



THE PEARLAND YOU KNOW A FUTURE YOU'LL LOVE

**CITY OF PEARLAND
FISCAL YEAR 2019-20 ADOPTED BUDGET**



CITY OF PEARLAND

Fiscal Year 2019–2020

Budget Cover Page

This budget will raise less revenue from property taxes than last year's budget by an amount of \$-14,252,863, which is a -20.20 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 \$1,829,603.

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

FOR: Hernandez, Moore, Perez, Orlando

AGAINST: Reed, Little, Owens

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2019-2020	2018-2019
Property Tax Rate:	\$0.741212/100	\$0.709158/100
Effective Tax Rate:	\$0.719627/100	\$0.709158/100
Effective Maintenance & Operations Tax Rate:	\$0.284054/100	\$0.264535/100
Rollback Tax Rate:	\$0.741212/100	\$0.715697/100
Debt Rate:	\$0.434434/100	\$0.430000/100

Total debt obligation for CITY OF PEARLAND secured by property taxes:
\$321,140,000



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Pearland
Texas**

For the Fiscal Year Beginning

October 1, 2018

Christopher P. Morrill

Executive Director

Mayor & City Council



Adopted Budget Fiscal Year October 1, 2019—September 30, 2020



Tom Reid
Mayor



Luke Orlando
Position 1



Derek Reed
Position 2



Gary Moore
Position 3



Adrian Hernandez
Position 4



J. David Little
Position 5
Mayor Pro Tem



Trent Perez
Position 6



Woody Owens
Position 7

City Manager's Office



Clay Pearson
City Manager



Jon Branson
Deputy City Manager



Trent Epperson
Assistant City Manager

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August 1, 2019

Honorable Mayor and City Council members:

What is Next?! That's a question I get asked... a lot.

In Pearland, high velocity change and growth has been the norm: roads widen, housing soars, businesses open, water lines extend, and our population grows. Looking back over just the last five years Pearland is a different place, and I would argue, that while it *is* different, it is *also* better -- We are a diverse community that is welcoming to all, and it shows in many ways throughout the community.

But what *is* next? **While we face challenges, we are well positioned to answer that question:** Pearland's robust and diverse economy offers services and amenities that will not only continue to keep us competitive and to retain people who call Pearland home – regardless of their stage of life or career. We have a safe community, continuously improving public recreational facilities, programs, and special events, a high-quality water and sewer system, solid public infrastructure, outstanding public school districts, and dedicated employees. All so that we collectively offer an exceptional quality of life for our residents every day.

For the City, what's next is to continue building momentum around the positive qualities that make Pearland special. From the voter-approved 2019 bond issue, we will add needed City facilities including, a fire training burn building, and a larger, modern animal shelter. We will continue to reduce the adverse effects of the rapid growth phase with additional road improvements, improved utility provision, and storm water drainage improvements to further boost our resiliency to intense weather.

Moreover, our diversified economy means Pearland is fairly well insulated from whatever economic downturn or realignments may come. Our sales tax revenue, for instance, is projected in this budget for only modest growth. With that pace, we are still able to further build the General Fund's fund balance while making needed public investments in services and structures.

We are getting better and better

Before we look ahead, we have a lot to be proud of:

- ✓ Over the last five years our population has grown 21% - Crime rates are down between 12%-30% and response times are down 20%.
- ✓ Serious Crimes (Part I in statistics) are down 25%.
- ✓ Burglaries are down 24% (211) from the 5 year avg. (276.7).
- ✓ Motor Vehicle Theft is down 12% (93) from the 5 year avg. (105.7).
- ✓ Robberies are down 20% (32) from the 5 year avg. (40.2).
- ✓ Fire growth and response – in the last five years we have added two new fire stations (with one more soon to open) and 90th percentile emergency response rates have declined 17% (13:23 to 11:03)
- ✓ Road improvements – The 2007 bond program invested \$84M in roads, which unlocked \$137.6M in Federal Funds to aid in the completion of major projects that improved the road network – including recent completion of the widening of Reid Boulevard and Old Alvin Road, the extension

of Pearland Parkway and Fite Road, with Hughes Ranch Road, Mykawa Road, and McHard Road in the pipeline.

- ✓ Sales tax revenue growth – Sales tax has increased from \$28M to \$32.9M over the last four years. The first 10 months of this year equates to what was collected for all of FY15.
- ✓ Jobs – from 2005 to 2016 jobs grew 105%.
- ✓ Citizen survey - from 2015 to 2017 there was a 12% increase in population and a 14% increase in Sense of Community sentiment.

What's next

Development of a new Economic Development Strategic Plan is driving our thinking about what's next. After successfully executing the original strategy in 2013 (updated in 2015), a new course is being set to guide our efforts and ensure we are purposeful about identifying and implementing priorities. Building the new strategy began with a Community Assessment study in July 2019. In addition to the quantifiable information and consultant's expertise, stakeholders from throughout Pearland were interviewed. The Community Assessment mentioned this for a commonality in perspective:

In short, a key theme from the public input process is that there is an emerging consensus that Pearland is on the cusp of a new era. The community's recent history has been typified by rapid growth. Stakeholders said they feel that the community is "catching up" to this growth in many ways and have much to be proud of in recent years. However, stakeholders contacted through the input process also said that Pearland's residents are beginning to have discussions about what comes next for the community. These discussions can be synthesized and distilled into a single key question: **How will Pearland ensure its sustainability and maintain or even improve its status as a highly desirable destination as its era of rapid growth draws to a close and the community begins to mature?**

Now is an opportune time to ask this question. Suburban communities around the United States are facing a new paradigm that will bring both challenges and opportunities. Sun Belt suburbs such as Pearland remain among the fastest growing communities in the country. However, trends such as e-commerce and peer-to-peer technologies could alter sectors such as retail and food service that are critical to the tax base of many localities, including Pearland. Additionally, shifts in generational preferences and financial hurdles faced by younger populations could have a variety of implications. Communities that address these issues will unquestionably chart a more sustainable course for their community and economic development.

Looking ahead to what's next is wise, maybe even being a little restless to a different type of change from the breakneck pace of growth to more of a moderate rate. Yet, there have been cities who succeed and thrive with growth closer to the median rates. We are building the City of Pearland into a High Performance Organization; one that's nimble and smart, full of leaders at all levels. Our talented and dedicated City staff team are gearing us up to build and connect. In the next decade, we will shift to more maintenance and less new construction of infrastructure. While new growth of valuation from development will not be as big a part of our planning, we will continue to protect the value in our existing neighborhoods and businesses, as we thrive in new maturing ways, building a sustainable Pearland well positioned for continued success.



The SH 288 Corridor with connections to Beltway 8 and Discovery Bay Drive/Hughes Ranch Road.

The big highway and its supporting road network

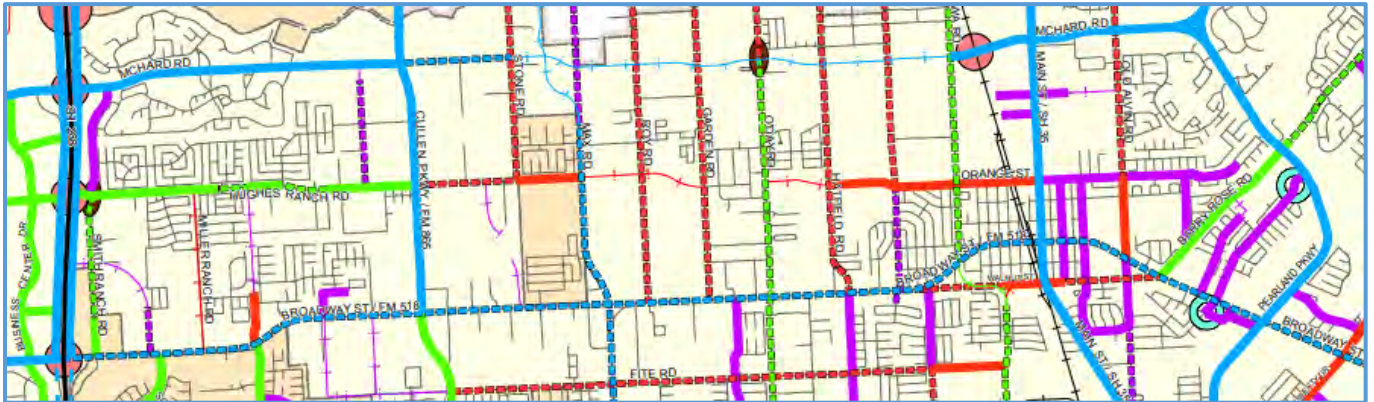
We've been executing a plan for linking together our road network. The work is coordinated and sequenced to the best of our ability. There are multiple agencies (the City, Brazoria County, TxDOT, Harris County Toll Road Authority) and other funding sources. Each bit of work requires multiple permitting levels, right-of-way acquisitions, design, and construction bidding, award, and work.

To guide all of this, we have a solid thoroughfare plan that outlines the major streets, and future connections. It gives us a planning tool to set out and designate future public rights-of-way through the planning and development process with private developments. That Thoroughfare Plan, along with other master plans, is an integral part of the City's Capital Improvements Program that provides a multi-year construction and budgeting plan to show what's next for the road system. The next Fiscal Year 2020 will be significant for seeing successful results of many years' planning and work.

The largest project in Pearland is part of an even more massive undertaking as the SH 288 toll managed lanes and associated work all the way from south of Pearland, through Beltway 8 and I-610 interchanges, to the Texas Medical Center.

