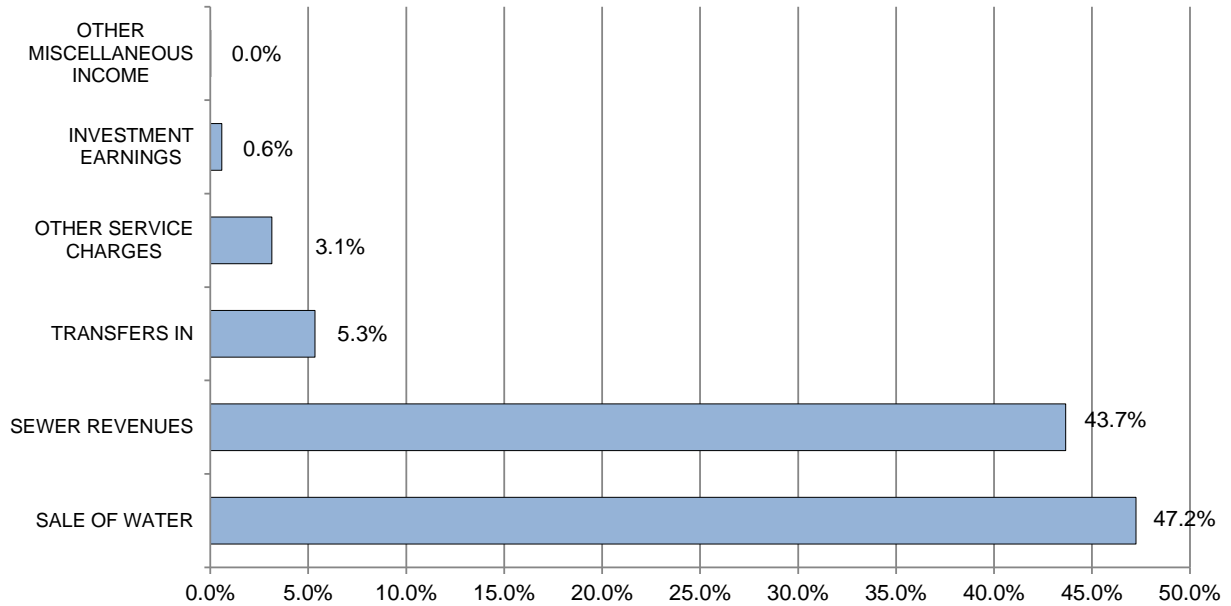
**ENTERPRISE (WATER AND SEWER) FUND
FY 2019 ADOPTED BUDGET**

OVERVIEW

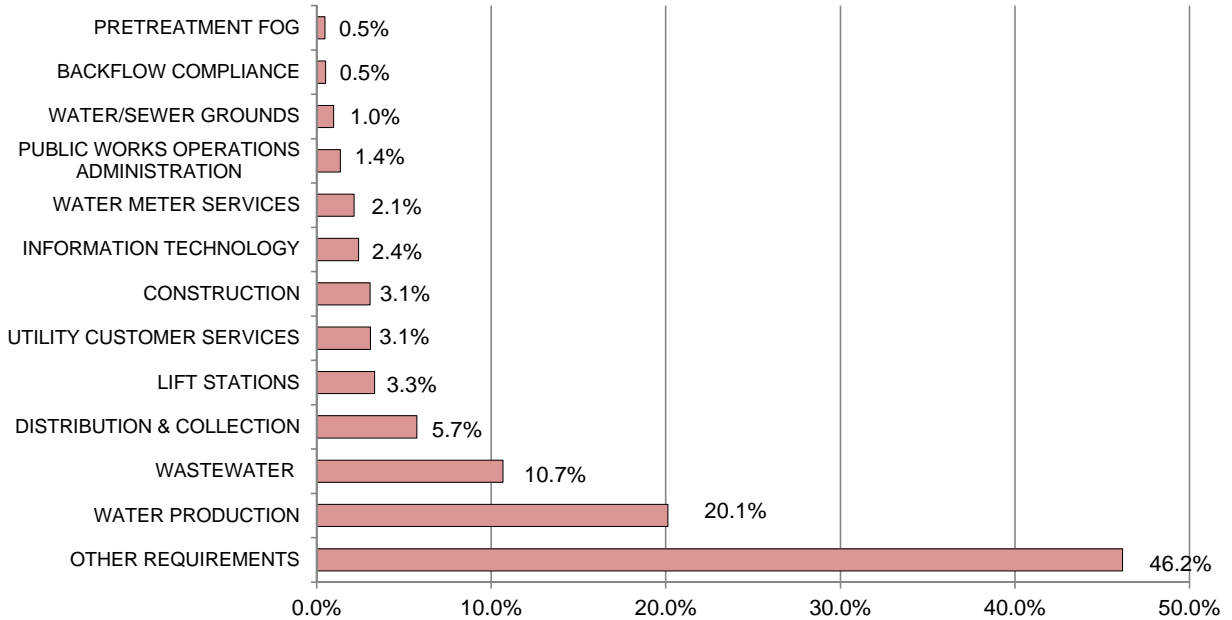
The Water & Sewer Fund is an enterprise fund that includes water and sewer system operations. The fund is operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The City provides water and sewer service to approximately 37,000 residential and commercial customers. Water & Sewer revenues provide 90.9% 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. A revenue increase is not needed for fiscal year 2019.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
SALE OF WATER	\$22,061,002	\$22,233,388	\$25,500,000	\$26,077,836
SEWER REVENUES	20,256,189	22,374,169	23,500,000	24,097,048
OTHER SERVICE CHARGES	1,327,044	1,744,000	1,686,000	1,735,000
INVESTMENT EARNINGS	84,855	175,000	325,000	325,000
OTHER MISCELLANEOUS INCOME	65,230	22,500	7,000	12,500
TRANSFERS IN	2,650,000	2,950,000	2,950,000	2,950,000
OTHER FINANCING SOURCES	52,675,631			
TOTAL	99,119,952	49,499,057	53,968,000	55,197,384
EXPENSES				
UTILITY CUSTOMER SERVICES	1,410,743	1,366,734	1,497,716	1,644,923
INFORMATION TECHNOLOGY	513,603	731,363	772,792	1,285,576
OTHER REQUIREMENTS	73,818,584	23,627,901	25,853,249	24,550,762
PUBLIC WORKS OPERATIONS ADMINISTRATION	679,440	1,059,026	1,139,941	727,551
WATER/SEWER GROUNDS	435,017	583,155	438,372	528,303
LIFT STATIONS	1,784,854	1,507,709	1,770,024	1,780,483
WASTEWATER	5,742,781	5,234,716	5,444,834	5,709,337
BACKFLOW COMPLIANCE				270,642
WATER PRODUCTION	9,572,564	9,622,877	9,513,266	10,758,831
DISTRIBUTION & COLLECTION	2,426,141	2,611,210	2,597,609	3,099,461
CONSTRUCTION	828,089	1,086,984	1,353,346	1,652,469
WATER METER SERVICES	1,295,624	1,387,657	953,079	1,155,056
PRETREATMENT FOG				253,326
TOTAL	98,507,440	48,819,332	51,334,228	53,416,720
REVENUES OVER/(UNDER) EXPENSES	612,512	679,725	2,633,772	1,780,664
Beginning Cash Equivalents	18,500,872	16,671,900	20,806,602	23,440,374
Reserve for Debt Service	3,616,964	3,796,725	3,796,725	4,356,022
Ending Cash Equivalents	\$15,496,420	\$13,554,900	\$19,643,649	\$20,865,016
Bond Coverage - 1.4	13.48		4.08	3.49
Cash Reserve Ratio - 25%	54%		58%	58%

WATER AND SEWER REVENUES FY 2019



WATER AND SEWER FUND EXPENSES FY 2019



**ENTERPRISE (WATER & SEWER) FUND
REVENUE & EXPENSE SUMMARY
FY 2019 ADOPTED BUDGET**

FISCAL YEAR 2017-2018

Projected revenues of \$53,968,000 are \$4,468,943, or 9.0%, more than the original budget and \$45,151,952, or 45.6%, less than the fiscal year 2017 actual of \$99,119,952 due to \$52,675,631 of proceeds from debt refinancing in FY 2017. The fiscal year 2018 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 \$4,392,443 or 9.8% higher than budgeted. Other service charges are projected to come in slightly more than the original budget amount.

Fiscal Year 2018 expenses are anticipated to be \$53,416,720. This is \$2,514,896 more than the original budget of \$48,819,332, due to \$2.04 million in additional funds added to fund capital improvement projects with cash. Expenses are estimated \$47,173,212 lower than the fiscal year 2017 actual due to refinancing of existing debt and \$1.48 million defeasance. Debt payments have increased \$2.1 million over 2017 actuals. The ending balance at September 30, 2018 is estimated to be \$19,643,649 with a 58% cash reserve ratio and a bond coverage of 4.08, above the required indicators.

FISCAL YEAR 2018-2019

Fiscal Year 2019 budgeted revenues total \$55,197,384, a \$1,229,384 increase from the fiscal year 2018 projections. Water and sewer charges increased by \$1,174,884, or 2.4%, over the 2018 projections. This is mainly due to an anticipated increase in customer growth of 2.5%.

Fiscal year 2019 expenses total \$53,416,720 and include annual debt service payments of \$17.38 million, an increase of only \$15,000 from fiscal year 2018. Expenses are \$2,082,492 or 4.1%, higher than the fiscal year 2018 projections and are \$4,597,388, or 9.4%, higher than the original budget.

Enhancements to the budget total \$862,007, \$686,532 recurring and \$175,475 non-recurring. Enhancements include additional funding for two customer service rep II (\$93,654), reclassification of current a position to lead billing specialist (\$17,000), assistant director of utilities (\$120,912), forklift (\$35,000), backflow inspector with vehicle (\$90,268), environmental superintendent (\$88,022), maintenance crew leader with vehicle (\$98,440), two maintenance workers with vehicle (\$225,808), and pretreatment technician with vehicle (\$92,903).

The budget anticipates a water/sewer bond sale totaling \$34.74 million to fund infrastructure improvements in the capital improvement program.

Available ending balance at September 30, 2019 is expected to be \$20,865,016. Revenues exceed expenditures by \$1,780,664. Bond coverage is 3.49 and cash reserves are 58%.

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

Consumption	Current Bill	2019 Bill	Amount Changed
Base (0-2,000)	\$38.04	\$38.04	\$ 0.00
6,000	\$73.80	\$73.80	\$ 0.00
8,000	\$83.66	\$83.66	\$ 0.00
10,000	\$93.52	\$93.52	\$ 0.00
15,000	\$118.17	\$118.17	\$ 0.00

**ENTERPRISE (WATER & SEWER) FUND
EXPENSE SUMMARY
FY 2019 ADOPTED BUDGET**

EXPENSES BY DEPT/DIVISION	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
UTILITY CUSTOMER SERVICE	1,410,743	1,366,734	1,497,716	1,644,923
INFORMATION TECHNOLOGY	513,603	731,363	772,792	1,285,576
OTHER REQUIREMENTS *	73,818,584	23,627,901	25,853,249	24,550,762
PUBLIC WORKS ADMINISTRATION	679,440	1,059,026	1,139,941	727,551
WATER/SEWER GROUNDS	435,017	583,155	438,372	528,303
LIFT STATIONS	1,784,854	1,507,709	1,770,024	1,780,483
WASTEWATER	5,742,781	5,234,716	5,444,834	5,709,337
BACKFLOW COMPLIANCE				270,642
WATER PRODUCTION	9,572,564	9,622,877	9,513,266	10,758,831
DISTRIBUTION & COLLECTION	2,426,141	2,611,210	2,597,609	3,099,461
CONSTRUCTION	828,089	1,086,984	1,353,346	1,652,469
WATER METER SERVICES	1,295,624	1,387,657	953,079	1,155,056
PRETREATMENT FOG				253,326
WATER & SEWER FUND TOTAL	98,507,440	48,819,332	51,334,228	53,416,720

EXPENSES BY CATEGORY	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
SALARIES & WAGES	7,245,932	7,553,331	7,382,345	8,512,437
MATERIALS & SUPPLIES	7,796,699	8,299,353	7,863,932	8,225,748
BUILDING & GROUNDS	90,269	104,050	178,117	137,130
REPAIR & MAINTENANCE	3,325,665	3,278,411	3,750,946	4,251,379
MISCELLANEOUS SERVICES	5,431,358	5,038,762	5,879,633	6,245,948
INVENTORY	53,788	44,615	37,495	72,385
TRANSFERS/OTHER CHARGES	73,543,987	23,446,478	25,453,249	25,971,693
CAPITAL OUTLAY	1,019,743	1,054,332	788,511	
WATER & SEWER FUND TOTAL	98,507,440	48,819,332	51,334,228	53,416,720

Public Works (Water & Sewer)

Assistant City Manager



Public Works

Administration

Grounds Maintenance

Lift Stations

Wastewater Treatment

Backflow Compliance

Water Production

Distribution & Collections

Water & Sewer Construction

Meter Services

Pre-Treatment FOG

PUBLIC WORKS - UTILITIES

OVERVIEW

Within the Water & Sewer Fund, the Public Works Department oversees Lift Stations, Wastewater Treatment, Water Production, Distribution and Collection, Construction, Water Meter Services, Environmental Services and Public Works Water and Sewer Facilities Mowing. These divisions manage all utility 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 collects water samples for laboratory testing and submits sample 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. Water Meter Services oversees the installation and deployment of the new meters as part of the Advanced Meter Infrastructure project. The Environmental Services division oversees backflow prevention and cross connection prevention programs, pre-treatment programs.

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 2019 Include:

- ◆ Assistant Director of Utilities - \$120,912
- ◆ Environmental Superintendent - \$88,022
- ◆ Backflow Inspector w/Vehicle - \$90,268
- ◆ Maintenance Crew Leader w/Vehicle - \$98,440
- ◆ Two Maintenance Workers w/Vehicle - \$170,308
- ◆ Pretreatment Technician w/Vehicle - \$89,403

GOALS

- ◆ Select and initiate an Asset Management program, software and condition rating and assessment.
- ◆ Cross training of staff within the Utility divisions.
- ◆ Provide efficient operation of the sanitary infrastructure by minimizing surcharges, overflows, and inflow and infiltration in the sanitary sewer system to maintain compliance and maximize the existing treatment capacity.
- ◆ 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.
- ◆ Identify Lift Stations to be decommissioned and connected to gravity sanitary sewer system.
- ◆ Installation of water quality analyzers at City of Houston water connection re-pressurization locations.
- ◆ Create preventative maintenance program for water and sanitary sewer system.
- ◆ Maintain and expand the water distribution system maintenance program 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 utility facilities to reduce unplanned shutdowns and minimize maintenance costs.
- ◆ Continue to rehabilitate the sanitary sewer system by identifying risks and priorities to prolong the life expectancy and decrease the inflow of storm water into the sanitary sewer system.
- ◆ Provide distinguished customer service by quickly and courteously responding to citizen complaints or requests, including requests from City departments.
- ◆ Maintain and enhance the appearance of City water and wastewater facilities through regular landscape maintenance management practices.