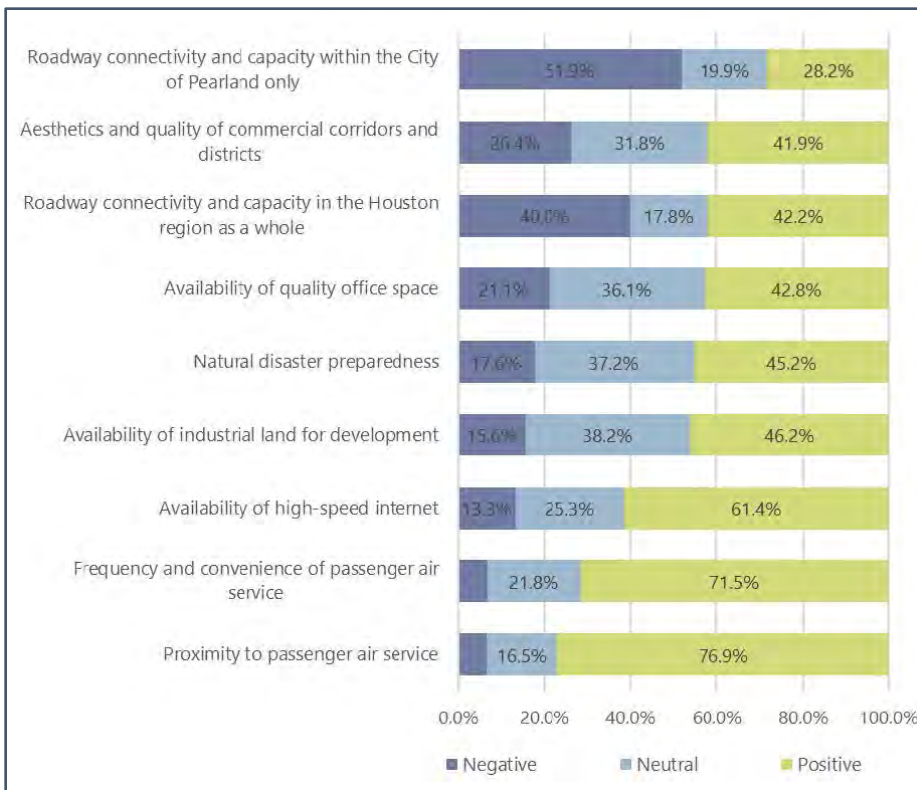
Within the City of Pearland, the widening of Hughes Ranch Road (CR 403) is has started and is set to complete in early 2021. That road provides larger capacity and better safety while tying into new T-Ramps for direct access to the SH 288 toll road. East-west travel in Pearland will improve even more with the start of the much-anticipated extension of McHard Road between Cullen Parkway and Mykawa Road. We awarded construction of the new water and sewer work for that corridor in June 2019. During the upcoming "winter" of 2019, we will be awarding construction of the road work itself.

None of these projects would be where they are without anticipation and coordination with the City Thoroughfare Plan, the Capital Improvement Program, and the financing and administration.



Thoroughfare Plan Excerpt -- McHard Road

We have numerous mobility projects underway or planned that will spur more economic development with investment and jobs.



Excerpt of stakeholder feedback from PEDC Assessment Study

Brazoria County, and the alphabet soup of TxDOT, HCTRA, and BCTRA, there is progress made, and connections, to be made.

The trial period of the privately-provided bus commuter service from the Shadow Creek Sportsplex is underway, broadening the service options.

Advantages gained by our mobility work

All the work to improve mobility, part of plans and budgets past and future, will address three of the biggest negatives identified in the new Pearland Economic Development Strategy Community Assessment:

- Roadway connectivity and capacity within the City of Pearland only
- Aesthetics and quality of commercial corridors and districts
- Roadway connectivity and capacity in the Houston region as whole

Together, working with partners successfully such as

We are also diversifying the less commuter-oriented connections. Pathways are making progress to be constructed with substantially long segments, primarily along the Clear Creek corridor. Thanks to major grants, work is starting on those and providing what will be a continuous recreational trail across Pearland.



Main Street State Highway 35 entry feature newly installed

Lower Kirby District & major corridors

In the Lower Kirby District, South Spectrum Boulevard will be open from Kirby Drive all the way over to the SH 288 southbound frontage road by October 2019. The entire Lower Kirby corridor has grown and diversified the City tax base by adding primary jobs, thanks to years of planning and investment by our Pearland Economic Development Corporation (PEDC) team.

Realizing the potential of our Main Street/ State Highway 35 Corridor is a similar economic development focus. As with Lower Kirby, PEDC is leading the effort by executing a plan for

enhancing the look and feel of the corridor, making it more attractive and giving confidence to investors. Just as the private sector developers of a new residential subdivision spend considerable money on the entryways to give a quality look and feel, or a hotel property has a lobby that gives a certain feel, our rights-of-way convey the message that Pearland is an inviting and prosperous community. The work underway now adds to the public spaces to help set that tone.

Down the road, what's next for our FM 518/Broadway Corridor is needed expansion and safety improvements. As a State road, some of which lies outside the City limits, TxDOT will be the lead. The State, through TxDOT, *has funded* the portion of FM 518 from SH 288 to Cullen. For FM 518 widening (SH 288 to FM 865/Cullen Pkwy), widening from four to six lanes, TxDOT has \$32.4 million for funding in 2023. The next segment of Broadway, from Cullen Pkwy easterly, is unfunded by TxDOT.

A third road corridor deserving mention is Pearland Parkway. We've witnessed and enjoyed growth and development of restaurants and retail along there, adding choices for shopping and dining. Now what's next from the City will be, thanks to the voter-approved May 2019 bond issue, redevelopment of the traffic rotary improvements. The work will make through traffic easier and safer. These updates will be planned to be completed in advance of the ensuing extension of McHard Road.

State of Texas Legislature oversight

Our State of Texas Legislature meets every other year for regular session. The cascade of bills introduced leads to a small number that are approved by both chambers and are signed by the Governor. In the last couple of sessions, to put it kindly, the new laws have significantly reduced local government flexibility and resources.

While admirably directing considerable attention to the critical State mandate of funding public education across the State, there was passage of a new property tax revenue cap for most cities and counties before special elections are required. For years, the maximum property tax revenue growth, in theory

excluding new growth from a complex formula, was 8%. **Starting with the budget year beyond the recommended one here, for our FY 21, the cap is 3.5% growth as the property tax revenue cap.**

There are several impacts we should anticipate for what's next:

- Our operations budget
- Impact on fleet replacements
- Annual maintenance of streets and sidewalks (already significantly underfunded will be further crimped)
- Ability to add even the portion of additional positions for police, fire, public works, parks, and support across the organization will be lessened

The City is committed to opening Fire Station #8 with a medic unit and one apparatus through continuous onboarding of additional staff in FY 20. We have ordered the large rolling stock trucks to be in the building when it opens in fall of 2020. However, the full complement of firefighters needed to staff the second apparatus is built into future budget projections that are uncertain with the new 3.5% property tax revenue cap.

Another factor with the revenue growth constriction is the impact on our General Fund's fund balance. Without the flexibility on revenue growth, we will be slowed in achieving the desired reserves for emergencies like we experienced with Hurricane Harvey to cash flow expenses and cover items that are *not* reimbursable expenses.

Another bill that went through the 2019 Legislative session that has since been signed into law reduced telephone franchise fees to cities for use of the public right-of-way for private commerce. The revenue estimate reflected in this recommended budget is a loss of \$100,000. The intent of the bill was explained that now telecom companies do not have to pay "twice" for using lines for phone & internet – now only required to pay the higher of the two. Our City of Pearland total Telephone Fees in FY19 was \$275,000 but now reduced to \$175,000, so limited exposure. We will monitor and update at mid-year if needed.

Finally, for State legislative "highlights", the special session in 2017 that brought new requirements for cities in Texas to grow into their respective extraterritorial jurisdiction boundaries, continues to impact our planning. Future water and wastewater modeling, for impact fees for instance, no longer assumes the same growth areas. We also completed in FY 19 a strategic goal of the City Council to no longer provide fire services into the ETJ without a dedicated funding commensurate to the City's cost of service. Two new emergency service districts, #4 and #5, were created and will levy the maximum 10 cent property tax which will substantially be paid to the City for service provided. **In upcoming FY 20, the recommended budget here has revenue of \$776,000, but that will go to \$940,000 after the ESDs have a chance to build their balances.** That revenue will cover much of the cost of service for the area.

FEMA monies and storm water management in Pearland

Hurricane Harvey in August 2017 impacted our community in many ways. While there was no loss of life and relatively small private property damage within the City of Pearland, the lingering effects, financial issues, and lessons remain here in 2019. We are better equipped with equipment. We are also making improvements to our Emergency Operations Center so that City will be able to support the community more comprehensively in the event of an emergency.

Now in July 2019, only a month away from the two-year anniversary of Hurricane Harvey, there is a heavy sense of urgency on our part to move from our desk the outstanding claims involving FEMA disaster

recovery program that reimburse the City for its outlay of costs for that event. The State, via Governor Abbott, has issued a number of correspondences to FEMA and the Texas Division of Emergency Management (TDEM), urging these outstanding outlays be resolved and obligated to reimburse the affected municipalities and other jurisdictions by late August 2019, and the applicable parties are working hard to do so.

Considering the two FEMA work categories the City has made substantial outlays to cover the costs of debris removal and emergency measures:

As a recap, **FEMA Category A** – Debris Removal costs have been reimbursed (100%), as the City has received payment in the form of \$1,347,687 in Federal funding, and \$149,743 from the State of Texas, for a total of \$1,497,430. The funds are dedicated to reimbursing the solid waste fund and not available for other purposes.