PUBLIC WORKS – UTILITIES

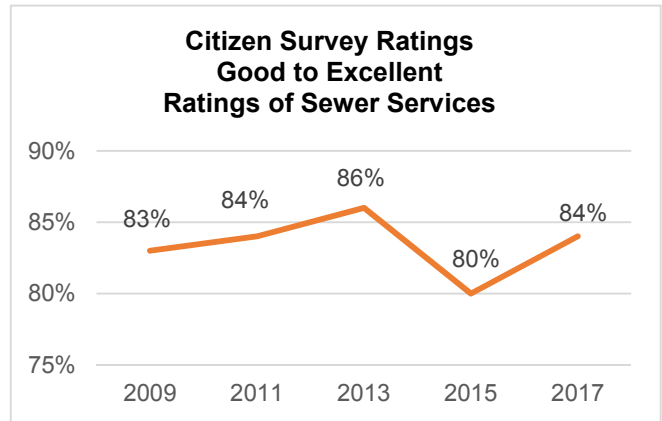
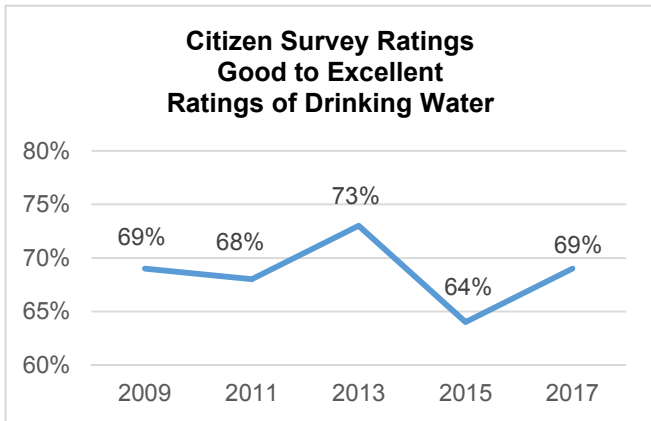
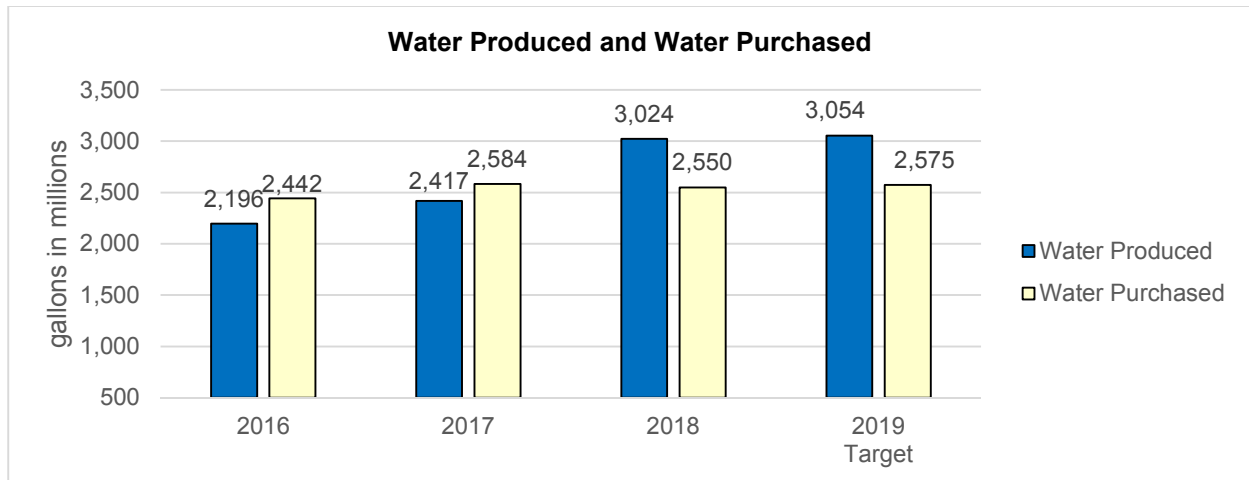
FISCAL YEAR 2018 ACCOMPLISHMENTS

- ◆ 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.
- ◆ All certified operators have attended at least two (2) classes for training/renewal hours towards required license.
- ◆ New generator ATS installed at Longwood WRF.
- ◆ Staff created plant shut down protocol for emergency response.
- ◆ Completed rehabilitation of Liberty and Parkview Lift Stations.
- ◆ The Pearland Heights Lift Station was converted into a manhole and wastewater was flowed by gravity to the Spring Meadow Lift Station.
- ◆ Operational zoning of staff for accountability by assigning operators to specific quadrants on a monthly basis. Operators are accountable for water quality and water facilities in their designated area.
- ◆ Optimized treatment facilities by completing study of chlorine to ammonia ratio which assisted in the improvements to treatment plant performance, public health and water quality in the distribution system.
- ◆ Implemented American Water Works Association sampling protocol creating a standard for new line construction.
- ◆ Completed Nitrification Action Plan updated to maintain regulatory compliance.
- ◆ Initiated the installation of waterline in the Willow Crest and Mimosa Acres neighborhoods to replace aging transite water line.
- ◆ Rehabilitation of 4.3 miles of sanitary sewer via trenchless methods to reduce failures and inflow and infiltration into the sanitary sewer system.
- ◆ Over 8 miles of sanitary line inspected to identify inflow and infiltration into the sanitary system and sanitary lines for rehabilitation.
- ◆ Completed water line maintenance and cleaning in the Sunset Meadows, Sunset Lakes, Pine Hollow, Oak Brook, Dixie Woods, Dixie Hollow, Pine Shadows, Willow Lakes, Shady Crest, River Mist, Pearland Park Estates, Pearland Farms, Orchard Glen and Canterbury Park subdivisions.
- ◆ Obtained the 10.5 yd Concrete Truck for additional productivity to repair utility cuts. .
- ◆ Acquired the Waterline maintenance trailer to reduce cost of the program.
- ◆ Successfully completed 13,247 utility locate requests.
- ◆ Received, reviewed and managed 386 Right-of-Way permits.
- ◆ Successfully implemented the water well, reclamation facility and lift station grounds maintenance contract providing utility properties.
- ◆ Successfully implemented the Hot Shot Crew and services within the community, highlighted inside the Pearland in Motion Magazine.

FISCAL YEAR 2019 OBJECTIVES

- ◆ Continue with the expansion of wastewater reclamation facilities throughout the City.
- ◆ Complete the expansion of the Reflection Bay Water Reclamation Facilities, bringing the total treatment capacity to 6 MGD.
- ◆ Continue with cross-training with the intent to have staff dual licensed (Water and Wastewater).
- ◆ Continue to identify water and sanitary lines that have outlived their expected life or are likely to fail, include in Asset Management system and replace or repair those lines as resources allow.
- ◆ Complete assessment and upgrade of SCADA system software, graphics and communication network.
- ◆ Rehabilitate or eliminate one to three lift stations, including Mary's Creek, Veterans I and Springfield Lift Stations.
- ◆ Complete the installation of waterline in the Willow Crest and Mimosa Acres neighborhoods to replace aging transite water lines.
- ◆ Initiate contracts for transite water lines replacements. Initiate contracts for manhole rehabilitation program.
- ◆ Develop internal user guide and process chart for ROW permit review process (TRAKiT).
- ◆ Improve municipal owned utility locating efforts, through coordinated cross training of line locating resources (utility locator tool) and techniques.
- ◆ Enhance the aesthetics of one water plant property through the installation of landscape material/landscape renovation at the entrance to utility facility.

PUBLIC WORKS – UTILITIES



PERFORMANCE MEASURES

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
Wastewater gallons treated in billion gallons	3.515	3.513	3.513	3.500
Cost per gallon to treat wastewater	\$0.0013	\$0.0016	\$0.0011	\$0.0013
Water main installation (feet)	11,800	2,300	5,305	5,000
Sewer main installation (feet)	0	16,817	14,582	10,000
Cost per gallon of water purchased	\$0.0043	\$0.0044	\$0.0042	\$0.0045
Percent of time Waste Water Treatment Plant over capacity	20%	0%	0%	0%

FINANCE UTILITY CUSTOMER SERVICE

OVERVIEW

Water Billing & Collection Services 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. As the main point of contact with the City residents, WB&C is committed to welcoming the new residents of Pearland and making it a great place to live.

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 2019 Include:

- ◆ Two Customer Service Rep II - \$93,654

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.
- ◆ Revamp WB&C website to include customer education, water conservation tips and AMI Project Updates.

FISCAL YEAR 2018 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.
- ◆ Completed one year of new ERP utility management system.
- ◆ Refreshed staff training of customer service through a refresher of “The Pearland Way” ideology.
- ◆ Filled Assistant Manager vacancy.
- ◆ Developed process documentation of internal operations plans to optimize consistent use of the New World System.

FISCAL YEAR 2019 OBJECTIVES

- ◆ Implement Analytics reporting of City-wide MUD account to ensure proper identification and residential billing.
- ◆ 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
Annual meter reads	407,406	461,502	467,910	479,607
Percent of payments processed online	52%	41%	54.24%	60%
Number of cut-offs	1,284	896	1,987	1,192

FINANCE UTILITY CUSTOMER SERVICE

OVERVIEW

Water Billing & Collection Services 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. As the main point of contact with the City residents, WB&C is committed to welcoming the new residents of Pearland and making it a great place to live.

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 2019 Include:

- ◆ Two Customer Service Rep II - \$93,654

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.
- ◆ Revamp WB&C website to include customer education, water conservation tips and AMI Project Updates.

FISCAL YEAR 2018 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.
- ◆ Completed one year of new ERP utility management system.
- ◆ Refreshed staff training of customer service through a refresher of “The Pearland Way” ideology.
- ◆ Filled Assistant Manager vacancy.
- ◆ Developed process documentation of internal operations plans to optimize consistent use of the New World System.

FISCAL YEAR 2019 OBJECTIVES

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- ◆ Continue staff development through customer service training to exemplify the Pearland Way.
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**ENTERPRISE FUND DEBT MATURITY SCHEDULE
FY 2019 ADOPTED BUDGET**

**ENTERPRISE FUND DEBT
REVENUE BONDS**

Year	Principal	Interest	Total
2018-2019	10,630,000	6,132,446	16,762,446
2019-2020	10,790,000	5,915,644	16,705,644
2020-2021	11,010,000	5,654,876	16,664,876
2021-2022	11,090,000	5,379,299	16,469,299
2022-2023	11,920,000	5,089,992	17,009,992
2023-2024	11,105,000	4,755,136	15,860,136
2024-2025	11,390,000	4,435,983	15,825,983
2025-2026	11,895,000	4,097,336	15,992,336
2026-2027	12,225,000	3,661,955	15,886,955
2027-2028	11,500,000	3,210,682	14,710,682
2028-2029	11,855,000	2,762,481	14,617,481
2029-2030	12,140,000	2,378,961	14,518,961
2030-2031	10,930,000	2,014,996	12,944,996
2031-2032	8,420,000	1,683,287	10,103,287
2032-2033	8,590,000	1,412,691	10,002,691
2033-2034	8,770,000	1,133,783	9,903,783
2034-2035	6,250,000	875,208	7,125,208
2035-2036	5,450,000	687,064	6,137,064
2036-2037	5,065,000	534,357	5,599,357
2037-2038	3,980,000	392,549	4,372,549
2038-2039	3,065,000	291,894	3,356,894
2039-2040	2,430,000	236,928	2,666,928
2040-2041	2,445,000	204,774	2,649,774
2041-2042	2,450,000	172,086	2,622,086
2042-2043	2,465,000	139,036	2,604,036
2043-2044	2,475,000	105,447	2,580,447
2044-2045	2,490,000	71,404	2,561,404
2045-2046	790,000	36,850	826,850
2046-2047	800,000	21,194	821,194
2047-2048	290,000	5,249	295,249
TOTAL	214,705,000	63,493,583	278,198,583

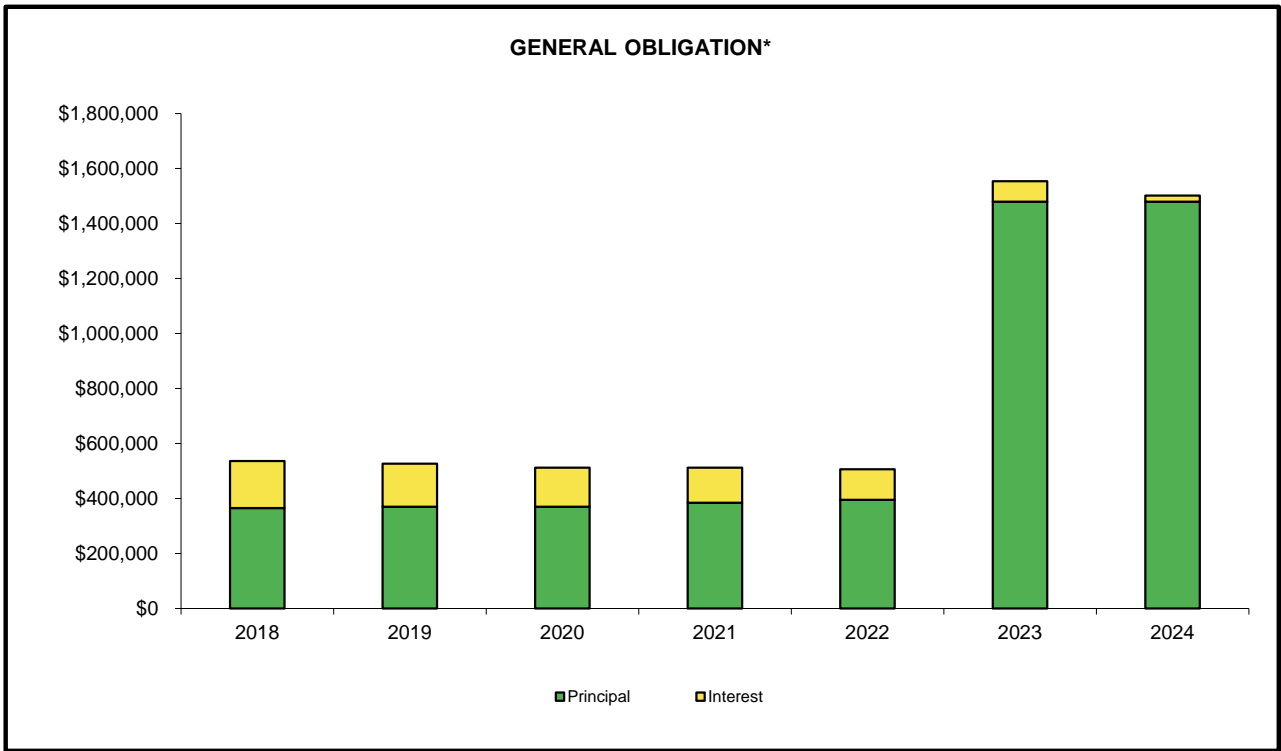
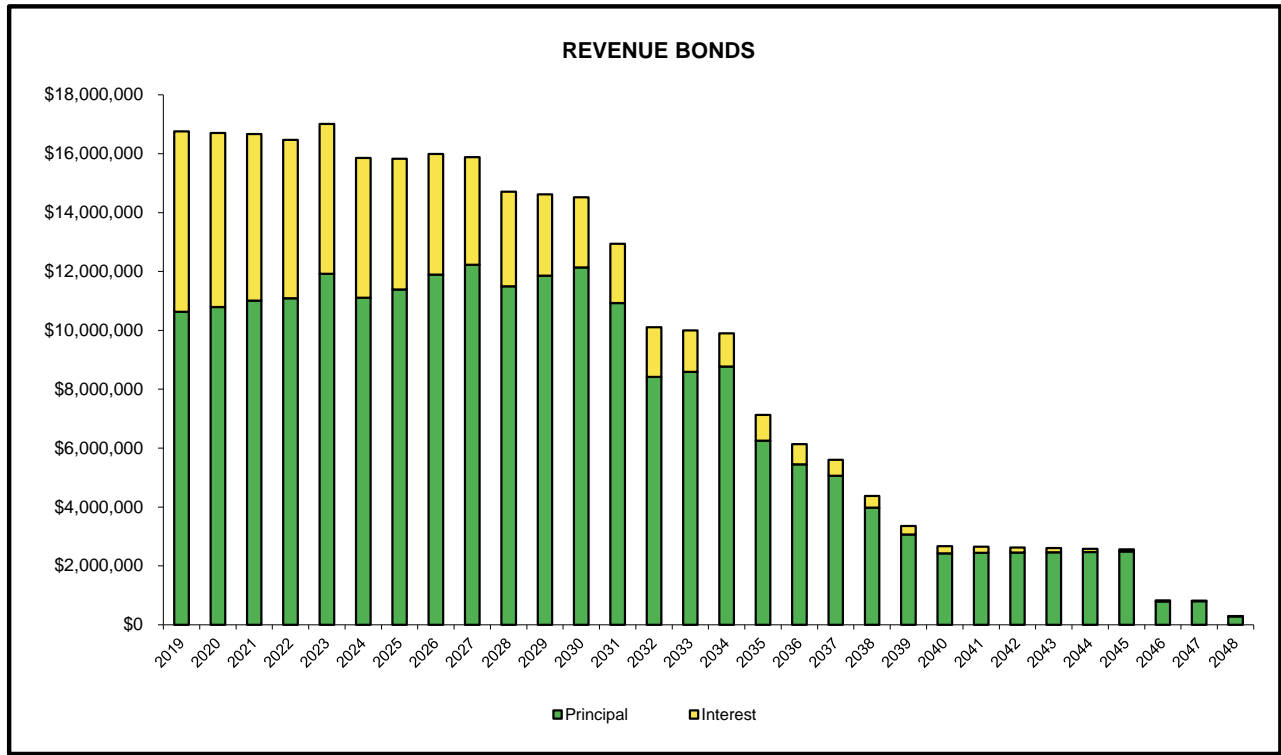
**GENERAL OBLIGATION
& REFUNDING SERIES**