FEMA Category B is the section of disaster recovery public assistance reimbursement that involves the City's Emergency Protective Measures and is the one that has the most direct implication to the City's General Fund. At the end of the FEMA-defined period of initial emergency operations (1st 30 days following the event – 9/24/2017), the City began to calculate eligible costs for reimbursement for the use of force account labor, City equipment, materials and supplies and contract work towards emergency protective measures affiliated with Hurricane Harvey. Staff believes the reimbursement amount will be in line with the \$2,078,507 identified in a Validation Summary issued by FEMA on Monday, July 22, 2019. Per that amount, the allocation of that reimbursement would be distributed by Fund as follows, which is subject to change based on the final approved reimbursement amount:

1. **General Fund - \$1,785,518 in Force Account Labor, Equipment and Materials**
2. Enterprise Fund - \$283,557 in Force Account Labor, Equipment and Materials
3. Other Funds - \$9,432 in Force Account Labor

We have **not** included within FY 19 any of the FEMA reimbursement revenue that's coming and **not** budgeted any revenue or expense for FY 20. The amounts of reimbursement are well-documented and nearly certain. However, given the State and Federal agencies and uncertainty of timing, we are conservatively not assuming that in the budget. As soon as we have certainty, we will bring that to you to amend the budget for revenue. **We will also have at least these amounts recommended with the incoming \$1.8 million General Fund FEMA reimbursement for one-time or discretionary expenses:**

- \$500,000 Asset Management Software next phase beyond work order (GF Share)
- \$200,000 for Comprehensive Plan
- \$900,000 for streets, sidewalks, vehicles replacements
- \$185,518 or Remaining balance - Addition for General Fund's fund balance

Again, the timing of being able to recognize and receive the money is the significant detail and makes us recommend to not include, but make these expenditures contingent upon receipt, likely early in FY 20.

Beyond the Hurricane Harvey recovery money detailed above, there are other separate additional new FEMA Recovery dollars anticipated. The City Council conducted a public hearing on July 22 for new Community Development Block Grant (CDBG) recovery funds anticipated to be administered by the City. Based on damage assessments that demonstrate Hurricane Harvey damaged 1,784 homes in Pearland, the City has been allocated \$2,727,372 for buyouts of flood-affected homes impacted by Hurricane Harvey and \$2,657,147 for Infrastructure/Capital Improvements. We have a lot of paperwork and filings

to complete, but allocations for Pearland total \$5,384,519 and will be disbursed upon completion of our CDBG-DR Action Plan, similar to the annual Action Plan the City completes to determine how regular CDBG funds are used each year.

Storm water management and the fee option

Bigger picture, our storm water management and flood control work locally, in cooperation with partners including Brazoria Drainage District #4 and Harris County Flood Control District continues.

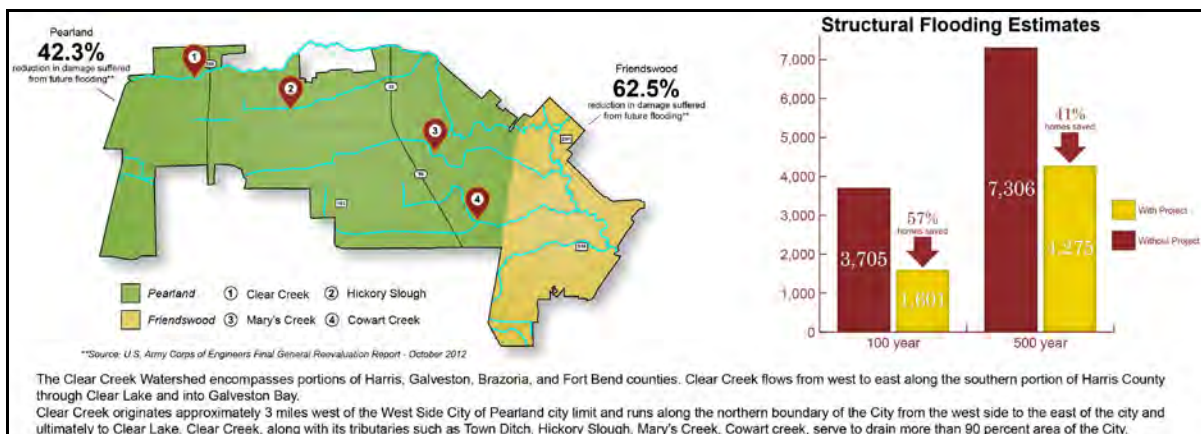
We have had introduction to the option and benefits of the Storm Water Utility Fee that's been used successfully in many Texas cities as a dedicated, identifiable means to support this essential work. While it would be easier to continue with the large and visible drainage public projects, primarily funded with debt, our minimal ongoing maintenance and smaller projects that can help localized flooding will continue to be pushed towards the sidelines. Moreover, moving the City storm water work source of revenue from general funds to a dedicated fee would both give more money to that stormwater work and free up some General Fund dollars that could be reallocated to ongoing maintenance of streets and sidewalks.

Clear Creek improvements

What's next for the creek that drains nearly all of Pearland? The long-awaited (decades!) Clear Creek flood reduction project is a partnership between the US Army Corps of Engineers (USACE) and Local Sponsors (Harris County Flood Control District [HCFCD], Galveston County and BDD4). The project will provide channel improvements and in-line detention along Clear Creek from SH288 to Dixie Farm, along with improvements to additional tributaries in the Clear Creek watershed.

After Hurricane Harvey the project was finally provided appropriation from the Federal Government for \$295 Million, with local sponsors reimbursing their cost share. In June 2019 a Project Partnership Agreement was approved, between USACE and HCFCD, to allow the HCFCD to carry out the project. The transfer of lead from the Feds allowed the responsibility of the project to be transferred to HCFCD to manage, design, and build the project. Additionally, with the transfer of project management and construction to HCFCD, the estimated cost share is apparently now a 50/50 partnership with local funding being required throughout the project development and construction. That translates to \$147.5 million from USACE and *the remaining balance being funded by the Local Sponsors*. The timing of the local funding is a new twist that has to be digested and agreed to with (hopefully) matching from local sponsors by work already completed or land acquired.

The project is underway with the development of scope for services and subsequent advertisement for design services. As of current project status, it is still scheduled for completion within the 5-year schedule.



Again, with all the tremendous growth and development, the newly constructed areas of Pearland were extremely resilient during Hurricane Harvey. The next storm may be different, perhaps more wind, perhaps more power outages, perhaps a combination of both. We will be ready for the response, but until then, we must continue to enforce and follow the design requirements for private development and build out more of the major construction projects. Just as important, I believe, is to commit and follow through with regular maintenance and smaller projects. After Hurricane Harvey, we identified 30 problem areas that can be addressed over time with a dedicated Storm Water Drainage fee source of revenue, while allowing flexibility to balance the other City responsibilities of streets and sidewalks.

The multi-billion dollar development program: TIRZ #2

We need to look ahead and understand the near-term benefits and effects of the success of Tax Increment Revitalization Zone (TIRZ) #2 that is Shadow Creek Ranch, a major master planned area in Pearland. The capture from the TIRZ expires in 2029, with a closeout year thereafter.

The intricacies of the TIRZ are diverse, but one is that the property tax collected for that entire area, a taxable value that as of now has reached an incredible \$2.6 billion, is “captured” and segregated. The City and other taxing bodies have deferred their normal operating tax rate to instead repay the obligations of the TIRZ. However, the City receives an “administrative fee” of 64% of what our total property tax rate would have otherwise derived. That 64% obligated in the original TIRZ agreement is actually more than would be generated from the Operations and Maintenance (O&M) portion of the City property tax rate. As we turn into a new decade and see the end of the TIRZ #2, at some point in a few years, projections and transition plans need to be made for the TIRZ ending and the property coming back as normal property onto the tax roll.

Another very positive event horizon to anticipate is the fact **the City is in line to receive \$8.5 million back from the TIRZ in 2022 as reimbursement for work the City advanced to extend and improve Broadway Street within the TIRZ.** Growth in the TIRZ has now changed projections such that not only will the City be reimbursed that substantial amount, but it is expected in 2022. The initial conversations and recommendation is the bulk of that one-time reimbursement be used to firmly establish the City’s internal service fleet fund and to fully bolster the General Fund’s fund balance.

Before that, the interim financing by the City for additional public improvements within the TIRZ area is before us and impacting the FY 20 and near-term City budgets. **In order to be reimbursed for additional improvements, the City is obligated to advance finance new City projects: \$14.4 million in Certificates of Obligation (COs) approved June 24th for interim financing to build SCR Park Phase II, new Fire Station #8 and equipment, a new Shadow Creek Ranch Public Library, and landscaping, street lighting and sidewalk design in SCR. The issued debt is relatively short term in nature, payable back with interest, in essence balloon payments from 2025 through 2029, totaling \$48.4 million in improvements, timed to match the TIRZ reimbursement.** That large investment within the TIRZ represents projects that would otherwise have been paid by the City from its own sole revenue or not accomplished at all.

Overall Expenditures Highlights

In our Comprehensive Annual Financial Report each of the last several years, which provides an unvarnished snapshot of City finances across dozens of funds at the September 30 close of each fiscal year, we have provided a table of spending and growth analysis. That table shows a long run of total City expenditures by various categories.