Year	Principal	Interest	Total
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			
2043-2045			
2044-2046			
2043-2046			
TOTAL	4,845,000	805,700	5,650,700

<u>Series Name</u>	<u>Principal Amount Outstanding</u>
Water & Sewer Revenue Bonds Series 1999	1,195,000
Water & Sewer Revenue Bonds Series 2007	11,390,000
Water & Sewer Revenue Bonds Series 2010A	10,825,000
Water & Sewer Refunding Bonds Series 2010B	6,360,000
Permanent Improvement Refunding Bonds Series 2012*	4,845,000
Water & Sewer Revenue Bonds Series 2012	5,840,000
Water & Sewer Revenue Bonds Series 2014	8,435,000
Water & Sewer Revenue Bonds Series 2016	7,990,000
Water & Sewer Revenue Bonds Series 2016B (TWDB)	8,635,000
Water & Sewer Revenue Bonds Series 2016C (TWDB)	46,380,000
Water & Sewer Revenue Bonds Series 2017A (TWDB -DWSRF)	9,220,000
Water & Sewer Revenue Bonds Series 2017B (TWDB -DWSRF)	11,685,000
Water & Sewer Revenue & Refunding Bonds Series 2017C	59,050,000
Water & Sewer Revenue Bonds Series 2018A (TWDB -DWSRF)	8,650,000
Water & Sewer Revenue Bonds Series 2018B	19,050,000
TOTAL	<u>219,550,000</u>

* Excluding portion associated with General Fund
 **Does not include new debt anticipated to be issued.

**ENTERPRISE FUND DEBT TO MATURITY
FY 2019 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 2019 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/19
3/1/2019	Series 1999 Revenue Bond	4,000,000		27,485	27,485	
9/1/2019			585,000	27,485	612,485	
			585,000	54,970	639,970	610,000
3/1/2019	Series 2007 Revenue Bond	40,135,000		199,325	199,325	
9/1/2019				199,325	199,325	
			0	398,650	398,650	11,390,000
3/1/2019	Series 2010A Revenue Bond	14,040,000		226,866	226,866	
9/1/2019			455,000	226,866	681,866	
			455,000	453,731	908,731	10,370,000
3/1/2019	Series 2010B Refunding Bond	8,970,000		124,494	124,494	
9/1/2019			425,000	124,494	549,494	
			425,000	248,988	673,988	5,935,000
3/1/2019	Permanent Improvement and	6,230,000	365,000	89,500	454,500	
9/1/2019	Refunding Bond Series 2012*			82,200	82,200	
			365,000	171,700	536,700	4,480,000
3/1/2019	Series 2012 Revenue Bond	8,670,000		90,378	90,378	
9/1/2019			780,000	90,378	870,378	
			780,000	180,755	960,755	5,060,000
3/1/2019	Series 2014 Revenue Bond	9,210,000		149,809	149,809	
9/1/2019			230,000	149,809	379,809	
			230,000	299,619	529,619	8,205,000
3/1/2019	Series 2016A Revenue Bond	8,880,000		111,506	111,506	
9/1/2019			445,000	111,506	556,506	
			445,000	223,013	668,013	7,545,000
3/1/2019	Series 2016B Revenue Bond (TWDB)	11,100,000		3,762	3,762	
9/1/2019			1,230,000	3,762	1,233,762	
			1,230,000	7,524	1,237,524	7,405,000
3/1/2019	Series 2016C Revenue Bond (TWDB)	50,100,000		157,533	157,533	
9/1/2019			1,860,000	157,533	2,017,533	
			1,860,000	315,066	2,175,066	44,520,000
3/1/2019	Series 2017A Revenue	10,225,000		29,539	29,539	
9/1/2019	Bond (TWDB-DWSRF)		1,010,000	29,539	1,039,539	
			1,010,000	59,079	1,069,079	8,210,000
3/1/2019	Series 2017B Revenue	12,025,000		92,463	92,463	
9/1/2019	Bond (TWDB-DWSRF)		340,000	92,463	432,463	
			340,000	184,925	524,925	11,345,000
3/1/2019	Series 2017C Revenue Bond	60,970,000		1,334,266	1,334,266	
9/1/2019			2,025,000	1,334,266	3,359,266	
			2,025,000	2,668,531	4,693,531	57,025,000
3/1/2019	Series 2018A Revenue	8,650,000		59,302	59,302	
9/1/2019	Bond (TWDB-DWSRF)		290,000	59,302	349,302	
			290,000	118,604	408,604	8,360,000
3/1/2019	Series 2018B Revenue Bond	19,050,000		391,283	391,283	
9/1/2019			955,000	414,300	1,369,300	
			955,000	805,583	1,760,583	18,095,000
	TOTAL	272,255,000	10,995,000	6,190,736	17,185,736	208,555,000

*Excludes General Fund Component

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

**SOLID WASTE FUND
SUMMARY OF REVENUES, EXPENSES AND FUND BALANCE
FY 2019 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 2018 projection is based on a current rate of \$17.76 per household per month from October 2017 through September 2018 pursuant to quarterly fuel adjustments provided for in the Waste Management contract.

The fiscal year 2019 budget is anticipated to see a slight increase to \$18.43 effective October 2018, based on CPI in April 2018, and includes growth in the customer base of 75 to 95 new units per month. No rate adjustments for fuel are included.

	FY 2017* ACTUAL	FY 2018* ORIGINAL BUDGET	FY 2018* YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
SALES TAX DISCOUNT	\$ 67,763	\$ 2,800	\$ 2,871	\$ 2,800
CHARGES FOR SERVICES	6,481,078	7,384,239	7,560,000	7,700,000
MISCELLANEOUS	(19)	1,000	0	1,000
INTEREST INCOME	825	1,375	15	15
TOTAL	6,549,647	7,389,414	7,562,886	7,703,815
EXPENSES				
MISCELLANEOUS SERVICES	7,355,776	7,384,239	8,352,811	7,700,000
OTHER EXPENSES	(19,699)			
INTER-FUND TRANSFERS				
TOTAL	7,336,076	7,384,239	8,352,811	7,700,000
REVENUES OVER (UNDER) EXPENSES	(786,430)	5,175	(789,925)	3,815
BEGINNING CASH EQUIVALENTS	422,023	439,098	(364,407)	(1,154,332)
ENDING CASH EQUIVALENTS	\$ (364,407)	\$ 444,273	\$(1,154,332)	\$(1,150,517)

*\$1.3 million in debris clean-up was funded through the Solid Waste Fund through publication of this document, which accounts of the negative balance in this fund. Debris Clean-up will be reimbursable through FEMA.

SOLID WASTE

GOALS

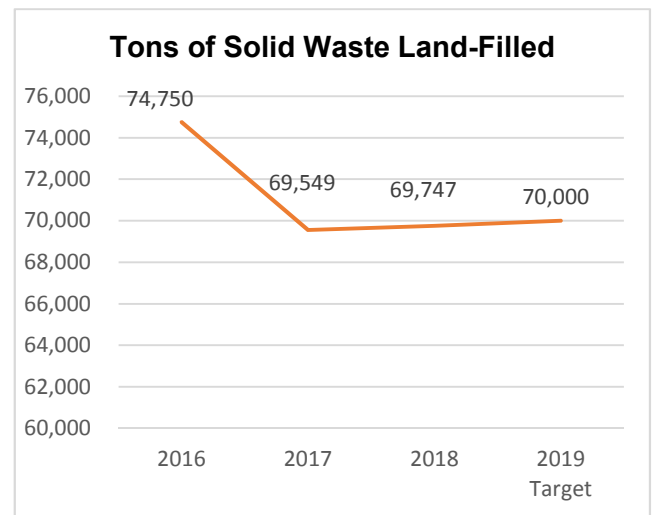
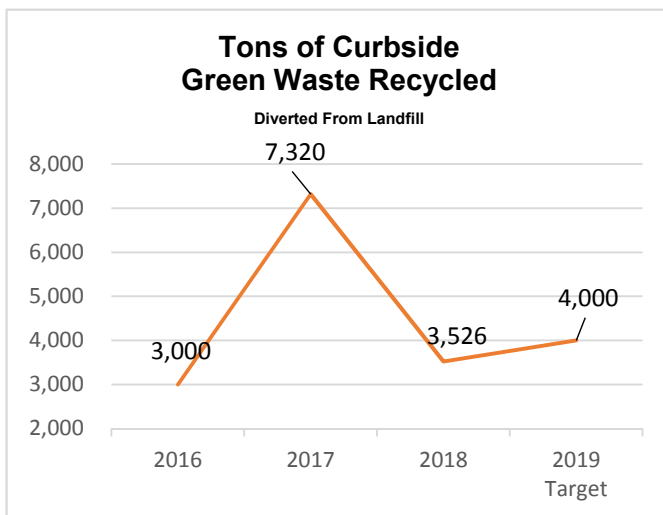
- ◆ Provide consistent, satisfying curbside service of solid, green waste, and recycle collection and disposal services to residents and commercial businesses within the City of Pearland.
- ◆ Provide public education and awareness to residents and businesses as necessary.
- ◆ Provide proactive client 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 2018 ACCOMPLISHMENTS

- ◆ Improved response time to customer issues regarding city-wide garbage collection and curbside recycling.
- ◆ Filled the vacant Assistant Manager position and to oversee AMI project.
- ◆ Collaborated with Public Works and Projects on AMI project.
- ◆ Completed updates of online forms and Water Billing website.

FISCAL YEAR 2019 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.
- ◆ 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 2018



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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.

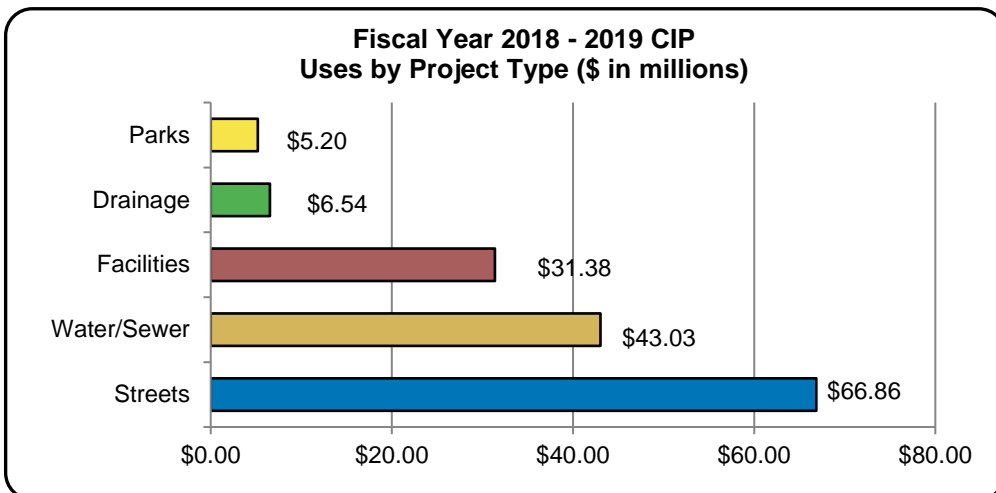
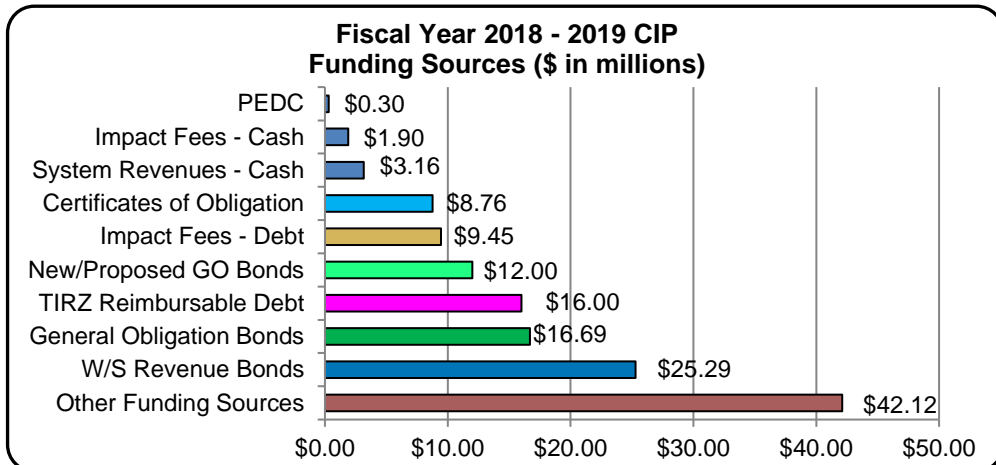
Fund 575 MUD 4 Capital Program – A fund created to pay for projects in the old MUD 4 area.

CAPITAL PROJECT FUNDS FY 2019 ADOPTED 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 \$155.8 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 (2019 - 2023) totaling \$676.1 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 \$124,538,000 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.

The first year of the Five-Year Capital Improvement Program is incorporated into the annual budget to appropriate funds. Capital projects for fiscal year 2018 - 2019 total \$153,001,858 excluding transfers and bond issuance costs.



Water/Sewer projects total \$43.03 million, or 28.1%, of the capital improvement program. Major projects include rehabilitating failing sanitary collection system, 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 on FM521, remove and replace existing discharge piping and install an odor control unit on the Cullen regional lift station, design to install 1 MG concrete ground storage tank at Bailey Water Plant, and installation of the McHard Road Trunk Sewer from Garden to Southdown WWTP.

Street projects total \$66.86 million, or 43.7%, of the total and include funding for right of way for Mykawa Road Widening, 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, the extension of approximately 3.5 miles of McHard Road, from Cullen Parkway to Mykawa Road, expansion of Smith Ranch Road from 2-lane asphalt into divided 4-lane with raised medians, and construct a 3-lane concrete curb and gutter "urban" cross-section northbound frontage road from County Road 59 to FM 518 (Broadway). Mykawa Road, Hughes Ranch Road, McHard Road, and Smith Ranch Road contain 80% construction funding through HGAC TIP.

Facilities total \$31.38 million, or 20.5%, and include construction for a new 12,000 square foot office facility at the Orange Street Service Center. Also, the City will begin construction 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. Funding is also available for a Shadow Creek Library preliminary engineering report and design for a new animal shelter. The city will also continue to extend the fiber network to reach all city facilities.

Drainage projects to be \$6.54 million, or 4.3%, of the total and include drainage improvements along Piper Road from FM 518 to Fite Road, Mimosa Acres Subdivision drainage improvements, Willowcrest Subdivision drainage improvements, West Lea Subdivision drainage improvements, and drainage improvements and additional detention capacity in the existing D.L. Smith Detention Pond and other nearby development areas.