SPENDING AND GROWTH ANALYSIS					
<i>Amounts in (000's)</i>					
Expenditures	2009	2018	% CHG	Growth Rate	
General Gov't	\$ 8,423	\$ 11,300	34.2%	3.3%	
Public Safety	22,310	41,273	85.0%	7.1%	
Public Works	12,051	16,968	40.8%	3.9%	
Community Services	3,386	4,313	27.4%	2.7%	
Parks & recreation	5,789	5,959	2.9%	0.3%	
Economic Development	18,730	29,195	55.9%	5.1%	
Debt Service - principal	7,517	23,547	213.2%	13.5%	
Debt service - interest	15,704	15,814	0.7%	0.1%	
Capital outlay	75,490	43,474	-42.4%	-5.9%	
Intergovernmental	7,630	7,168	-6.1%	-0.7%	
Total	\$ 177,030	\$ 199,011	12.4%	1.3%	
Per Capita Expenditures Adjusted for CPI					Growth Rate
POPULATION	92,600	125,198		3.4%	
PER CAPITA	\$ 1,912	\$ 1,590		-2.0%	
CPI INDEX (NATIONAL)	214.54	252.44		1.8%	
PER CAPITA ADJ TO 2018	\$ 2,250	\$ 1,590		-3.8%	
PER CAPITA ADJ TO 2009	\$ 1,912	\$ 1,351		-3.8%	

The numbers are instructive as they show our primary investment and growth in **public safety**, 21% of the total across all funds for the fiscal year ending September 30, 2018. Also interesting is the analysis of per capita City government expenditures when adjusted for Consumer Price Index (CPI). That table reflects that when properly indexing to the CPI, per capita city expenditures are somewhat *less* than they were ten years ago.

General Fund Revenue Highlights

Our General Fund that provides the bulk of City day-to-day services is primarily funded by local property tax and local 1% sales tax revenue. There are not transfers from the State of Texas or others – to be direct, we thrive or struggle based on local resources and local decisions.

Annual Budget by Function Report								
Summary								
Fund: 100 General Fund	2017 Actual		2018 Actual		2019 Amended		2020 Proposed	
	Amt.	% of total	Amt.	% of total	Amt.	% of total	Amt.	% of total
Property Taxes	\$17,910,289	24%	\$20,383,959	26%	\$22,952,305	28%	\$25,704,801	30%
Sales & Use Taxes	\$20,457,029	28%	\$22,662,007	29%	\$22,438,980	27%	\$22,669,370	26%
Franchise Fees	\$6,975,738	9%	\$7,097,568	9%	\$7,272,488	9%	\$7,242,757	8%
Licenses & Permits	\$5,434,917	7%	\$4,145,496	5%	\$3,882,867	5%	\$3,887,350	4%
Fines & Forfeitures	\$2,510,849	3%	\$2,322,398	3%	\$2,452,750	3%	\$2,445,750	3%
Charges for Services	\$15,396,511	21%	\$16,051,689	21%	\$16,900,459	21%	\$18,291,338	21%
Investment Earnings	\$217,286	0%	\$323,550	0%	\$537,000	1%	\$622,000	1%
Intergovernmental	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Miscellaneous	\$1,534,335	2%	\$1,302,233	2%	\$1,150,903	1%	\$1,121,854	1%
Other Financing Sources	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Transfers In	\$3,791,394	5%	\$3,816,116	5%	\$4,674,460	6%	\$4,949,456	6%
Revenue Totals:	\$74,228,348		\$78,105,016		\$82,262,212		\$86,934,676	

Total revenue to the General Fund is ½ from local sales tax and property tax with another 21% from the TIRZ Administrative Fee, an indirect source of property tax contracted for the TIRZ.

Property Tax Base

Property tax is composed of two components, the base of value and the rate. For the base value, growth overall for values from the three counties we occupy totals +5.0%. Our own analysis of information from the Central Appraisal Districts is that 45% of homestead properties in Pearland had an increase in AV between 0% and 5%, with 25% experiencing a one-year change between 5% and 10% and 21% assessed between no change and a 5% decrease.

For 2019, value of *new* improvements and *new* personal property is \$246 million onto the rolls, included in the recap table of appraisal rolls. That amount of new taxable value is down 9.1% from what was added the prior year, evidence of the slowing pace of growth noted earlier.

The base values provided by county appraisal district is just the starting point. From that base, the taxable amount upon which we apply our rate gets whittled down. For one, the TIRZ #2 is removed. Then, the amount from tax ceilings per the State worksheet, is removed, leaving a smaller base

Property Tax Rate

The City sets its own rate, the valuation changes individually for thousands of properties. For the rate, local governments in Texas have had the option for local elected leaders to go up to a property tax revenue growth *theoretically* up 8%. Beyond that rollback rate, other requirements are activated for notice for the City to proceed. The current FY 20 Budget will be the last for a rollback rate with the current State-mandated worksheet formula. Under new State law, beginning with valuations as of January 1, 2020 applicable to our FY 21 Budget, the new maximum revenue growth from existing property is just 3.5%.

Significant in that worksheet is that \$1.1 billion in value is removed for homeowners age 65 or older, which particularly has again affected our calculations for the debt service rate.

The recommended budget is based upon the City adopting a rate at the calculated *rollback rate* for Operations and Maintenance of the City. If the City were to not adopt the rollback rate, then items such as streets and sidewalks, additional personnel etc. would need to be eliminated and the services and support would fall behind requests and expectations. Simply put, some challenging gaps we see would be worse. The Comparison of Potential Property Tax Rate and Revenue shows the impact. Without adopting the recommended rollback rate, and if we were to adopt the effective rate, we would need to remove \$2.7 million in expenditures from the General Fund.

Comparison of Potential Property Tax Rate and Revenue				
General Fund and Debt Service Property Tax Rates	FY2019 Actual Rates & Levy	Fiscal Year 2020*		
		(1) Current Tax Rate	(2) Effective Tax Rate (No New Revenue Rate)	(3) Proposed Tax Rate -- Rollback Rate (8% Revenue Cap)
O&M	0.279158	0.2708	0.2812	0.3068
Debt Service	0.430000	0.4344	0.4344	0.4344
Total	0.709158	0.7052	0.7157	0.7412
G.F. Property Tax Revenue + TIRZ Admin Fee (in millions)	\$22.6 + \$10.8 = \$33.4	\$22.4 + \$10.6 = \$33.1	\$23.3 + \$10.8 = \$34.1	\$25.5 + \$11.2 = \$36.8
*For Fiscal Year 2020, the proposed rate in green is used in the recommended budget revenue				

Built upon the calculated rollback rate in the State-mandated formula worksheet, the property tax levy represents a 3.0% tax increase with their math. Moreover, their calculation is that the FY 20 Operations and Maintenance (O&M) tax levy is \$25.5 million. That said, **we need a total Tax rate of 0.7412 at the rollback rate, of which 0.4344 is the debt rate and \$0.3068 is the O&M rate.** The difference from the adopted FY 19 rate is 0.032.

The other major General Fund revenue source is local sales tax. The sales tax revenue to the general fund is budgeted for only 1% growth over the rolling 12-month average, based upon performance in the last months. For every 1% growth, that would be an additional \$222,000, so if that improves from our conservative estimate, that will improve that position significantly.

Because of different valuation cases, individual property tax bills, just like gas mileage on a car, will have actual experiences varying.

Summary of Homestead Property Tax Bills Projected for 2019 Tax Year (for FY 2020 Budget Cycle)													
		Zero Growth		Homestead Example 1		Homestead Example 2		Homestead Example 3		Homestead Example 4		Homestead Example 5	
TY18 Actual COP Tax Bill		\$ 1,291		\$ 2,071		\$ 1,104		\$ 1,233		\$ 1,763		\$ 987	
TY18 Taxable Value		\$ 187,000		\$ 299,500		\$ 160,690		\$ 178,930		\$ 255,000		\$ 139,200	
% Increase (Decrease)		0.0%		-9.1%		-2.6%		-9.3%		2.7%		1.4%	
TY19 Taxable Value		\$ 187,000		\$ 272,210		\$ 156,490		\$ 162,250		\$ 262,000		\$ 141,200	
Scenario	City Rate	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual
Proposed TR	0.7412	\$ 1,349	\$ 58	\$ 1,967	\$ (104)	\$ 1,123	\$ 19	\$ 1,166	\$ (68)	\$ 1,893	\$ 130	\$ 1,047	\$ 59

		Homestead Example 6		Homestead Example 7		Homestead Example 8		Homestead Example 9		Homestead Example 10		Senior Example	
TY18 Actual COP Tax Bill		\$ 1,454		\$ 2,110		\$ 3,161		\$ 1,839		\$ 2,187		\$ 206	
TY18 Taxable Value		\$ 210,020		\$ 305,124		\$ 454,080		\$ 266,000		\$ 316,310		\$ 155,070	
% Increase (Decrease)		1.9%		3.1%		-0.9%		3.6%		6.1%		12.1%	
TY19 Taxable Value		\$ 214,080		\$ 314,502		\$ 449,910		\$ 275,700		\$ 335,760		\$ 173,850	
Scenario	City Rate	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual	TY 2019 Amount	Change from Prior Year Actual
Proposed TR	0.7412	\$ 1,547	\$ 93	\$ 2,273	\$ 163	\$ 3,273	\$ 112	\$ 1,992	\$ 153	\$ 2,426	\$ 239	\$ 206	\$ -

General Fund Expenditures Overview

General Fund expenditures include salary wages and benefits of our employees which amounts to about three-quarters of expenditures. The FY 20 amount includes a 2% flat adjustment which is what we can afford within the constraints of the budget. The City undertook a compensation study in FY 18 and funded in that year 100% of the recommended adjustments at midyear which were fully absorbed in FY 19. Given that the 2% is a modest increase, we've also included a new one-time supplemental budget to provide a December one-time pay of \$2/month of service, similar to the longevity pay paid annually before Thanksgiving (\$4/month of service).

Annual Budget by Account Classification Report									
Summary									
	2017 Actual		2018 Actual		2019 Amended		2020 Proposed		
Fund: 100 General Fund	Amt.	% of total	Amt.	% of total	Amt.	% of total	Amt.	% of total	
Expenditures									
Salaries & Wages	\$53,274,036	66%	\$53,952,026	69%	\$58,752,105	71%	\$61,804,255	72%	
Materials & Supplies	\$2,530,393	3%	\$2,264,965	3%	\$2,391,420	3%	\$2,634,036	3%	
Building & Grounds	\$3,128,950	4%	\$3,063,638	4%	\$2,790,948	3%	\$2,348,911	3%	
Repair & Maintenance	\$3,236,922	4%	\$3,117,319	4%	\$1,999,246	2%	\$2,886,741	3%	
Miscellaneous Services	\$10,562,010	13%	\$11,220,714	14%	\$10,995,750	13%	\$10,777,624	13%	
Other	\$18,677	0%	\$19,180	0%	\$106,569	0%	\$265,700	0%	
Inventory	\$522,502	1%	\$779,349	1%	\$474,294	1%	\$455,453	1%	
Capital Outlay	\$4,767,706	6%	\$2,334,476	3%	\$893,673	1%	\$794,306	1%	
Principal Payment	\$547,305	1%	\$556,677	1%	\$520,496	1%	\$367,691	0%	
Interest Expense	\$44,294	0%	\$34,922	0%	\$22,355	0%	\$11,925	0%	
Transfers Out	\$2,008,856	2%	\$1,009,451	1%	\$3,811,203	5%	\$3,864,869	4%	
Expenditure Totals	\$80,641,650		\$78,352,716		\$82,758,059		\$86,211,511		

Annual Budget by Function Report

Summary

	2017 Actual		2018 Actual		2019 Amended		2020 Proposed	
Fund: 100 General								
Expenditures								
General Government	\$12,853,683.68	16%	\$11,941,694.96	15%	\$12,972,705.00	16%	\$13,846,621.00	16%
Public Safety	\$44,244,560.46	55%	\$42,277,270.71	54%	\$46,014,771.00	56%	\$48,327,734.00	56%
Public Works	\$12,881,801.21	16%	\$13,992,608.14	18%	\$13,140,448.00	16%	\$13,028,881.00	15%
Community Services	\$4,085,692.07	5%	\$4,050,477.29	5%	\$4,147,697.00	5%	\$4,303,693.00	5%
Parks & Recreation	\$6,575,912.34	8%	\$6,090,665.62	8%	\$6,482,438.00	8%	\$6,704,582.00	8%
Expenditure Totals	<u>\$80,641,650</u>		<u>\$78,352,717</u>		<u>\$82,758,059</u>		<u>\$86,211,511</u>	

The City invests 56% of the General Fund expenditures for police and fire expenditures, these public safety functions are supported by the entire organization.

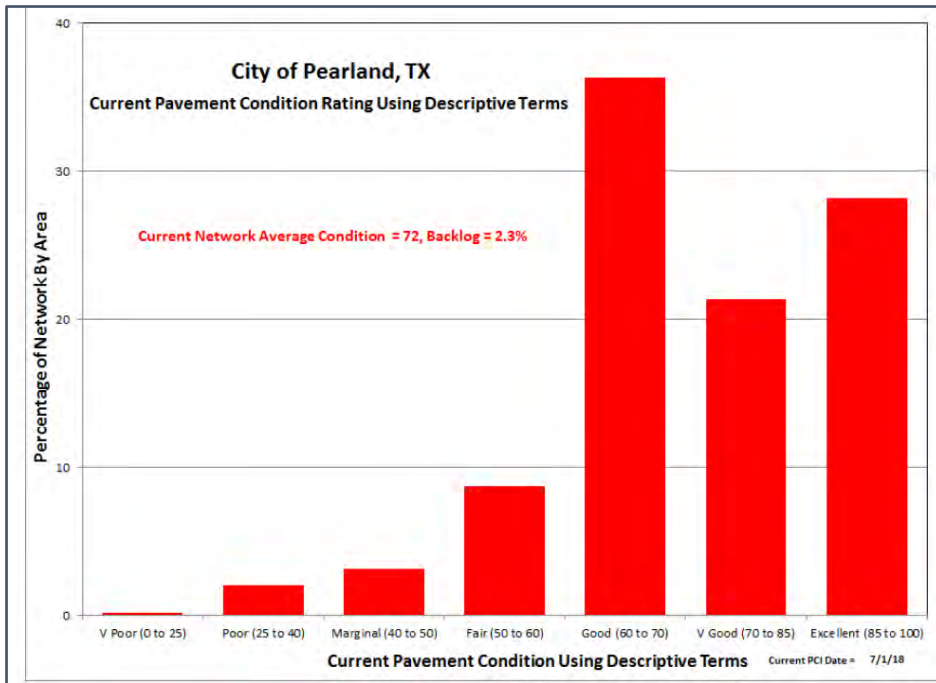
Public Safety – Police and Fire

Our work and support for public safety in Pearland remains our top priority. We've added people, equipment, and vehicles. After years of adding sworn officer positions, the recommendation for the top priority next is support for telecommunication (911 operators) and an additional two sworn positions that will allow for expanding the Criminal Investigation Division.

During our mid-year review and additions, we made a commitment and added \$450,000 to replace all but one of the vehicles that were removed from the FY18 Budget due to mid-year budget reductions following Hurricane Harvey. The light vehicles were all Police vehicles.

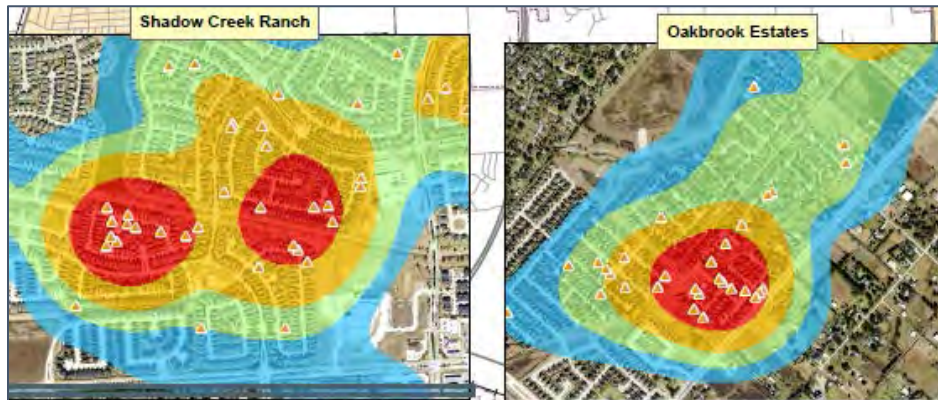
For new Fire Station #8 now under construction on Shadow Creek Parkway, 13 new positions are to be phased in over the first half of FY20 to allow the City to staff one apparatus and one medic unit. We have had an ongoing "Continuous Onboarding" program over the last several fiscal years. That program will continue as budget allows to get the last apparatus for Fire Station #8 staffed up towards its potential. Beyond Station #8, we have a replacement for Station #4 (built years ago as a volunteer station) on Freedom Drive and then building a complement of firefighters again toward opening Fire Station #7 on Bailey Road.

Neighborhood streets and sidewalks



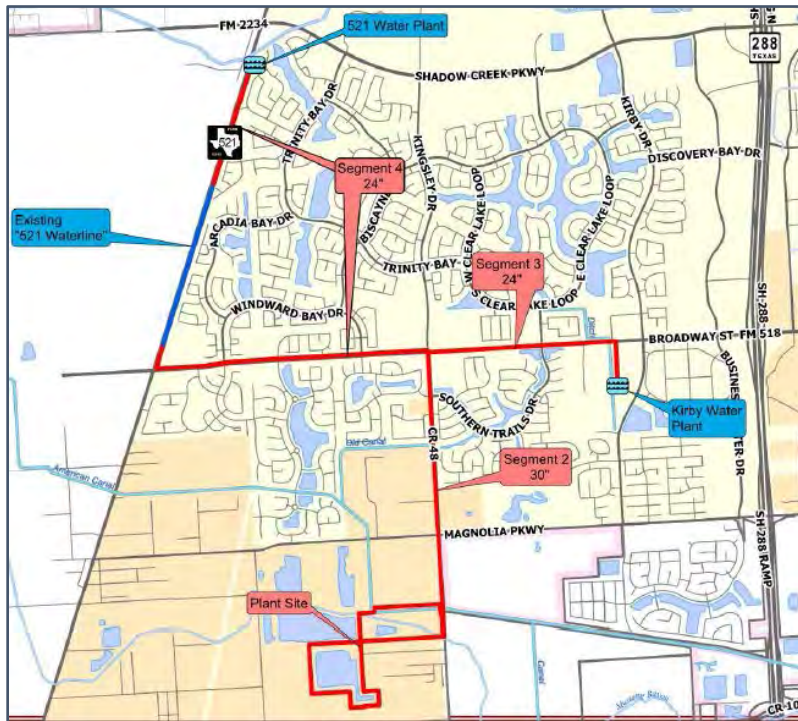
The last full assessment was done in November 2014 with asphalt streets updated in November 2017 after Hurricane Harvey. **The ROW Assessment recommends a target of \$4.6 M annually for street maintenance, to maintain a Pavement Condition Index (PCI) of 72.** The distribution of pavement condition scores is shown in the bar graph.