Parks projects total \$5.2 million, or 3.4%, of the total. Funds are included for park equipment replacement, design of the 12,400 feet long, 10 foot wide concrete Clear Creek Trail, design of Independence Park Phase II, a permanent stand-by generator that will operate the recreation center a full capacity to be able to provide full operational capacities in time of emergency for City staging or as a shelter, and design of Shadow Creek Ranch Park Phase II.

For the Water/Sewer component, the City anticipates selling revenue bonds totaling \$34.7 million to fund infrastructure improvements in the capital improvement program.

Of the remaining \$101 million, the City anticipates selling \$16.7 million in GO Bonds approved by the voters in 2007 and selling Certificates of Obligation in the amount of \$8.8 million mainly for facility projects not anticipated with the 2007 bond referendum but needed for Public Safety (Fire Station 7 and 8), Public Works, and Hike & Bike Trails. A total of \$39.7 million will come from HGAC Transportation Improvement Program funds and developer contributions, mainly for street projects and hike and bike trails.

In addition, \$12 million in new/proposed general obligation bonds will be appropriated after voter approval and \$16 million in funds are anticipated to be reimbursed by TIRZ.

GOVERNMENTAL FUND

	FUND 500 PAY-AS-YOU- GO	FUND 501 CERTIFICATES OF OBLIGATION	FUND 503 2006 CERTIFICATES OF OBLIGATION	FUND 506 GENERAL OBLIGATION	TOTAL
REVENUES:					
INTEREST INCOME	10,000	200,000		300,000	510,000
BOND PROCEEDS		24,057,190		15,660,415	39,717,605
IMPACT FEES					
MISCELLANEOUS					
INTERGOVERNMENTAL		2,930,328		38,100,063	41,030,391
TRANSFERS IN		300,000		5,361	305,361
TOTAL REVENUES	10,000	27,487,518		54,065,839	81,563,357
EXPENDITURES:					
DRAINAGE				2,100,000	2,100,000
PARKS		1,600,000		1,000,000	2,600,000
FACILITIES	265,000	27,175,000			27,440,000
STREETS		7,325,000		53,890,000	61,215,000
WATER					
SEWER					
TOTAL PROJECTS	265,000	36,100,000		56,990,000	93,355,000
ISSUANCE COSTS					
OTHER NON-OPERATING					
TRANSFERS OUT	125,245	530,645	3,916	619,494	1,279,300
TOTAL NON-OPERATING	125,245	530,645	3,916	619,494	1,279,300
TOTAL EXPENDITURES	390,245	36,630,645	3,916	57,609,494	94,634,300
REVENUES OVER/(UNDER)					
EXPENDITURES	(380,245)	(9,143,127)	(3,916)	(3,543,655)	(13,070,943)
BEGINNING BALANCE	926,916	3,412,567	14,625	4,155,866	8,509,974
Ending Fund Balance ⁽¹⁾	\$ 546,671	\$ (5,730,560)	\$ 10,709	\$ 612,211	\$ (4,560,969)

⁽¹⁾Balance of CO's to be sold in 2020 - \$5.84 million

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

ENTERPRISE FUND

	FUND 550 UTILITY IMPACT FEE	FUND 555 SHADOW CREEK RANCH IMPACT FEE	FUND 565 REVENUE BONDS	FUND 570 PAY-AS-YOU- GO	FUND 575 MUD 4 CAPITAL PROGRAM	TOTAL	GRAND TOTAL
REVENUES:							
INTEREST INCOME	900,000	10,000	100,000	10,000		1,020,000	1,530,000
BOND PROCEEDS	24,590,000		5,740,000			30,330,000	70,047,605
IMPACT FEES	4,500,000	250,000				4,750,000	4,750,000
MISCELLANEOUS INTERGOVERNMENTAL TRANSFERS IN			245,000	2,915,000		3,160,000	41,030,391 3,465,361
TOTAL REVENUES	29,990,000	260,000	6,085,000	2,925,000		39,260,000	120,823,357
EXPENDITURES:							
DRAINAGE							2,100,000
PARKS							2,600,000
FACILITIES							27,440,000
STREETS							61,215,000
WATER	31,860,638		4,485,000	2,345,000		38,690,638	38,690,638
SEWER	1,990,000		1,500,000	1,170,000		4,660,000	4,660,000
TOTAL PROJECTS	33,850,638		5,985,000	3,515,000		43,350,638	136,705,638
ISSUANCE COSTS	1,000,000					1,000,000	1,000,000
OTHER NON-OPERATING TRANSFERS OUT	2,384,100	700,000	272,916	173,688		3,530,704	4,810,004
TOTAL NON-OPERATING	3,384,100	700,000	272,916	173,688		4,530,704	5,810,004
TOTAL EXPENDITURES	37,234,738	700,000	6,257,916	3,688,688		47,881,342	142,515,642
REVENUES OVER/(UNDER) EXPENDITURES	(7,244,738)	(440,000)	(172,916)	(763,688)		(8,621,342)	(21,692,285)
BEGINNING BALANCE	24,329,730	1,431,825	405,721	837,728	428	27,005,432	35,515,406
ENDING BALANCE	\$ 17,084,992	\$ 991,825	\$ 232,805	\$ 74,040	\$ 428	\$ 18,384,090	\$ 13,823,121

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 2019 ADOPTED BUDGET**

Project #	Project Name	Project Description				
<i>Drainage Projects</i>						
DR2002	D. L. Smith Area Drainage Improvements	Drainage improvements and additional detention capacity in the existing D.L. Smith Detention Pond and other nearby development areas. Improvements to be considered are Clear Creek Improvements, additional detention capacity and drainage mitigation and land acquisition as a result of Hurricane Harvey.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$5,888,036	\$2,100,000	\$0	\$0	\$0	\$4,500	\$4,500
Drainage Total Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$5,888,036	\$2,100,000	\$0	\$0	\$0	\$4,500	\$4,500

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project # Project Name Project Description

Parks Projects						
PK1904	Clear Creek Trail	Construction of approximately 12,400 feet long, 10 foot wide concrete hike and bike trail beginning at the existing trail north of Barry Rose WRF, proceeding to the El Franco Lee Park then crossing back over Clear Creek and beneath the Pearland Parkway bridge then turning south to the University of Houston campus. This trail will include a San Jacinto historical theme with points of interest signage and include one pedestrian bridge, and is part of the regional San Jacinto Trail System celebrating Texas heritage.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$10,700	\$1,600,000	\$0	\$0	\$0	\$2,493	\$15,704

PK1905	Recreation Center & Natatorium Generator & Improvements	This project will be to provide a permanent stand-by generator that will operate the RCN at full electrical capacity to be able to provide full operational capacities in time of emergency for City staging or as a shelter. Work will also include the removal of the drop ceilings adjacent to the basketball courts and replace the VCT flooring with concrete stain and existing accordion dividers with room dividers in the multi-purpose rooms and the Zone.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0

Parks Total Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$1,010,700	\$2,600,000	\$0	\$0	\$0	\$2,493	\$15,704

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project # Project Name Project Description

Facility Projects						
FA1404	Orange Street Service Center Phase 1	The original project was to be completed in two parts, renovation of the old EMS building as a Field Operations Support building (1A) and construction of a new Administration building (1B), the project is being revised to encompass the construction of one larger Administration building with supporting parking and site improvements to house both the Public Works administrative staff and Engineering and Capital Projects staff, as well as demolition of the existing Administration and two-story Field Operations Support buildings. Construction of the new Field Operations Support building will be included in the larger Phase 2 Operations & Maintenance building.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$11,335,290	\$9,440,000	\$24,302	\$87,209	\$87,209	\$87,209	\$87,209

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, personnel and equipment decontamination areas and an exercise room along with storage areas for bunker gear, 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	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$13,420,800	\$12,245,000	\$0	\$3,306,985	\$3,379,819	\$3,470,701	\$3,564,309

FA1702	Facilities Assessment and Maintenance Plan	The purpose of the Facilities assessment is to provide comprehensive documentation and analysis of the City's existing built facilities. This would include all relevant components such as HVAC/ Electrical/ Plumbing/ Flooring/ Ceilings/ Lighting upgrades/ Fixtures/ Insulation/ Structural. 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 understanding of building systems, their age and forecast lifespan. The analysis will also be utilized for prioritizing capital improvements and maintenance requirements, as well as assisting with allocating operating budgets and on-going maintenance schedules.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$500,000	\$250,000	\$0	\$0	\$0	\$0	\$0

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project #	Project Name	Project Description
FA1803	Animal Services Shelter	Construct a 7,000 sq. ft. animal shelter on 5 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	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$4,841,000	\$817,000	\$0	\$0	\$0	\$140,014	\$473,658

Project #	Project Name	Project Description
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	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$8,329,000	\$5,620,000	\$0	\$956,550	\$1,486,163	\$1,276,613	\$1,318,191

Project #	Project Name	Project Description
FA1805	Shadow Creek Library	Construct a permanent County Library facility on the west side consisting of approximately 30,000 square feet, using space requirements and usage information similar to that developed for the renovations to the Tom Reid Library. Other features include: specialized chill water systems, exterior security lighting, specialized library furnishings. Current planning has the facility located on a 3.2 acre site owned by the City on Shadow Creek Parkway west of Kirby Drive. However, there is potential for collaboration with Brazoria County and Alvin ISD for different locations. Timing for the project coincides with the expiration of the lease on the existing facility within the shopping center at Broadway and Business Center Drive.

Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$18,250,000	\$1,760,000	\$0	\$0	\$0	\$0	\$0

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project #	Project Name	Project Description				
FA1901	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	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$650,000	\$200,000	\$0	\$0	\$0	\$0	\$0

FA1902	Orange Street Service Center Phase 2	Phase 2 of the Orange Street Service Center project is derived from a Facilities Master Plan. A new Operations & Maintenance building with parking is planned, housing field Superintendents and staff for Fleet Maintenance, Water & Sewer, Streets and Drainage, and Parks Maintenance. This building will replace and consolidate existing buildings scattered throughout the site, provide covered storage for equipment and material currently stored outdoors, and meet current wind storm requirements and emergency shelter resiliency to operate as a shelter-in-place facility for Public Works first responders in a disaster event. The building will include locker rooms and showers, a training room, break room, and kitchen.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$26,250,000	\$980,000	\$0	\$0	\$0	\$459,245	\$480,323

Facility Total Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$83,576,090	\$31,312,000	\$24,302	\$4,350,744	\$4,953,191	\$5,433,782	\$5,923,690

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project # Project Name Project Description

Street Projects						
TR0601	Mykawa Road Widening - BW8 to FM 518	Construct approximately 3 miles of 4-lane concrete curb and gutter divided boulevard section roadway, including storm sewers, outfalls and detention, traffic signals and related items. Data from previous efforts will be incorporated into the design process. This project will require full environmental assessment and ROW acquisitions along the alignment. Installation of approximately 11,000' of fiber from FM 518 to intersection at Brookside Rd. Funding is an 80/20 split with TxDOT and TxDOT will let and construct project.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$15,568,303	\$2,360,000	\$0	\$0	\$0	\$86,560	\$86,560

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. The project includes approximately 12,000 LF of Noise Barrier and installation of approximately 6,200' of fiber from Smith Ranch Rd. to Bryan Court.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$36,621,000	\$20,620,000	\$0	\$22,281	\$89,125	\$89,125	\$89,125

TR1405	McHard Road Extension (Mykawa Road to Cullen Parkway)	The extension of approximately 3.5 miles of McHard Road, from Cullen Parkway to Mykawa Road, consisting of a 4-lane, concrete, curb and gutter, divided roadway with raised medians and underground drainage. Includes storm sewers, outfalls and detention, five traffic signals at secondary thoroughfares and major collectors, sidewalks, street lighting and landscaping. This project will be coordinated with the McHard Road Trunk Sewer extension and McHard Road Water Line Extension. Run approximately 38,000' of fiber from Country Place Pkwy/Smith Ranch Road to SH 35/ Main St.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$50,310,081	\$27,940,000	\$0	\$0	\$31,746	\$190,478	\$190,478

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project #	Project Name	Project Description				
TR1501	Smith Ranch Road Extension (CR 94) - Hughes Ranch Road to Broadway	Expansion of Smith Ranch Road from 2-lane asphalt into divided 4-lane with raised medians, concrete curb and gutter, storm sewer, and landscaping. The project will include provisions for future water and sewer 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 9,500' of fiber from FM 518 to McHard.				
		O & M Impact				
		2019	2020	2021	2022	2023
Project Budget	2019 Budget					
\$7,466,803	\$2,770,000	\$0	\$15,023	\$31,549	\$33,127	\$34,783

TR1602	Safe Routes to School Improvements	As identified in the Safe Routes to School Plan, sites may include the installation of sidewalks, crosswalk enhancements/improvements and other traffic control improvements. City staff has prioritized and produced cost estimates that include detailed scopes of work required and a project schedule. Improvements planned for HC Carlestone Elementary, Barbara Cockrell Elementary and Junior High South. Challenger Elementary was identified but will be done with Hughes Ranch Rd project.				
		O & M Impact				
		2019	2020	2021	2022	2023
Project Budget	2019 Budget					
\$3,810,000	\$420,000	\$0	\$0	\$0	\$0	\$0

TR1701	SH 288 Northbound Frontage Road - CR 59 to FM 518 (Broadway)	Construct a 3- lane concrete curb and gutter "urban" cross-section frontage road from County Road 59 to FM 518 (Broadway), northbound only, to include a U-Turn lane under the CR59 Overpass, to include access lane to SH 288 main lanes. Project includes right of way acquisition for detention pond. This project will include extension of City utilities under a separate project to be defined at a later date.				
		O & M Impact				
		2019	2020	2021	2022	2023
Project Budget	2019 Budget					
\$5,885,000	\$4,985,000	\$0	\$0	\$0	\$0	\$0

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project #	Project Name	Project Description				
TR1802	Multi-Modal Master Plan	A long range mobility plan focusing on Trail Master Plan and sidewalk gap analysis. Addressing future and existing needs for the City's trails, sidewalks (ensuring ADA compliance), bicycle, pedestrian and wayfinding needs. The Multi-Modal Master Plan is intended to incorporate the Trail Master Plan and Sidewalk Program to create a continuous, safety-oriented system of sidewalks, bikeways, greenways, and trails in and around the City.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$400,000	\$400,000	\$0	\$0	\$0	\$0	\$0

TR1804	Broadway at Dixie Farm Intersection Improvements	With the continuous development in the City, the result has been a change on the traffic patterns and counts. This has resulted in intersections encountering increasing traffic flows more than they were originally constructed to handle resulting in increasing congestion and raising safety concerns. The rapidly changing traffic patterns has resulted in a "reactive" effort aimed at modifying intersection geometry or signalization to address these conditions as they occur. The 2015 Traffic Management Plan identifies short term intersection improvements throughout the city. Broadway at Dixie Farm dual left turn lanes in all directions is a high priority intersection.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$1,510,000	\$1,220,000	\$0	\$0	\$0	\$0	\$0

Streets Total Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$121,571,187	\$60,715,000	\$0	\$37,305	\$152,420	\$399,289	\$400,945

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project # Project Name Project Description

Water Projects						
WA1601	McHard Rd. Water Line Phase II - Cullen Parkway to Mykawa Road	Phase II of the transmission line extends from Cullen Parkway to Mykawa Road a total of approximately 17,500 linear feet. This portion of the project is timed to coincide with Right of Way approval and acquisition for the McHard Road project.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$7,155,848	\$7,039,858	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

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 CR48 south of CR59, which is adjacent to the GCWA canal. Pilot testing will begin in FY2018 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 from the Surface Water Plant to the FM 521 and FM 1128 corridors. Installation of fiber to serve the City's SCADA system.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$163,750,000	\$21,000,000	\$65,861	\$266,901	\$251,704	\$1,003,342	\$3,341,140

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	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$4,000,000	\$3,500,000	\$1,000	\$1,000	\$2,500	\$2,500	\$2,500

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project #	Project Name	Project Description
WA1803	FM 1128 16" Water Line - Bailey to CR 100	Install approximately 5,300 feet of water line along FM 1128 (Manvel Rd) from Bailey Rd. to CR100. 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	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$125,000	\$125,000	\$0	\$1,000	\$1,000	\$1,000	\$1,000

WA1804	CR 100 16" Water Line - Veterans Dr to FM 1128	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.
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Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$250,000	\$250,000	\$0	\$1,000	\$1,000	\$1,000	\$1,000

WA1805	Veterans Dr. 16" Water Line - Bailey Rd. to CR 128	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.
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Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$225,000	\$225,000	\$0	\$1,000	\$1,000	\$1,000	\$1,000

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project #	Project Name	Project Description				
WA1901	Bailey Water Plant Improvements	Elevated levels of organic manganese and iron cause taste, odor and appearance issues though the water product itself remains safe for consumption. The 1st phase of this project installed a distribution line at the facility that improved water quality by providing adequate water flow within the tank. The 2nd phase of this project includes the installation of a 'green sand' filter that will chemically bond with manganese and iron for removal. The well will then be able to be utilized for system water quality maintenance. Included in this project will be the installation of a new 1MG concrete ground storage tank to replace the existing welded steel tank.				
		O & M Impact				
		2019	2020	2021	2022	2023
Project Budget	2019 Budget					
\$4,860,000	\$4,240,000	\$0	\$76,000	\$76,000	\$77,500	\$77,500

WA1902	Underground Piping Infrastructure at Water Production Facilities	Replace significant portions of 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 (In 2019 Shadow Creek Water Facilities, in 2020 Garden Road and Cullen Blvd Water Facilities, in 2021 Southdown and Country Place Water Facilities, in 2022 Kirby Water Facilities, and in 2023 Green Tee Water Facilities.				
		O & M Impact				
		2019	2020	2021	2022	2023
Project Budget	2019 Budget					
\$1,250,000	\$250,000	\$0	\$0	\$0	\$0	\$0

WA1903	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, Sommersetshire, Country Place, Green Tee, Westminster, Brookside Acres, Shadycrest, Creek View, Parkview, Wood Creek, Heritage Green, Clear Creek Estates, and Southdown subdivisions. FY19: Corrigan South and Heritage Green, FY20: Corrigan North, FY21: Country Place, FY22 & FY23: Southdown				
		O & M Impact				
		2019	2020	2021	2022	2023
Project Budget	2019 Budget					
\$17,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project #	Project Name	Project Description				
WA1904	Southdown Plant Ground Storage Tank Replacement	Removal and replacement of existing 140,000 gallon bolted ground storage tank. Project includes the removal of the hydro-tanks and supply variable frequency drives for the pumps. Estimated to replace with a 250,000 welded steel tank.				
		O & M Impact				
		2019	2020	2021	2022	2023
Project Budget	2019 Budget					
\$945,000	\$145,000	\$0	\$0	\$0	\$0	\$0
WA1905	Shadow Creek Ranch Park Re-Use Waterline (Reflection Bay Dr to Kingsley Dr)	This waterline will convey Type I re-use water for irrigation of the Shadow Creek Ranch Park facility. The Reflection Bay Water Reclamation Facility Expansion project anticipated this need, and the non-potable water facility and storage was sized to provide adequate capacity and pressure. The water line will follow the shared use trail alignment along Clear Creek.				
		O & M Impact				
		2019	2020	2021	2022	2023
Project Budget	2019 Budget					
\$1,545,000	\$245,000	\$0	\$0	\$0	\$0	\$0
WA1906	Water Quality Program	As the City has developed there are areas where dead end waterlines have been identified that need to be extended looped/connected to other water system mainlines. These areas are also being confirmed by the City's water system model. These connections will assist in enhancing water quality and maintenance in the system by removing these areas and increasing looping and redundancy.				
		O & M Impact				
		2019	2020	2021	2022	2023
Project Budget	2019 Budget					
\$3,300,000	\$350,000	\$0	\$0	\$0	\$0	\$0
Water Total Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$204,405,848	\$38,369,858	\$67,861	\$347,901	\$334,204	\$1,087,342	\$3,425,140

**SUMMARY OF CAPITAL PROJECTS
FY 2019 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 (completed by Developer Agreement with Lake Park Subdivision); 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.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$6,122,761	\$1,990,000	\$0	\$0	\$0	\$0	\$0

WW1901	Lift Station Program	This project consists of a major rehabilitation of the existing lift station, now 30 plus years into it service life. Work will include structural rehabilitation of the wet well, replacement of existing old style Gorman Rupp self-priming pumps with new more efficient submersibles mounted to guide rails, replacement of old style electrical controller cabinets and the addition of SCADA fiber and Ethernet switches for automated reporting. Following is the schedule of lift stations to be replaced FY19: Riverwalk; FY20: Royal Oaks; FY21: Sunset Meadows				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$2,800,000	\$560,000	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)

WW1902	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 - North Corrigan Subdivision, Sommersetshire, Country Place, Green Tee, Brookside Acres, Shadycrest, Creek View, Parkview, Woodcreek, Heritage Green, Clear Creek Estates, and Twin Creek Woods.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$19,000,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0

**SUMMARY OF CAPITAL PROJECTS
FY 2019 ADOPTED BUDGET**

Project #	Project Name	Project Description				
WW1903	Cullen Regional Lift Station Odor Control & Rehabilitation	Remove and replace existing discharge piping and install an odor control unit on the regional lift station. This unit is designed to pull a vacuum and process the hazardous and corrosive gasses such as Hydrogen Sulfide, Methane Gas and Carbon Monoxide generated by these atmospheric conditions in the wastewater collections system. Due to the corrosive nature of the gases the discharge piping in interior and exterior needs to be replaced.				
Project Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$610,000	\$610,000	\$0	\$0	\$0	\$0	\$0
WW Total Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$28,532,761	\$4,660,000	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)
Grand Total Budget	2019 Budget	O & M Impact				
		2019	2020	2021	2022	2023
\$444,984,622	\$139,756,858	\$83,963	\$4,727,750	\$5,431,615	\$6,919,206	\$9,761,779



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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).

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 2019 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.

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 2019 revenue is anticipated to be \$1,460,800 with occupancy tax revenue of \$1,450,000 and total expenditures of \$1,530,225. The budget includes continued co-sponsorship of annual events, such as, Pearland Art & Crafts on the Pavilion and Opry on the Square. It also includes the cost of office rental space at Pearland Town Center, which acts as our Visitor Center. In fiscal year 2019, the CVB is planning a \$500,000 contribution to the restoration of a railroad depot in collaboration with the Pearland Historical Society and Citizens Depot Committee. As a result of this restoration this railroad depot would become a museum and event center. A new hotel, Home2Suites by Hilton, is set to open in January 2019 along the Hwy 288/Beltway corridor.

Fund balance at September 30, 2019 is estimated to be \$4,518,361.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
HOTEL/MOTEL OCCUPANCY TAX	\$ 1,421,958	\$ 1,450,000	\$ 1,590,000	\$ 1,450,000
INVESTMENT EARNINGS	12,053	10,800	62,700	10,800
MISCELLANEOUS	25,284	-	19,436	-
TOTAL	1,459,296	1,460,800	1,672,136	1,460,800
EXPENDITURES				
SALARIES & WAGES	283,183	285,791	286,846	295,643
MATERIALS & SUPPLIES	133,118	132,336	124,336	119,000
MISCELLANEOUS SERVICES	632,927	643,968	658,828	614,917
TRANSFERS	772	390,914	617,890	665
INVENTORY	-	-	-	-
CAPITAL OUTLAY	-	-	-	500,000
TOTAL	1,050,000	1,453,009	1,687,900	1,530,225
REVENUES OVER (UNDER) EXPENDITURES	409,296	7,791	(15,764)	(69,425)
FUND BALANCE - BEGINNING	4,194,254	4,536,668	4,603,550	4,587,786
FUND BALANCE - ENDING	\$ 4,603,550	\$ 4,544,459	\$ 4,587,786	\$ 4,518,361

**COURT BUILDING SECURITY FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 fiscal year 2017, a larger portion of the costs were 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, 2019 is estimated to be \$7,026.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
FINES & FORFEITURES	\$ 44,095	\$ 48,500	\$ 41,700	\$ 43,500
INVESTMENT EARNINGS	30	30	200	200
TOTAL	44,125	48,530	41,900	43,700
EXPENDITURES				
SALARY & WAGES	27,026	35,577	41,402	40,127
MATERIALS & SUPPLIES	2,854	1,726	3,062	3,529
EQUIPMENT REPAIR & MAINTENANCE	7,505	7,266	5,430	5,500
MISCELLANEOUS SERVICES	1,507	960	2,147	1,850
INVENTORY		10,000	10,000	
TOTAL	38,892	55,529	62,041	51,006
REVENUES OVER (UNDER) EXPENDITURES	5,232	(6,999)	(20,141)	(7,306)
FUND BALANCE - BEGINNING	29,241	27,307	34,473	14,332
FUND BALANCE - ENDING	\$ 34,473	\$ 20,308	\$ 14,332	\$ 7,026

**CITYWIDE DONATION FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 2018 expenditures included a new vehicle for the Fire Mashall's Office and expenses for the Animal Shelter. Planned expenditures for FY19 include stainless steel kennels and veterinary expenses for the Animal Shelter.

The total fund balance estimated is \$17,977 on September 30, 2019.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
INVESTMENT EARNINGS	\$ 75	\$ 100	\$ 1,000	\$ 1,000
MISCELLANEOUS DONATIONS	29,354	31,800	11,661	29,967
TOTAL	29,428	31,900	12,661	30,967
EXPENDITURES				
MATERIALS & SUPPLIES	-	16,100	4,638	13,646
BUILDING & GROUNDS	22,123	12,000	4,000	755
REPAIR & MAINTENANCE	-	4,000	4,000	-
MISCELLANEOUS SERVICES	973	20,000	4,000	25,272
INVENTORY	-	-	-	-
CAPITAL OUTLAY	-	44,052	44,052	-
TOTAL	23,096	96,152	60,690	39,673
REVENUES OVER (UNDER) EXPENDITURES	6,333	(64,252)	(48,029)	(8,706)
FUND BALANCE - BEGINNING	68,379	77,678	74,712	26,683
FUND BALANCE - ENDING	\$ 74,712	\$ 13,426	\$ 26,683	\$ 17,977

**COURT TECHNOLOGY FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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, 2019 is estimated to be \$11,248.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
FINES & FORFEITURES	\$ 47,861	\$ 60,000	\$ 48,000	\$ 50,000
INVESTMENT EARNINGS	6	10	2	3
TOTAL	47,867	60,010	48,002	50,003
EXPENDITURES				
MATERIALS & SUPPLIES	1,481			3,894
EQUIPMENT REPAIR & MAINTENANCE	52,399	55,000	40,000	25,000
MISCELLANEOUS SERVICES	10,686	6,777	9,557	9,277
INVENTORY	2,239			
TOTAL	66,805	61,777	49,557	38,171
REVENUES OVER (UNDER) EXPENDITURES	(18,938)	(1,767)	(1,555)	11,832
FUND BALANCE - BEGINNING	19,909	5,220	971	(584)
FUND BALANCE - ENDING	\$ 971	\$ 3,453	\$ (584)	\$ 11,248

**STREET ASSESSMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 2019 budget reflects no activity.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
INVESTMENT EARNINGS	\$ 57,308		\$	\$
STREET ASSESSMENTS				
TOTAL	57,308			
EXPENDITURES				
INTERFUND TRANSFER		57,308		
TOTAL		57,308		
REVENUES OVER (UNDER) EXPENDITURES	0			
FUND BALANCE - BEGINNING		0	0	0
FUND BALANCE - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

**PARK DONATIONS FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 2018 expenditures included special events and the TAAF Winter Games of Texas.

In fiscal year 2019 planned expenses are for special events across the Parks programs.

Fund balance at September 30, 2019 is estimated to be \$63,878.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
INVESTMENT EARNINGS	\$ 157	\$ 200	\$ 1,600	\$ 2,000
DONATIONS	855	1,000	1,000	1,000
SPONSORSHIPS	100,449	125,000	105,000	125,000
TOTAL	101,461	126,200	107,600	128,000
EXPENDITURES				
ADMINISTRATION	14,506	18,500	18,500	16,000
RECREATION			3,500	
ATHLETICS		20,000		
SENIOR CENTER EVENTS	4,384	1,500	1,500	1,500
SPECIAL EVENTS	88,345	95,000	140,000	105,000
RECREATION OPERATIONS			4,000	
TOTAL	107,235	135,000	167,500	122,500
REVENUES OVER (UNDER) EXPENDITURES	(5,774)	(8,800)	(59,900)	5,500
FUND BALANCE - BEGINNING	124,052	141,613	118,278	58,378
FUND BALANCE - ENDING	\$ 118,278	\$ 132,813	\$ 58,378	\$ 63,878

**TREE TRUST FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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. Fiscal year 2019 includes money for the planting of trees, tree trimming, and a tree grant program.

Fund balance at September 30, 2019 is estimated to be \$370,267.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
TREE TRUST	\$ 137,300	\$	\$ 275,615	\$
INVESTMENT EARNINGS	53	40	5,500	7,800
TOTAL	137,353	40	281,115	7,800
EXPENDITURES				
MAINTENANCE-BUILDING AND GROUNDS			1,500	50,750
INVENTORY				
CAPITAL OUTLAY		12,000	10,500	
TOTAL		12,000	12,000	50,750
REVENUES OVER (UNDER) EXPENDITURES	137,353	(11,960)	269,115	(42,950)
FUND BALANCE - BEGINNING	6,749	74,095	144,102	413,217
FUND BALANCE - ENDING	\$ 144,102	\$ 62,135	\$ 413,217	\$ 370,267

**POLICE STATE SEIZURE FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 2018, funds were utilized to purchase undercover vehicles and the cost of informants. These costs will continue through fiscal year 2019.

Fund balance at September 30, 2019 is estimated to be \$191,897.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
INVESTMENT EARNINGS	\$ 270	\$ 240	\$ 3,000	\$ 4,000
SEIZURE FUNDS	28,913	-	37,283	-
MISCELLANEOUS	-	-	-	-
TOTAL	29,183	240	40,283	4,000
EXPENDITURES				
MATERIALS & SUPPLIES	\$ 7,517	\$ 16,200	\$ 16,200	\$ 16,200
REPAIR & MAINTENANCE	4,980	-	-	-
MISCELLANEOUS	23,125	21,000	21,000	21,000
TOTAL	35,622	37,200	37,200	37,200
REVENUES OVER (UNDER) EXPENDITURES	(6,438)	(36,960)	3,083	(33,200)
FUND BALANCE - BEGINNING	228,453	219,640	222,014	225,097
FUND BALANCE - ENDING	\$ 222,014	\$ 182,680	\$ 225,097	\$ 191,897

**FEDERAL POLICE FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 2018 there were no expenses in this account. There are no planned expenses for fiscal year 2019.

Fund balance at September 30, 2019 is estimated to be \$159,857.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
POLICE DRUG REVENUE	\$ 53,510	\$ -	\$ 33,080	\$ 75,000
INVESTMENT EARNINGS	15	10	1,000	1,200
TOTAL	53,525	10	34,080	76,200
EXPENDITURES				
CAPITAL OUTLAY	10,673	-	-	-
TOTAL	10,673	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	42,852	10	34,080	76,200
FUND BALANCE - BEGINNING	6,726	7	49,577	83,657
FUND BALANCE - ENDING	\$ 49,577	\$ 17	\$ 83,657	\$ 159,857

**PARK DEVELOPMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 or on expenditures at a Community Park, which serve the entire City.

Fiscal year 2018 major expenditures included improvements at the Recreation Center for the replacement of the running track. Additional transfers went towards the new Delores Fenwick Nature Center. In fiscal year 2019 major expenditures will be at community parks that benefit all residents. These projects include Centennial Park playground fall zone and splash pad repairs, Recreation Center and Natatorium improvements, and Southdown Park splash pad updates. Zone projects include Corrigan playground replacement, Hyde Park shade structure replacement, and the replacement of the fall zones at Woody and Zychilinski Park.