The City streets network total was a PCI of 75 when the ROW Assessment was conducted in 2014. The ROW Assessment from 2017 now shows a street network PCI of 72. (A 3 point PCI decline due to funding levels below the recommended amount.) Asphalt streets are an average of PCI of 64, which is much lower, showing *the asphalt network requires more maintenance work.*



For sidewalks, there is a current backlog of 815 sidewalk repair work orders. The oldest work orders date

back to 2009. Staff is working to address oldest work orders and target the areas of highest number of work orders on a city -wide basis. (Heat map of work orders shown for two neighborhoods).



New Surface Water Treatment Plant on the American Canal and segments of future main distribution.

Water and sewer

The Water and Sewer Enterprise Fund provides the operations of the critical daily supply of clean water throughout Pearland to the 37,000 customers, then takes used water away for processing and outflow.

Water revenues for FY 19 did not meet expectations with a series of very wet weeks dampening consumption. The Advanced Metering Infrastructure is being steadily implemented.

For the fund, a few notable highlights include building from a 0% rate increase for FY 19. A moderate 1.6% revenue increase is necessary for upcoming FY 20. This budget also includes change to the base rate multipliers, which are used to calculate base rates for large meters, to bring these multipliers in line with the

American Water Works Association (AWWA) recommended structure.

Other factors at work with the fund are moving Impact fee from development to the fund for offsetting expenditures as properly allocated. Moreover, the Fund can accommodate moving \$1.5 million to pay for a portion of its share of reimbursement to in-City MUD rebate obligations.

The major capital project is, of course, the new Surface Water Treatment Plant. The scale of that new investment is driving the debt financing.

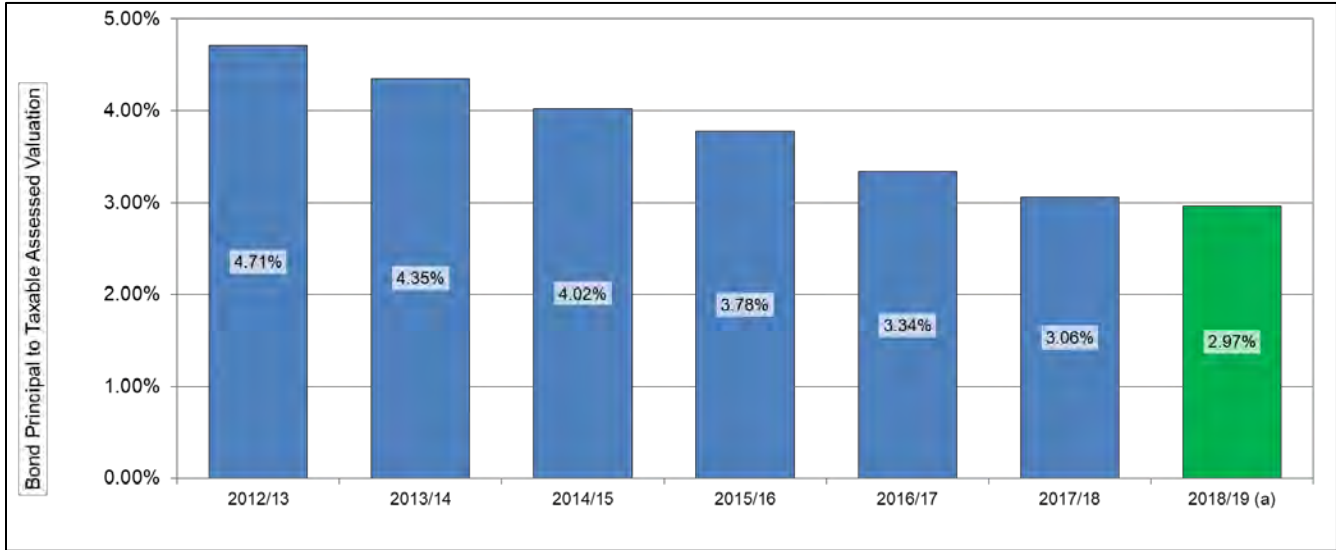
For using 10,000 gallons of water and 8,000 gallons of wastewater/month, the rate change in 2020 would be just over \$5/month, increasing for the first time since 2018.

Property	Meter Type	Meter Size	Average Consumption	2018			2019			2020			2020 over 2019	
				Base Rate	Volume Charge	Total	Base Rate	Volume Charge	Total	Base Rate	Volume Charge	Total	Monthly	Annually
Residential 1	Water	5/8	2,000	15.30	-	15.30	15.30	-	15.30	16.83	-	16.83	1.53	
Residential 1	Wastewater	5/8	2,000	22.74	-	22.74	22.74	-	22.74	22.74	-	22.74	-	
	Total			\$ 38.04	\$ -	\$ 38.04	\$ 38.04	\$ -	\$ 38.04	\$ 39.57	\$ -	\$ 39.57	\$ 1.53	\$ 18.36
Residential 2	Water	5/8	6,000	15.30	15.76	31.06	15.30	15.76	31.06	16.83	17.32	34.15	3.09	
Residential 2	Wastewater	5/8	6,000	22.74	20.00	42.74	22.74	20.00	42.74	22.74	20.00	42.74	-	
	Total			\$ 38.04	\$ 35.76	\$ 73.80	\$ 38.04	\$ 35.76	\$ 73.80	\$ 39.57	\$ 37.32	\$ 76.89	\$ 3.09	\$ 37.08
Residential 3	Water	5/8	10,000	15.30	35.48	50.78	15.30	35.48	50.78	16.83	39.00	55.83	5.05	
Residential 3	Wastewater	5/8	8,000	22.74	30.00	52.74	22.74	30.00	52.74	22.74	30.00	52.74	-	
	Total			\$ 38.04	\$ 65.48	\$ 103.52	\$ 38.04	\$ 65.48	\$ 103.52	\$ 39.57	\$ 69.00	\$ 108.57	\$ 5.05	\$ 60.60

Debt management

For the General Fund capital improvements in our plans, there's long-term debt financing, paid back over time by property taxes of those that benefit from the improvements. The credit agency reviews from our

most recent issuances affirmed our very high credit rating (AA Fitch and Aa2 Moody's), based upon strong structural and economic foundations. In that issuance was a new issuance for the TIRZ projects with interim financing as mentioned earlier. As illustrated in the chart below, strong growth in our Assessed Value has allowed the City to responsibly fund these new issuances.



in 2020 we will see issuance of the first round of funding for the voter-approved 2019 Bond projects. **For the discussion of the projects when the Council put those questions to the voters, we forecasted an estimated debt service tax rate with that issuance to be 0.4550 for FY 2020. Instead, we have in the FY 2020 Budget a Debt Service Fund tax rate of 0.4344.**

The Debt Service Fund includes financing for not only public improvements and paying back bonds, but also contracted payments for In-City MUD rebates. Through multiple discussions and analysis, a strategic goal set by the City Council was instituted whereby any new in-City MUD districts will not receive the rebate from the City to accelerate their repayments to developers. However, the existing obligations remain. For those existing in-City MUDs, the determination has been made the vast majority of the obligation should properly rest with the Water and Sewer Enterprise Fund. Therefore, \$1.5 million is to be transitioned to W&S Fund to cover MUD debt related to W&S functions. We will transition additional MUD rebates in future years as feasible within projected rate increase.

Conclusion

Those who came to Pearland before us made bold decisions, staking out a claim for what Pearland could be. We are poised to deliver on that claim - to be the cosmopolitan suburb of the fourth largest city, Houston, in the USA. With a dynamic economy and countless attributes, we offer what's needed to be successful, with a proudly diverse community and a thriving economy.

We are ready for what comes next, including executing this FY 20 City of Pearland budget.

Respectfully submitted,

Clay J. Pearson
City Manager

September 30, 2019 Postscript: The budget was adopted essentially as recommended with changes in the Water and Sewer rate structure only. The transmittal letter has been updated for consistency.



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READER'S GUIDE TO THE BUDGET

This 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

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.

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 Budget Calendar. An overview of the City's property taxes, levy and collections. 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

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).

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.

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.

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.

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.

Special Revenue Funds section includes information on the Special Revenue Funds. Each fund includes operating revenues and expenditures with beginning and ending fund balances.

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.