Estimated fund balance as of September 30, 2019 is \$283,094.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
PARKLAND FEES/DONATIONS	\$ 38,492	\$ 120,000	\$ 848,059	\$ 120,000
INTEREST INCOME	(3,079)	3,420	15,500	18,000
TOTAL	35,413	123,420	863,559	138,000
EXPENDITURES				
BUILDING & GROUNDS	\$ -	\$ -	\$ -	\$ 28,240
CAPITAL OUTLAY	-	-	134,495	720,914
TRANSFERS OUT	510,000	-	555,000	-
TOTAL	510,000	-	689,495	749,154
REVENUES OVER (UNDER) EXPENDITURES	(474,587)	123,420	174,064	(611,154)
FUND BALANCE - BEGINNING	1,194,771	740,171	720,184	894,248
FUND BALANCE - ENDING	\$ 720,184	\$ 863,591	\$ 894,248	\$ 283,094

**SIDEWALK FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 2018 revenues are projected at \$105. Expenditures in FY 2019 are \$4,220 to be used for the Mykawa Road construction. Fund balance at September 30, 2019 is estimated to be \$7,173.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
INTEREST INCOME	\$ 10	\$ 5	\$ 50	\$ 5
SIDEWALK REVENUE	286	5,000	55	5,000
TOTAL	296	5,005	105	5,005
EXPENDITURES				
INTERFUND TRANSFERS				4,220
OTHER EXPENSES	11,520			
TOTAL	11,520			4,220
REVENUES OVER (UNDER) EXPENDITURES	(11,224)	5,005	105	785
FUND BALANCE - BEGINNING	17,507	5,997	6,283	6,388
FUND BALANCE - ENDING	\$ 6,283	\$ 11,002	\$ 6,388	\$ 7,173

**GRANT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 ADOPTED BUDGET**

OVERVIEW

The Grant Fund is used to account for revenues and expenditures associated with federal, state and local grants.

The FY 2018 Grant Fund expenditures totalled \$654,311. These included \$268,896 from a two-year Victims of Crime Act (VOCA) grant from the Office of the Governor - Criminal Justice Division (CJD) and \$12,150 in funding for local High-Intensity Drug Trafficking Area (HIDTA) task force activities. An Emergency Management Performance Grant (EMPG) from the Texas Division of Emergency Management (TDEM) provided the Fire Department with matching funds for emergency preparedness staffing in the amount of \$42,891, and the City spent \$200,000 in grant funds towards the completion of Phase II Trail Connectivity, awarded by the Texas Parks & Wildlife Department. The State also provided the City with grant funding in the amount of \$102,135 for rifle-resistant body armor. A grant from the Houston-Galveston Area Council (HGAC) was used to fund \$27,639 in new equipment for the Stella Roberts Recycle Center, currently being operated by Keep Pearland Beautiful. Revenues equal expenditures for the FY 2018 Grant Fund at \$654,311.

The FY 2019 budget for the Grant Fund is being set at \$58,791, which includes revenues and expenditures for two grants: \$12,150 in continuing funding for local High-Intensity Drug Trafficking Area (HIDTA) task force activities; and \$46,641 in grant funding via the Texas Division of Emergency Management from its Emergency Management Performance Grant (EMPG) program.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
GRANT REVENUE	\$ 337,829	\$ 315,537	\$ 654,311	\$ 58,791
INTEREST INCOME	72			75
TOTAL	337,901	315,537	654,311	58,866
EXPENDITURES				
SALARY & WAGES	103,464	315,537	323,937	58,791
MATERIALS & SUPPLIES			102,135	
MISCELLANEOUS SERVICES	7,660		600	
TRANSFERS				
INVENTORY	3,340			
CAPITAL OUTLAY	133,465		227,639	
TOTAL	247,929	315,537	654,311	58,791
REVENUES OVER (UNDER) EXPENDITURES	89,972	0	0	75
FUND BALANCE - BEGINNING	57,721	51,340	147,692	147,692
FUND BALANCE - ENDING	\$ 147,692	\$ 51,340	\$ 147,692	\$ 147,767

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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.

FY 2018 CDBG expenditures totalled \$773,440, and included housing rehabilitation, code enforcement activities and various infrastructure improvements for public facilities and social service agencies. Some of the highlights include a \$20,000 HVAC replacement at the Knapp Senior Center, \$20,000 for emergency rental and utility assistance in the form of a subaward to the Pearland Neighborhood Center, and a \$30,000 allocation to Counseling Connections for Change for mental health counseling and a collaborative student services initiative with Pearland Independent School District (PISD). Program administration expenditures totalled \$67,706 and unprogrammed/unspent funding for infrastructure improvements pending completion will be carried over for use in fiscal year 2019.

The 2019 fiscal year allocation of CDBG funding totals \$390,001. Of that amount, the City's available allocation for general program administration is \$78,000, which is 20% of the CDBG annual allocation for fiscal year 2019, and the public services capped allocation totals \$58,000 (15% of the total allocation). The remainder of funding, \$253,501, will be spent on urgent need housing rehabilitation due to Hurricane Harvey, and code enforcement of low- to moderate-income target areas within the City of Pearland.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
GRANT REVENUE	\$ 575,035	\$ 338,534	\$ 773,440	\$ 390,001
TOTAL	575,035	338,534	773,440	390,001
EXPENDITURES				
SALARY & WAGES	38,960	93,091	92,994	54,405
MATERIALS & SUPPLIES	310,764	1,643	1,653	100
MISCELLANEOUS SERVICES	98,352	53,800	87,998	105,200
CAPITAL OUTLAY	126,959	190,000	590,795	230,296
TOTAL	575,035	338,534	773,440	390,001
REVENUES OVER (UNDER) EXPENDITURES				
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING	\$	\$	\$	\$

**TRAFFIC IMPROVEMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 negative is from an accrual back to 2016, but the actual payment occurred in FY 2018. Fiscal year 2018 revenues total \$8,200 and expenditures of \$93,548 for CR48.

Anticipated fiscal year 2019 revenues total \$7,500 with anticipated expenditures of \$1,141 to be used for Mykawa Road Extension. The fund balance at September 30, 2019 is estimated to be \$604,288 of which, \$214,920 is for future expansion of County Road 58.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
MISCELLANEOUS	\$ 37,351			
INTEREST INCOME	1,054	1,000	8,200	7,500
TOTAL	38,405	1,000	8,200	7,500
EXPENDITURES				
MISCELLANEOUS SERVICES	(93,548)		93,548	
INTERFUND TRANSFERS	44,800			1,141
TOTAL	(48,748)		93,548	1,141
REVENUES OVER (UNDER) EXPENDITURES	87,153	1,000	(85,348)	6,359
FUND BALANCE - BEGINNING	596,124	527,829	683,277	597,929
FUND BALANCE - ENDING	\$ 683,277	\$ 528,829	\$ 597,929	\$ 604,288

**COURT JUVENILE MANAGEMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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, 2019 is estimated to be \$21,857.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
FINES & FORFEITURES	\$ 50,537	\$ 52,000	\$ 59,000	\$ 62,000
INVESTMENT EARNINGS	26	30	200	200
TOTAL	50,563	52,030	59,200	62,200
EXPENDITURES				
SALARY & WAGES	49,585	53,456	53,265	56,354
MATERIALS & SUPPLIES	1,668	1,350	1,900	1,530
MISCELLANEOUS SERVICES	528	4,000	3,445	3,560
TOTAL	51,781	58,806	58,610	61,444
REVENUES OVER (UNDER) EXPENDITURES	(1,218)	(6,776)	590	756
FUND BALANCE - BEGINNING	21,729	18,586	20,511	21,101
FUND BALANCE - ENDING	\$ 20,511	\$ 11,810	\$ 21,101	\$ 21,857

**MUNICIPAL CHANNEL (PEG) FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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.

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.

Expenditures for fiscal year 2019 include office furniture, 360 video camera, DSLR camera, drone, servers, and encoder. Fund balance at September 30, 2019 is anticipated to be \$795,787.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
FRANCHISE FEES	\$ 287,603	\$ 300,000	\$ 270,000	\$ 275,000
INVESTMENT EARNINGS	3,234	1,000	9,000	10,000
MISCELLANEOUS	-			
TOTAL	290,838	301,000	279,000	285,000
EXPENDITURES				
MATERIALS & SUPPLIES	15,257	21,950	43,200	21,600
EQUIPMENT REPAIR & MAINTENANCE	14,197	24,300	24,300	24,300
MISCELLANEOUS SERVICES	5,666	10,000	10,000	10,000
INVENTORY	22,885	23,500	81,500	57,500
CAPITAL OUTLAY	53,459			45,000
TRANSFERS OUT	466,258	51,531	51,531	
TOTAL	577,721	131,281	210,531	158,400
REVENUES OVER (UNDER) EXPENDITURES	(286,884)	169,719	68,469	126,600
FUND BALANCE - BEGINNING	887,601	616,698	600,718	669,187
FUND BALANCE - ENDING	\$ 600,718	\$ 786,417	\$ 669,187	\$ 795,787

**REGIONAL DETENTION FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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 and \$145,290 in 2018 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 2019.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
CHARGES FOR SERVICES	\$ 22,113		\$ 141,552	\$
INVESTMENT EARNINGS			580	
TOTAL	22,113		142,132	
EXPENDITURES				
TRANSFERS OUT	18,955		145,290	
TOTAL	18,955		145,290	
REVENUES OVER (UNDER) EXPENDITURES	3,158		(3,158)	
FUND BALANCE - BEGINNING			3,158	
FUND BALANCE - ENDING	\$ 3,158	\$	\$	\$

**LOWER KIRBY URBAN CENTER FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2019 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).

Fiscal year 2017 ended the year with a negative fund balance, which will be corrected at fiscal year 2018 year-end.

Financing by District is as follows:

	<u>LKPMMD</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 2017 ACTUAL</u>	<u>FY 2018 ORIGINAL BUDGET</u>	<u>FY 2018 YEAR END AMENDED</u>	<u>FY 2019 ADOPTED BUDGET</u>
REVENUES				
INTEREST EARNINGS	\$	\$	\$ 98	\$
INTERGOVERNMENTAL	3,281,360		3,829,496	
TOTAL	3,281,360		3,829,594	
EXPENDITURES				
INTERGOVERNMENTAL	3,183,526		3,829,735	
TRANSFERS OUT	350,124			
TOTAL	3,533,650		3,829,735	
REVENUES OVER (UNDER) EXPENDITURES	(252,150)		(141)	
FUND BALANCE - BEGINNING			(252,150)	(252,291)
FUND BALANCE - ENDING	\$ (252,150)	\$	\$ (252,291)	\$ (252,291)



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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

A Medical Self Insurance Fund which accounts for the accumulation of monies for the payment of medical claims.

Motor Pool Fund

A fund to provide for the maintenance and replacement of the city's vehicles and rolling stock.

**PROPERTY/LIABILITY INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2019 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 insurance recovery funds on eligible claims.

Premiums for fiscal year 2019 total \$1,284,862 which amounts to a \$70,621 increase from FY18 projected premiums. Fund balance at September 30, 2019 is estimated to be \$142,603, which is above the policy minimum of three-year average of paid claims.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
TRANSFERS	\$ 1,310,994	\$ 914,181	\$ 665,000	\$ 1,333,275
INSURANCE RECOVERY	244,451	70,050	350,000	100,050
INTEREST	298	100	3,500	100
TOTAL	1,555,743	984,331	1,018,500	1,433,425
EXPENSES				
SALARIES & BENEFITS	54,193	53,200	43,059	54,897
MATERIALS & SUPPLIES	-	1,450	1,450	1,450
INSURANCE PREMIUMS	1,136,122	1,107,582	1,214,241	1,284,862
CLAIMS	71,700	75,000	175,186	100,050
CAPITAL OUTLAY	-	31,100	31,100	
TOTAL	1,262,014	1,268,332	1,465,036	1,441,259
REVENUES OVER (UNDER) EXPENSES	293,729	(284,001)	(446,536)	(7,834)
BEGINNING NET ASSETS	303,244	434,095	596,973	150,437
ENDING NET ASSETS	\$ 596,973	\$ 150,094	\$ 150,437	\$ 142,603

**MEDICAL SELF INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2019 ADOPTED BUDGET**

OVERVIEW

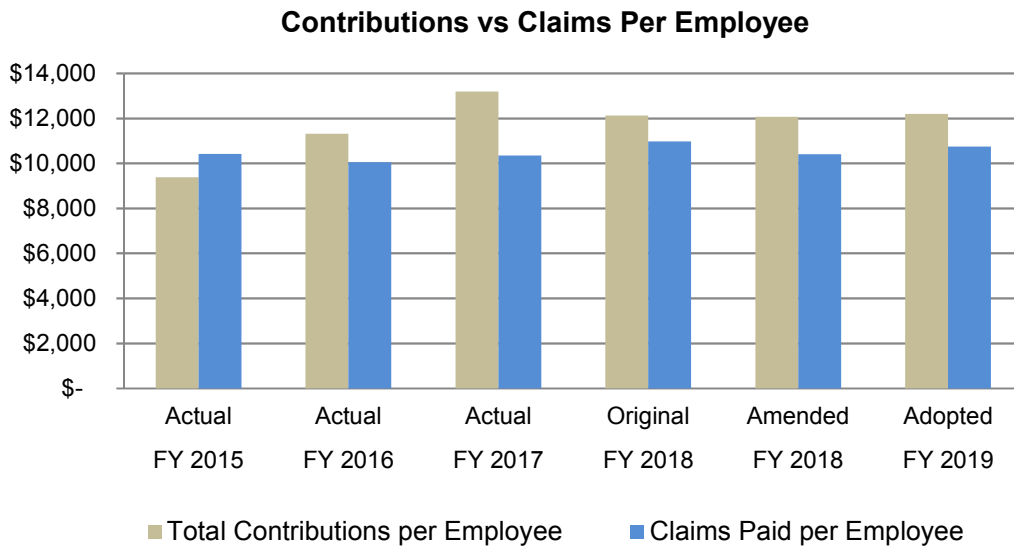
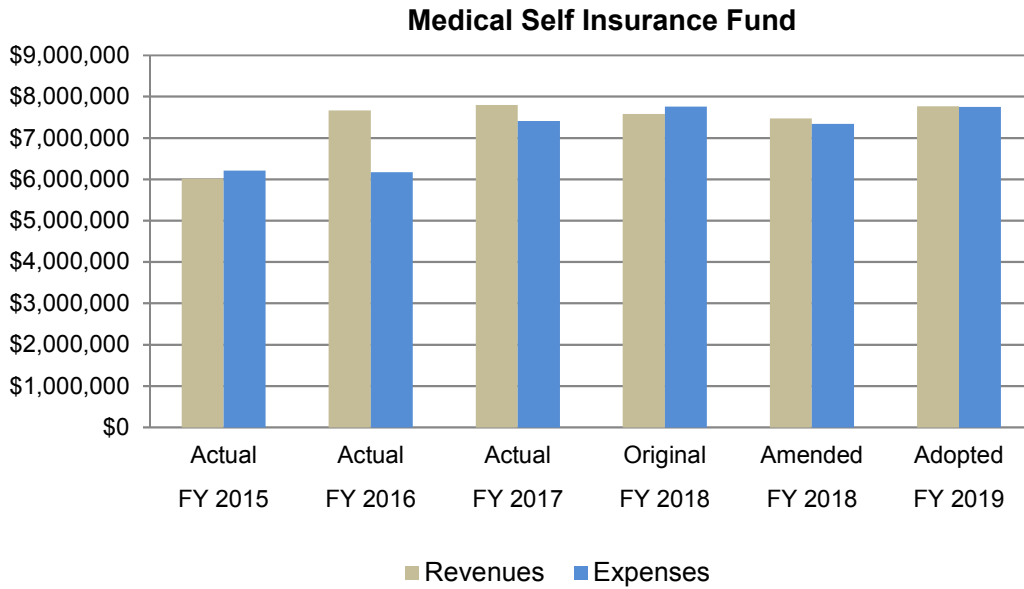
The Medical Self Insurance Fund was created to account for the activities of the City's employee insurance. The fund accounts for retiree and COBRA contributions, claims and coverage. In a self insurance fund, the employer is ultimately responsible for all health care costs, and pays for those costs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