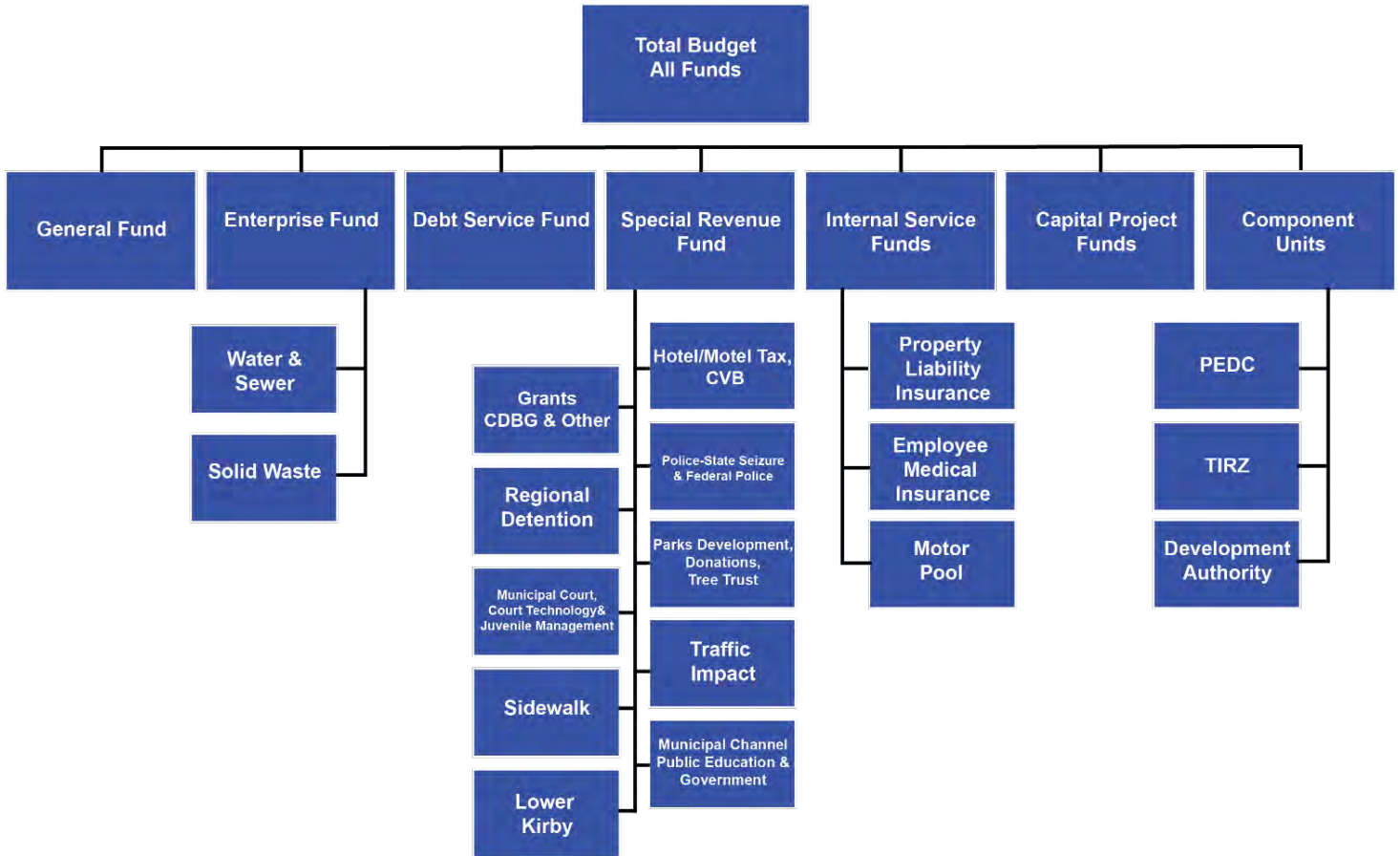
Component Units section includes a description of Component Units, an organization chart, an overview of the Pearland Economic Development Corporation (PEDC), a revenue and expenditure summary with fund balance with staffing summary, accomplishments, goals and objectives for this Fiscal Year and performance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

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

Glossary section includes the glossary and acronyms.

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

Fund	Public Safety	Public Works	Parks & Recreation	Community Development	Community Services	General Government
General Fund	X	X	X		X	X
Enterprise Funds						
Enterprise (Water/Sewer) Fund		X				X
Solid Waste Fund		X				
Special Revenue Funds						
Hotel/Motel Occupancy Tax				X		
Municipal Court Security					X	
City Wide Donation Fund	X				X	
Court Technology					X	
Street Assessment		X				
Park Donations			X			
Tree Trust Fund			X			
Police State Seizure Fund	X					
Federal Police Fund	X					
Park & Rec Development Fund			X			
Sidewalk Fund		X				
Grant Fund						X
Community Development Block Grant (CDBG)						X
Traffic Impact Improvement		X				
Court Juvenile Management Fund					X	
Municipal Channel (Peg)						X
Regional Detention Fund		X				

FUND STRUCTURE

Governmental Funds

<p>100 General Fund</p> <p>200 Debt Service Fund</p> <p>Capital Projects Funds</p> <p>500 Capital Projects - Pay as You Go</p> <p>501 Certificates of Obligation</p> <p>502 General Obligation 2001</p> <p>503 Certificates of Obligation 2006</p> <p>504 Certificates of Obligation 2007</p> <p>505 General Obligation 2008</p> <p>506 General Obligation</p> <p>507 General Obligation 2020</p> <p>508 Certificates of Obligation 2020</p> <p>509 General Obligation 2021</p> <p>510 Lower Kirby Urban Center</p> <p>511 PEDC Capital Projects</p>	<p>Special Revenue Funds</p> <p>305 Hotel/Motel Occupancy Tax</p> <p>310 Municipal Court Security</p> <p>315 City Wide Donation Fund</p> <p>320 Court Technology</p> <p>325 Street Assessment</p> <p>330 Park Donations</p> <p>331 Tree Trust Fund</p> <p>335 Police State Seizure Fund</p> <p>336 Federal Police Fund</p> <p>340 Park & Rec Development Fund</p> <p>345 Sidewalk Fund</p> <p>350 Grant Fund</p> <p>351 Community Development Block Grant (CDBG)</p> <p>360 Traffic Impact Improvement</p> <p>365 Court Juvenile Management Fund</p> <p>370 Municipal Channel (Peg)</p> <p>380 Regional Detention Fund</p>
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Enterprise Funds

<p>600 Water Sewer Fund</p> <p>610 Solid Waste Fund</p> <p>Capital Projects Funds</p> <p>550 W/S Impact Fee Fund</p> <p>551 Water Impact Fee Fund</p> <p>552 Waste Water Impact Fee Fund</p> <p>555 Shadow Creek Impact Fee</p> <p>560 Certificates of Obligation 1998</p> <p>565 Revenue Bonds - 1999 & 2003</p> <p>566 Revenue Bonds Series 2020</p> <p>567 Water Drinking Bonds Series 2020</p> <p>568 Revenue Bonds Series 2021</p> <p>569 Revenue Bonds Series 2022</p> <p>570 Water/Sewer Pay As You Go</p> <p>575 MUD 4 Capital Program</p>

Internal Service Funds

<p>700 Property Liability Insurance Fund</p> <p>701 Employee Benefits Fund</p> <p>702 Medical Self Insurance Fund</p> <p>703 Motor Pool Fund</p>
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Component Units

<p>900 Economic Development Fund (PEDC)</p> <p>920 Development Authority Fund (DAP)</p> <p>930 TIRZ #2 Shadow Creek</p>
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Fixed Assets & Long-Term Liabilities

<p>800 Long Term Debt</p> <p>810-812 Fixed Assets</p> <p>820-830 Long Term Debt - DAP & PEDC</p>

BUDGET OBJECTIVES AND PHILOSOPHY

BUDGET OBJECTIVES

This 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 this 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.

This budget was developed based on zero base budgeting. 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 adjust 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.

BUDGET PROCEDURES

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.

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

FY 2020 Budget



1

Investment in public safety continues to be a top priority with the addition of 13 new fire fighters, two new police officers, and two new telecommunications operators

2

Investment in maintaining roads increases with \$654K for street rehab and \$459K for sidewalks rehab (a \$400K increase over FY19 Budget) and the addition of a traffic crew and a bucket truck

3

Parks will shine brighter than ever with \$2.5 million in Park equipment recapitalization over the next five years (2019 Bond), three new staff (including Event Coordinator for Independence Park), and replacement of mowers

4

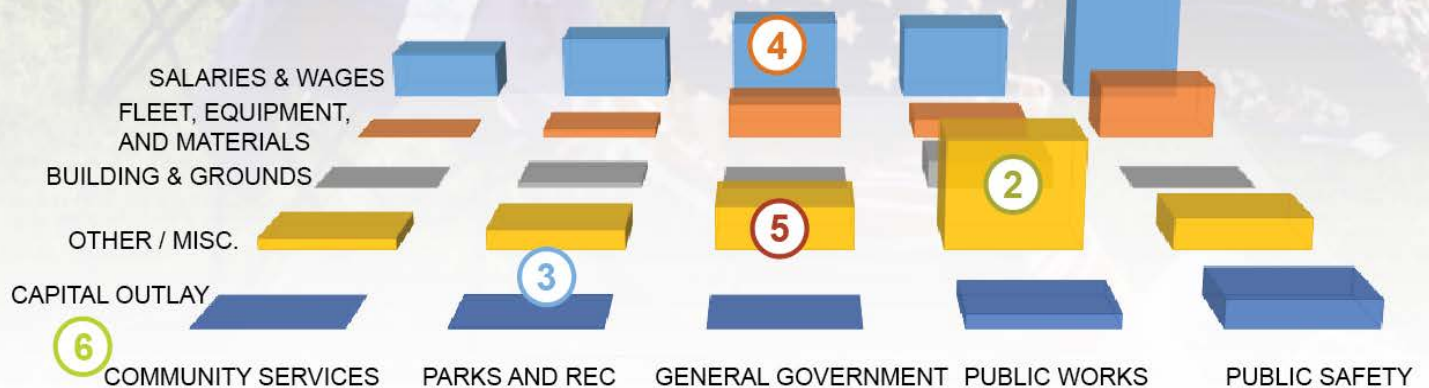
Investment in overall staff is a continued focal point with \$1.7 million for professional development, a 2% cost of living adjustment, and one-time year-end additional pay

5

The City is more financially secure with a general fund balance above policy minimum, which increased to 60 days of total expenditures at mid-year (ahead of schedule)