For FY19 the City is budgeting for an increase in claims based on the total number of full-time eligible employees, including vacant positions. This fund is projected to operate at a \$18,001 surplus in FY19. As in previous years, \$25,000 has been budgeted for the Wellness Program. The estimated fund balance as of September 30, 2019 is \$2,621,739, or 33.8% of total expenditures.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
INTEREST INCOME	\$ 2,870	\$ 2,000	\$ 19,956	\$ 20,000
CONTRIBUTIONS - CITY	6,478,800	5,840,633	6,092,182	6,224,073
CONTRIBUTIONS - EMPLOYEE	1,052,786	1,480,072	1,102,261	1,249,775
RETIREE AND COBRA CONTRIBUTIONS	57,038	60,000	60,000	60,000
MISCELLANEOUS	201,280	197,829	197,829	211,432
TOTAL	7,792,775	7,580,534	7,472,228	7,765,280
EXPENSES				
ADMINISTRATIVE FEES	918,520	1,042,833	1,020,340	1,045,962
CLAIMS	5,904,545	6,625,376	6,197,155	6,589,708
MISCELLANEOUS	86,971	90,471	123,037	111,609
TRANSFER OUT	500,000	-	-	-
TOTAL	7,410,037	7,758,680	7,340,532	7,747,279
REVENUES OVER (UNDER) EXPENSES	382,738	(178,146)	131,696	18,001
BEGINNING NET ASSETS	2,089,304	2,058,949	2,472,042	2,603,738
ENDING NET ASSETS	\$ 2,472,042	\$ 1,880,803	\$ 2,603,738	\$ 2,621,739
NET ASSETS AS % OF EXPENSES	32%	25%	35%	34%

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
Number of Employees on Medical Insurance:	571	604	596	613
City-Paid Contributions per Employee:	\$ 11,346	\$ 9,670	\$ 10,222	\$ 10,153
Employee-Paid Contributions:	\$ 1,844	\$ 2,450	\$ 1,849	\$ 2,039
Total Contributions per Employee:	\$ 13,190	\$ 12,120	\$ 12,071	\$ 12,192
Claims Paid per Employee:	\$ 10,341	\$ 10,969	\$ 10,398	\$ 10,750

**MEDICAL SELF INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2019 ADOPTED BUDGET**



**MOTOR POOL FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2019 ADOPTED BUDGET**

OVERVIEW

The Motor Pool fund is a new fund in FY19. The purpose of the Motor Pool Fund is to provide for the maintenance and replacement of the city's 610 vehicles and pieces of rolling stock with an approximated value of \$22 million. Rather than making periodic large-dollar investments, the City makes annual contributions to the Fund. In turn, the City then uses the balance in the Fund to pay for large-dollar investments. The Fleet Maintenance Division is responsible for day-to-day operations within the fund.

The City is planning to take a phased approach in rolling out the Motor Pool Fund, starting with vehicle maintenance and annual replacements in FY19. The fund will begin building a balance through periodic transfers from operational funds, sale of vehicles, interest earnings and savings from operational expenses. Eventually, all departments with vehicles will pay "Lease Fees" into the fund to support ongoing replacement of vehicles and equipment.

	FY 2017 ACTUAL	FY 2018 ORIGINAL BUDGET	FY 2018 YEAR END AMENDED	FY 2019 ADOPTED BUDGET
REVENUES				
INTEREST INCOME	\$ -	\$ -	\$ -	\$ -
SALE OF PROPERTY				20,000
TRANSFER IN REPAIR & MAINTENANCE				2,162,484
TRANSFER IN LEASE PAYMENTS				1,536,756
TOTAL				3,719,240
OPERATIONAL EXPENSES				
SALARIES & WAGES				436,651
MATERIALS & SUPPLIES				39,500
BUILDINGS & GROUNDS				36,000
REPAIR & MAINTENANCE				1,640,833
MISCELLANEOUS SERVICES				9,500
TOTAL				2,162,484
CAPITAL EXPENSES				
SPECIAL EQUIPMENT				715,815
CONSTRUCTION EQUIPMENT				90,000
VEHICLES				730,941
TOTAL				1,536,756
REVENUES OVER (UNDER) EXPENSES				20,000
BEGINNING NET ASSETS				
ENDING NET ASSETS	\$ -	\$ -	\$ -	\$ 20,000



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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 2019 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, 2019 is estimated to be \$6,906,572.

	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Year End Amended	FY 2019 Adopted Budget
OPERATING REVENUES				
Sales Tax	\$ 10,097,052	\$ 10,752,972	\$ 10,703,352	\$ 11,131,486
Interest Income	137,874	110,000	317,000	86,895
Intergovernmental	1,946,914	12,000	2,987,000	12,000
Miscellaneous	496,239	475,000	475,000	500,000
TOTAL	12,678,078	11,349,972	14,482,352	11,730,381
OPERATING EXPENDITURES				
Operating	1,537,857	2,557,221	2,031,153	2,919,606
Bond Payments	1,228,786	1,231,000	1,231,000	13,616,503
Inventory	5,231	5,000	5,000	5,000
Capital Outlay	732,842	3,648,413	672,432	746,000
Transfers Out	8,120,773	5,505,904	7,264,730	9,133,742
Incentives	514,376	2,037,890	884,429	1,336,890
Bond Proceeds				
TOTAL	12,139,866	14,985,428	12,088,744	27,757,741
REVENUES OVER/(UNDER) EXPENDITURES	538,212	(3,635,456)	2,393,608	(16,027,360)
BEGINNING FUND BALANCE	20,002,112	20,365,619	20,540,324	22,933,932
ENDING FUND BALANCE	\$ 20,540,324	\$ 16,730,163	\$ 22,933,932	\$ 6,906,572

Pearland Economic Development Corporation

President, PEDC



Vice President, PEDC

Director of Marketing

Development Manager

Office Supervisor

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 2018 ACCOMPLISHMENTS

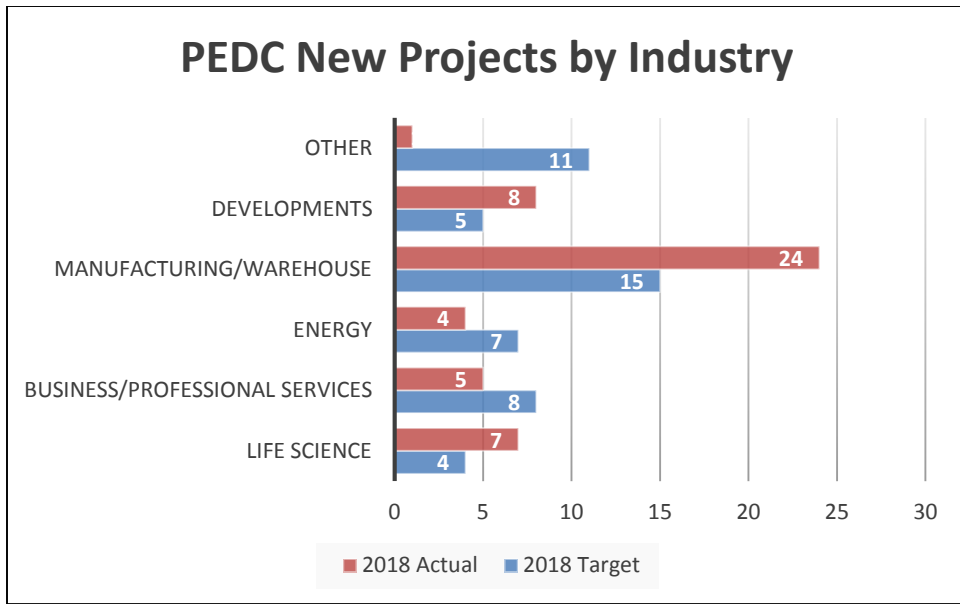
- ◆ Opened 30 business attraction projects and conducted 34 visits with potential primary employers. Major announcements included Endress+Hauser's 100,000 square foot Gulf Coast Regional Center facility in the Lower Kirby District. Construction is scheduled to begin in early 2019. Endress+Hauser, a leader in the field of measurement technology for industrial process engineering, manufactures instrumentation and devices and provides solutions and services for more than 100,000 customers worldwide. Endress+Hauser will initially employ 100 workers, but they anticipate the hiring of additional workers in the next couple of years. The project is expected to bring approximately \$32 million in investment to the community. Other projects include Diamond Bolt's new 10,000 square foot headquarter and distribution facility in Pearland. In addition, Lonza completed construction in early 2018 on a 300,000 square-foot manufacturing facility - the largest dedicated cell-and-gene-therapy manufacturing facility in the world in Pearland's Lower Kirby District in April 2018.
- ◆ Opened 10 business retention and expansion projects and conducted 73 visits with existing employers. Announcements included Adient Medical's new 1,900 square foot office and R&D facility. WTC Metal Fab (a division for West Texas Cooling) expanded its operations by acquiring an existing 9,000 square-foot facility on Magnolia. Koza's acquired the former McCoy's Lumber located on S. Main Street - the 24,000 square foot building will be home to expanded manufacturing capabilities for Koza's. PEDC is also working with CSI to expand their parking lot by 30 spaces to accommodate job growth at their facility.
- ◆ Opened 12 new development/redevelopment projects, including the development of a Hilton-branded Tru Hotel and a conference center to be located in the Pearland Town Center. The Modern Green Ivy District project continues to move forward and has constructed Promenade and South Spectrum streets. Continued work with Modern Green on the design of the Ivy Park and amenities surrounding the Ivy detention pond (East Conveyance Pond), including a trail, which will serve active and passive recreation needs of those who live, work, or visit within the District.
- ◆ Continued the implementation of two beautification plans for the community: the 288 Master Plan and a City Gateway plan. We continue to work with Brazoria County and TxDOT on coordinating our hardscape enhancements in the Brazoria County section of the Hwy 288 Managed Lanes project. The next entryway monument is planned for the east end of Broadway/FM518. The Landscape Architect has submitted construction plans for permit review and the project is scheduled to be bid for construction before the end of 2018.
- ◆ The SH 35 Redevelopment Strategy & Streetscape project continues to move forward. The project has been awarded and the contractor has started working on removing the brick pavers in the median starting at Beltway 8 and working their way south to McHard as part of the first phase. Phase II will include improvements between McHard and Old Town Ditch, and Phase III will include improvements between Old Town Ditch and Broadway. The time frame of the project is one year and is projected to be complete at the end of September 2019.

- ◆ Continued implementation of the 288 Corridor Master Improvements Plan, including working with Brazoria County and TxDOT on coordinating our hardscape enhancements in the Brazoria County section of the Hwy 288 Managed Lanes project. This work includes 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 parcels for the project, nine of the thirteen parcels have been acquired along the TxDOT draining ditch. Additionally the City has acquired property to be used for a detention pond and has transferred it to the Lower Kirby Pearland Management District (LKPMDD) and Pearland Municipal Management District #1 (PMMD#1). Engineers continue to have discussions with Harris County Flood Control.
- ◆ 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 to determine the type of multi-use event center that would be most successful in Pearland and additional analysis is being conducted on a potential indoor amateur sports facility for the community. Developed a Request for Proposals (RFP) to identify qualified economic development consulting teams for the preparation of a new community economic development Strategic Plan for the City of Pearland. A firm is expected to be selected by the end of 2018 or early 2019.

FISCAL YEAR 2019 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 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 construction of the entire project from Broadway to BW8, including a gateway entry at Clear Creek and corridor aesthetics.
- ◆ Coordinate with the City of Pearland to work with the existing businesses on Mykawa Road for the reconstruction of the roadway from Broadway to Beltway 8.
- ◆ Begin the development of a FM 518/Broadway development master plan. Issue a request for proposal, select a consulting team and begin the study with an area of emphasis being the impact on the corridor of TXDOTs proposed reconstruction project.
- ◆ Continue implementation efforts for the Pearland 20/20 Strategic Plan.
- ◆ Continue implementation of the community marketing campaign to increase awareness and promotion of Pearland and its assets, including the development of a digital brand hub and establishing an implementation including a media plan utilizing existing communication channels.
- ◆ Evaluate feasibility, including cost estimates, program plans and the identification of funding and partnership types, for a potential indoor amateur sports facility in the community.

PEDC New Projects by Industry



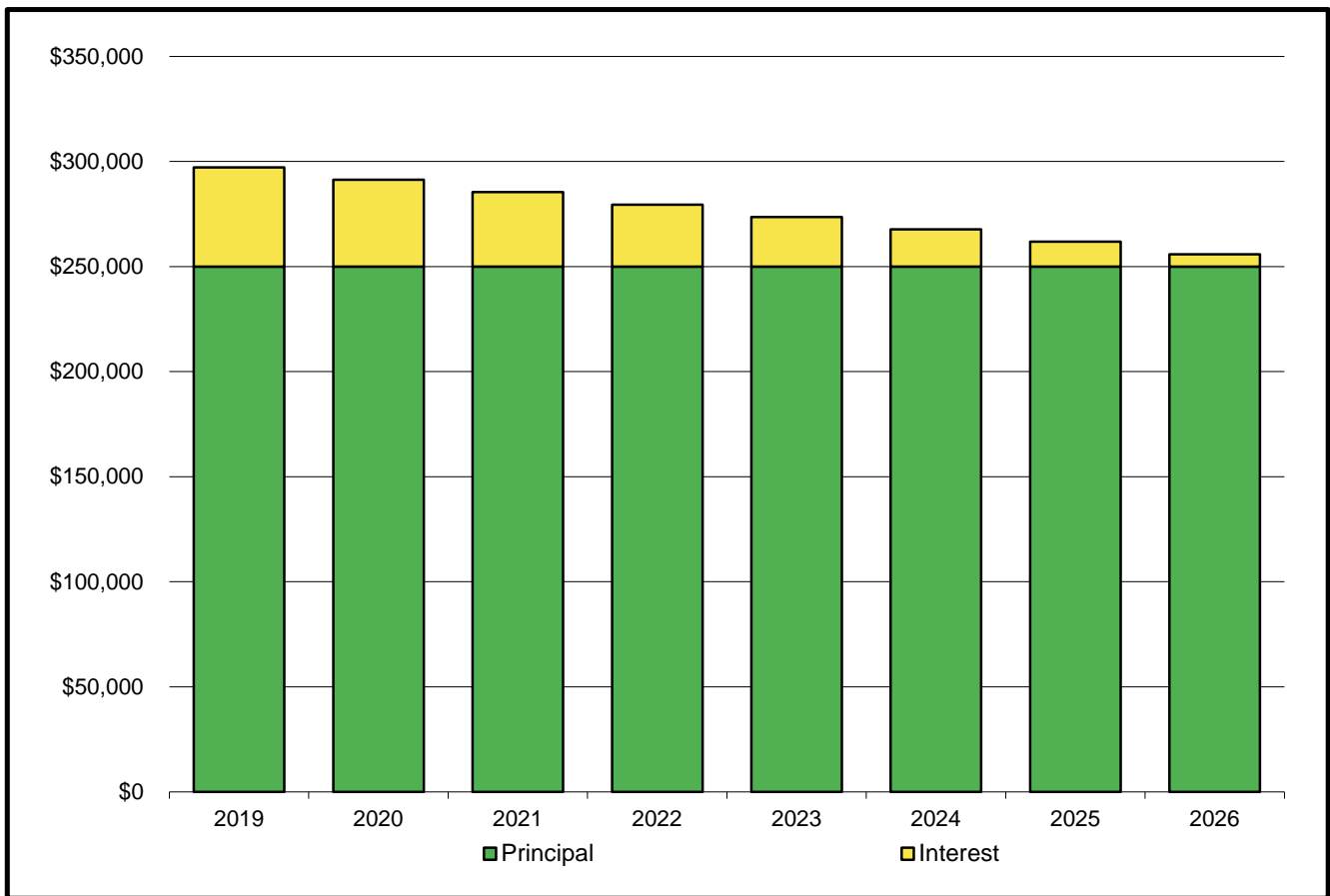
PERFORMANCE MEASURES

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
Number of announced projects	14	10	10	10
Number of new projects	42	55	52	50
Number of visits	183	164	149	170

**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
DEBT TO MATURITY**

Year	Principal	Interest	Total
2018-2019	250,000	47,200	297,200
2019-2020	250,000	41,300	291,300
2020-2021	250,000	35,400	285,400
2021-2022	250,000	29,500	279,500
2022-2023	250,000	23,600	273,600
2023-2024	250,000	17,700	267,700
2024-2025	250,000	11,800	261,800
2025-2026	250,000	5,900	255,900
TOTAL	\$2,000,000	\$212,400	\$2,212,400

Series	Principal Amount Outstanding
Series 2016	2,000,000
TOTAL	\$2,000,000





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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.

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.

ORDINANCE NO.1567

An Ordinance adopting a tax rate of \$0.709158 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 2018.

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 taxable year 2018 upon all property, real, personal, and mixed within the corporate limits of said City subject to taxation, a tax of \$0.709158 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 \$0.279158 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.1567

PASSED and APPROVED ON FIRST READING this the 17th day of September, A.D.,
2018.



TOM REID
MAYOR

ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



PASSED and APPROVED ON SECOND and FINAL READING this the 24th day of
September, A. D., 2018.



TOM REID
MAYOR

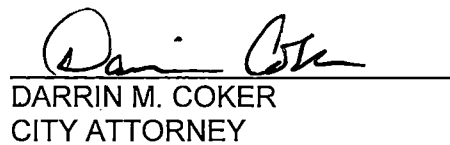
ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



APPROVED AS TO FORM:



DARRIN M. COKER
CITY ATTORNEY

ORDINANCE NO.1568

An appropriation Ordinance adopting a budget for the fiscal year beginning October 1, 2018, and ending September 30, 2019, and pay plans for fiscal year 2019.

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

Section 1. That the City Manager's proposed 2018-2019 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 2018-2019 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 2018-2019 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 17th day of September, A. D., 2018.



TOM REID
MAYOR


ORDINANCE NO.1568

ATTEST:


YOUNG LORFING, TRMC
CITY SECRETARY



PASSED and APPROVED ON SECOND and FINAL READING this the 24th day of
September, A. D., 2018.



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 2018-2019 Budget**

<u>Fund Description</u>	<u>Revenues</u>		<u>Expenses</u>	
	<u>Adopted Budget</u>		<u>Adopted Budget</u>	
	<u>Ord No. 1568</u>		<u>Ord No. 1568</u>	
OPERATIONS				
100 General	80,793,874		80,424,112	
200 Debt Service-General	37,918,371		38,941,094	
900 PEDC	11,730,381		27,757,741	
<u>Special Revenue Funds</u>				
305 Hotel/Motel	1,460,800		1,530,225	
310 Municipal Court Security	43,700		51,006	
315 Citywide Donation	30,967		39,673	
320 Court Technology	50,003		38,171	
330 Parks Donations	128,000		122,500	
331 Tree Trust	7,800		50,750	
335 Police State Seizure	4,000		37,200	
336 Federal Police	76,200			
340 Park & Recreation Development	138,000		749,154	
345 Sidewalk	5,005		4,220	
350 Grant	58,866		58,791	
351 Community Development	390,001		390,001	
360 Traffic Impact Improvement	7,500		1,141	
365 Court Juvenile Management	62,200		61,444	
370 Municipal Channel	285,000		158,400	
380 Regional Detention				
510 Lower Kirby				
<u>Internal Service Fund</u>				
700 Property/Liability Insurance	1,433,425		1,441,259	
702 Medical Self-Insurance	7,765,280		7,747,279	
703 Motor Pool	3,719,240		3,699,240	
<u>Proprietary Funds</u>				
600 Water and Sewer	55,197,384		53,416,720	
610 Solid Waste	7,703,815		7,700,000	
SUB TOTAL - OPERATIONS	209,009,812		224,420,121	
CAPITAL IMPROVEMENT PROGRAM				
<u>Water/Sewer Capital Projects Funds</u>				
550 Utility Impact Fee	29,990,000		37,234,738	
555 Shadow Creek Impact Fee	260,000		700,000	
560 Certificates of Obligation 1998				
565 1999 W & S Revenue Bonds	6,085,000		6,257,916	
570 Water/Sewer Pay As You Go	2,925,000		3,688,688	
575 MUD 4 Capital Program				
<u>Capital Projects Funds</u>				
500 Capital Projects	10,000		390,245	
501 Capital Projects-CO 2001	27,487,518		36,630,645	
503 Capital Projects-CO 2006			3,916	
506 Capital Projects-GO Series 2009	54,065,839		57,609,494	
SUB TOTAL - CIP	120,823,357		142,515,642	
GRAND TOTAL:	329,833,169		366,935,763	

Grade	Minimum	Market	Maximum	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
				SUMMER CAMP COUNSELOR
				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 I
				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	CUSTOMER SERVICE REPRESENTATIVE II
				RECORDS & INFORMATION COORDINATOR
113	\$32,924.00	\$39,509.00	\$49,386.00	ACCOUNTS PAYABLE CLERK
	\$15.83	\$18.99	\$23.74	COURT SECURITY OFFICER
				DEPUTY COURT CLERK, SENIOR
				OFFICE ASSISTANT, SENIOR
				PARAMEDIC
				PLANS EXPEDITER
				RECORDS SUPERVISOR
				SENIOR CENTER SHUTTLE BUS DRIVER
				UTILITY BILLING SPECIALIST
				UTILITY FIELD SERVICE TECHNICIAN
				UTILITY MAINTENANCE WORKER
114	\$34,570.00	\$41,484.00	\$51,855.00	ADMINISTRATIVE ASSISTANT
	\$16.62	\$19.94	\$24.93	EQUIPMENT OPERATOR
				JAILER
				LEGAL SECRETARY
115	\$36,299.00	\$43,558.00	\$54,448.00	HEAVY EQUIPMENT OPERATOR
	\$17.45	\$20.94	\$26.18	LEAD COURT SECURITY OFFICER
				QUARTERMASTER

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
116	\$38,114.00	\$45,736.00	\$57,171.00	BUILDING MAINTENANCE TECHNICIAN
	\$18.32	\$21.99	\$27.49	CCTV TECHNICIAN
				CHIEF COURT CLERK
				CODE ENFORCEMENT / HEALTH OFFICER
				EXECUTIVE ASSISTANT
				ANIMAL CONTROL OFFICER
				JUVENILE CASE MANAGER
				MECHANIC
				PARK MAINTENANCE CREW LEADER
				PRE-TREATMENT TECHNICIAN
				RECREATION SPECIALIST
				TREATMENT PLANT OPERATOR I
				UTILITY MAINTENANCE 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 OPERATOR
				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
				TREATMENT PLANT OPERATOR II
				URBAN FORESTER
				UTILITY FIELD SERVICE TECHNICIAN, LEAD
				UTILITY MAINTENANCE TECHNICIAN, SENIOR
				VOLUNTEER COORDINATOR
119	\$44,121.00	\$52,946.00	\$66,182.00	AQUATICS SUPERVISOR
	\$21.21	\$25.45	\$31.82	BUYER
				COMMUNITY OUTREACH COORDINATOR
				CONSTRUCTION INSPECTOR
				CRIME SCENE TECHNICIAN
				CUSTOMER SERVICE SUPERVISOR
				FACILITY SUPERVISOR
				ANIMAL CONTROL SUPERVISOR
				PLANNER I
				PW INFRASTRUCTURE LIAISON
				TELECOMMUNICATIONS TEAM LEADER

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
120	\$46,327.00	\$55,593.00	\$69,491.00	ADDRESSING COORDINATOR
	\$22.27	\$26.73	\$33.41	BACKFLOW COMPLIANCE PROGRAM COORDINATOR
				CIP COORDINATOR
				CRIME ANALYST
				EMERGENCY MANAGEMENT PLANNER
				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
				VIDEOGRAPHER/EDITOR
122	\$51,076.00	\$61,291.00	\$76,614.00	BUDGET ANALYST
	\$24.56	\$29.47	\$36.83	BUSINESS ADMINISTRATOR
				CONTRACT ADMINISTRATOR
				GIS SPECIALIST
				MARKETING MANAGER
				NATURAL RESOURCE MANAGER
				OPERATIONS MANAGER
				RESOURCE DEVELOPMENT COORDINATOR
				SALES AND EVENT MANAGER
				SENIOR ACCOUNTANT
				SPECIAL EVENTS COORDINATOR
				COMMUNICATIONS SUPERVISOR
				TREASURY ANALYST
				TREATMENT PLANT SUPERVISOR
123	\$53,630.00	\$64,356.00	\$80,445.00	HR BUSINESS PARTNER
	\$25.78	\$30.94	\$38.68	MAINTENANCE SUPERVISOR
				SAFETY OFFICER
				SENIOR PLANNER
				RECREATION PROGRAM MANAGER
				WATER B&C ASSISTANT MANAGER
123 F	\$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 MAINTENANCE SUPERVISOR
				DEVELOPMENT COORDINATOR
				FIRE INSPECTOR/INVESTIGATOR
				SENIOR BUDGET ANALYST
				HEALTH & ENVIRONMENTAL SERVICES SUPERVISOR

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
125	\$59,127.00	\$70,952.00	\$88,690.00	ASSOCIATE ENGINEER
	\$28.43	\$34.11	\$42.64	ACQUISITION MANAGER
				JAIL MANAGER
				MUNICIPAL COURT ADMINISTRATOR
				COMMUNICATIONS AND RECORDS MANAGER
				PARKS DEVELOPMENT & OPERATIONS SUPERINTENDENT
125 F	\$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	ANIMAL SERVICES MANAGER
	\$29.85	\$35.82	\$44.77	CHIEF CONSTRUCTION INSPECTOR
				CONSTRUCTION MANAGER
				DATABASE ADMINISTRATOR
				GRANTS/SPECIAL PROJECTS ADMINISTRATOR
				IT INFRASTRUCTURE ARCHITECT
				MANAGEMENT ASSISTANT
				PROJECT MANAGER
				PUBLIC WORKS SUPERINTENDENT
				RECREATION SUPERINTENDENT
127	\$65,187.00	\$78,225.00	\$97,781.00	MARKETING DIRECTOR (EDC)
	\$31.34	\$37.61	\$47.01	WATER BILLING & COLLECTION MANAGER
				MUNICIPAL COURT PROSECUTOR
127 F	\$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	BUILDING OFFICIAL
	\$34.55	\$41.46	\$51.83	EMERGENCY MANAGEMENT COORDINATOR
				GIS MANAGER
				INFORMATION TECHNOLOGY 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 F	\$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

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
132	\$83,197.00	\$99,837.00	\$124,796.00	ASSISTANT DIRECTOR, P&R
	\$40.00	\$48.00	\$60.00	ASSISTANT DIRECTOR, PUB WORKS
				BATTALION CHIEF (Logistics)
				BUDGET AND PROCUREMENT MANAGER
				FIRE MARSHAL
132 F	\$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
				ASSISTANT DIRECTOR, FINANCE
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
FY 2019

	1	2	3	4	5	6	7	8	9	10	11	12
Police Officer	\$27.58	\$28.43	\$29.29	\$30.19	\$31.11	\$32.06	\$33.04	\$34.05	\$35.09	\$36.16	\$37.26	\$38.40
141*	\$57,375.00	\$59,126.34	\$60,930.72	\$62,791.20	\$64,707.78	\$66,682.50	\$68,718.42	\$70,815.54	\$72,976.92	\$75,204.60	\$77,500.62	\$79,866.00

	1st year	2nd year	3rd year	4th year	5th year	6th year
Sergeant	\$39.24	\$40.45	\$41.70	\$42.99	\$44.31	\$45.68
19*	\$81,626.52	\$84,143.88	\$86,737.74	\$89,413.20	\$92,170.26	\$95,013.00
	1st year	2nd year	3rd year	4th year		
Lieutenant	\$47.09	\$48.48	\$49.91	\$51.39		
5*	\$97,951.62	\$100,844.34	\$103,822.74	\$106,889.88		
	1st year	2nd year	3rd year			
Captain	\$52.90	\$54.49	\$56.12			
4*	\$110,041.68	\$113,333.22	\$116,723.70			

*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.

FEES FOR ZONING CHANGE/CONDITIONAL USE PERMIT REQUESTS*

A \$150 processing fee, plus

A. 0 to less than 5 acres:

1. \$850 plus \$25 per each type of zoning requested on a tract of land; or
2. \$1,650 if Planned Unit Development

B. 5 to less than 25 acres:

3. \$850 plus \$25 per each type of zoning requested on a tract of land; or
4. \$1,850 if Planned Development

C. 25 to less than 50 acres:

1. \$875 plus \$25 per each type of zoning requested on a tract of land; or
2. \$2,250 if Planned Unit Development

D. 50 to less than 75 acres:

1. \$900 plus \$25 per each type of zoning requested on a tract of land; or
2. \$2,850 if Planned Unit Development

E. 75 to less than 100 acres:

1. \$925 plus \$25 per each type of zoning requested on a tract of land; or
2. \$3,650 if Planned Unit Development

F. 100 acres and over:

1. \$950 plus \$25 per each type of zoning requested on a tract of land; or
2. \$4,450 if Planned Unit Development

PLATTING FEE SCHEDULE

A. Preliminary Subdivision/Development Plats:

1. \$150 processing fee, and
2. The \$850 filing fee, plus 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. \$150 processing fee, and
2. The \$850 filing fee, plus 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. \$150 processing fee, and
2. The \$850 filing fee, plus 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. Amending Plat:

1. Fee amount: \$150 processing fee, and a \$450 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: \$150 processing fee, and a \$450 filing fee, plus \$6.00 per lot increase.
2. Commercial: Fee amount: \$150 processing fee, and a \$450 filing fee. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, an additional \$30.00 per acre or any fraction thereof.

I. Master Plat:

1. \$150 processing fee, and a \$450 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

323 people/2.90 PPH = 111 DUs

Dedication Requirement:

1 Acre per 111 DUs

Multi-Family

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: $\$136,000/111 \text{ DUs} = \$1,225 \text{ per DU}$
2. Multi-Family: $\$136,000/151 \text{ DUs} = \900 per DU
3. Park Development Fee: The cost of improvements in an average park in Pearland is \$630,520. One park serves 6,254 people, based on a total city population of 100,065 being served by 16 parks (count includes 10 neighborhood parks, 4 community parks, a nature trail, and a connectivity trail system as a singular unit). Average cost is estimated to be \$100.82 per person ($\$630,520/6,254$) to develop a typical park.

Single Family

$\$100.82 \times 2.80 \text{ PPH} = \292.378 per DU

Multi-Family

$\$100.82 \times 2.13 \text{ PPH} = \214.75 per DU

Total Park Fee

Single Family

$\$292 + \$1,225 + \$1,517 \text{ per DU}$

Multi-Family

$\$214 + \$900 = \$1,114 \text{ pre DU}$

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. \$150 processing fee, plus a \$250 filing fee

ZONING BOARD OF ADJUSTMENTS
FEE SCHEDULE

- A. ZBA Applications for Variance, Special Exceptions, etc.

- 1. Residential \$150 processing fee, plus a \$350 filing fee
- 2. Commercial \$150 processing fee, plus a \$350 filing fee

ZONING VERIFICATION
LETTERS

- A. Residential \$ 25.00
- B. Commercial \$ 35.00

PROCESSING 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	\$ 35.00 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

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
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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)			\$35/hour
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

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

Prepare for the Future



2018 - 2019
CITY OF PEARLAND, TEXAS
FISCAL YEAR
BUDGET



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