6

The budget is balanced, annual operating revenues are even with operating costs



Visit pearlandtx.gov/FY20Budget for more information

**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					
City Secretary	GovQA Public Records Solution Software	15,982			15,982
Communications	PT Intern re-class to Communications Specialist	38,399			38,399
Communications	Zen City Software	19,680			19,680
	Sub-Total	74,061	-	-	74,061
Safe Community					
Fire	Continuous On-Boarding-13 new positions	871,067			871,067
Fire	Fire Station #8 Start-up Costs	30,000			30,000
Information Technology	Cyber Security Specialist (9 months)	25,106	32,366		57,472
Police	2 Telecommunications Operators (6 months)	62,330			62,330
Police	eTicket Writers	18,000			18,000
Police	2 Sworn Officers-Investigations-1 Sergeant (6 months) and 1 Police Officer (3 months)	129,440			129,440
Police	Records Clerk re-class to Records/Information Coord.	6,542			6,542
	Sub-Total	1,142,485	32,366	-	1,174,851
Sustainable Infrastructure					
Traffic	Traffic Crew and Bucket Truck (9 months)	318,309			318,309
Capital Projects	Project Coordinator*	-			-
Public Works	ROW Inspector (GF) re-class to ROW Supervisor (GF and W/S)	(23,908)	40,015		16,107
Public Works	Maintenance Supervisor (10 months)-with vehicle		123,072		123,072
Public Works	Heavy Equip. Operator & Maint. Worker (10 months)		104,032		104,032
Public Works	Backflow Inspector (10 months)		84,268		84,268
Public Works	ROW Inspector (10 months)		87,810		87,810
Public Works	Peterbilt Haul Truck & Trail King Trailer		248,072		248,072
	Sub-Total	294,401	687,269	-	981,670
Fiscally Responsible					
Finance	Senior Accountant (6 months)	30,384			30,384
Human Resources	Management Assistant	85,601			85,601
Human Resources	Executive Assistant (9 months)	44,604			44,604
Information Technology	Application Specialist		72,814		72,814
Utility Billing	Billing Specialist (9 months)		38,941		38,941
	Sub-Total	160,589	111,755	-	272,344
Parks, Recreation & Events					
Parks & Recreation	2 PT Custodians *	-			-
Parks & Recreation	Aquatics Technician (9 months)*	-			-
Parks & Recreation	Independence Park Bridge Replacement			250,000	250,000
Parks & Recreation	Independence Park Pool Demolition	67,600			67,600
Parks & Recreation	Parks Mower Package	77,220			77,220
Parks & Recreation	Special Event Coordinator (6 months)	39,812			39,812
	Sub-Total	184,632	-	250,000	434,632
	Total	1,856,168	831,390	250,000	2,937,558

* Positions show as zero cost as they were fully offset by expenditure reductions.

FUNDED NEW POSITIONS BY FUND/DIVISION

Fund / Division	Position Title	Net FTE Change
<i>General Fund</i>		
Finance	Senior Accountant (6 Months)	1.0
Human Resources	Management Assistant	1.0
Human Resources	Executive Assistant (9 Months)	1.0
Information Technology	Cyber Security Specialist (9 Months)	0.5
Operations	Firefighters	13.0
Investigations	Police Officers (1 for 6 months and 1 for 3 Months)	2.0
Communications/Records	2 Telecommunications Operators (6 Months)	2.0
Special Events	Special Event Coordinator (6 Months)	1.0
Aquatics	Aquatics Technician (9 Months)	1.0
Parks	2 PT Custodial Staff	1.0
Traffic	Traffic Signal Technician (9 Months)	2.0
Capital Projects	Project Coordinator (9 Months)	1.0
	Sub-Total	26.5
<i>Enterprise Fund</i>		
Information Technology	Cyber Security Specialist (9 Months)	0.5
Information Technology	Application Specialist	1.0
Utility Customer Service	Billing Specialist (9 Months)	1.0
Grounds and Maintenance	ROW Inspector (10 Months)	1.0
Distribution and Collections	Maintenance Supervisor (10 Months)	1.0
Construction	Heavy Equipment Operator (10 Months)	1.0
Construction	Utility Maintenance Worker (10 Months)	1.0
Backflow	Backflow Inspector (10 Months)	1.0
	Sub-Total	7.5
	Total*	34

*Re-classifications not shown equivalent to 1 FTE.

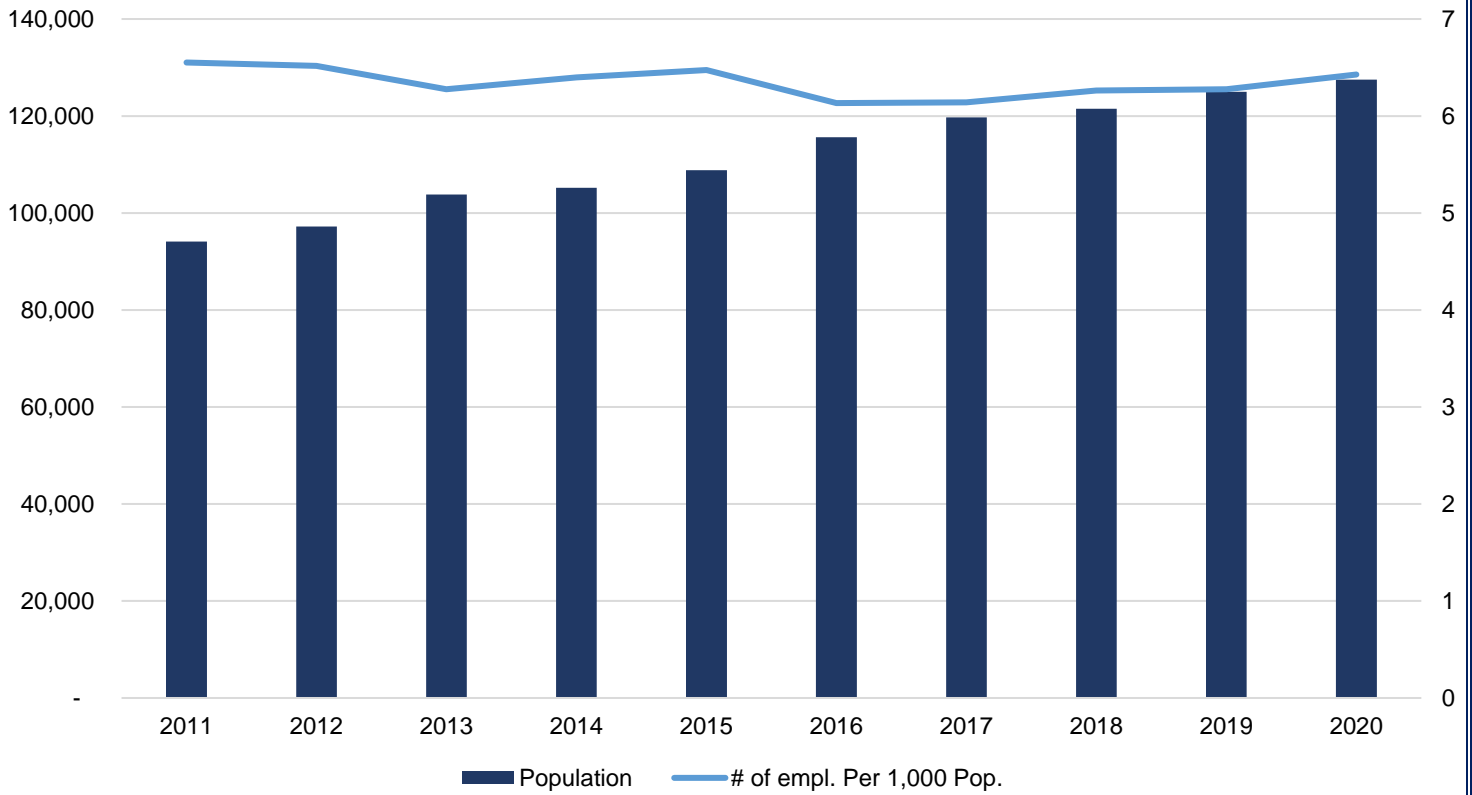
BUDGETED POSITIONS BY DEPARTMENT

Function/Department	FULL-TIME POSITIONS				PART-TIME POSITIONS				FY 2020
	FY 2018	FY 2019		FY 2020	FY 2018	FY 2019		FY 2020	Total
	AMENDED	AMENDED	CHANGE	BUDGETED	AMENDED	AMENDED	CHANGE	BUDGETED	FTE
General Government									
City Manager	5.0	5.0		5.0	2.0	0.0			5.0
City Secretary	4.0	4.0		4.0		2.0		2.0	5.0
Finance	16.0	15.5	1.0	16.5	1.0	1.0		1.0	17.0
Utility Customer Services	16.0	19.0	1.0	20.0	1.0	1.0		1.0	20.5
Human Resources - GF	8.5	8.5	2.0	10.5					10.5
Human Resources - Prop/Liab Ins	0.5	0.5		0.5					0.5
Information Technology - GF	11.5	11.5	0.5	12.0					12.0
Information Technology - W&S	4.5	4.5	1.5	6.0					6.0
Legal	5.0	5.0	1.0	6.0	1.0	1.0	(1.0)		6.0
General Government Total	71.0	73.5	7.0	80.5	5.0	5.0	(1.0)	4.0	82.5
Public Safety									
Fire Dept. Administration	10.0	11.0	1.0	12.0	2.0	2.0		2.0	13.0
Fire Operations*	99.0	105.0	13.0	118.0	34.0	34.0		34.0	135.0
Fire Marshal	7.0	7.0	(1.0)	6.0	1.0	1.0		1.0	6.5
Fire Emergency Management	2.0	2.0		2.0					2.0
Fire Health & Code Enforcement	8.0	8.0		8.0					8.0
Police Administration	9.0	9.0		9.0					9.0
Police-Patrol	119.0	121.0		121.0					121.0
Police-Investigations	27.0	30.0	2.0	32.0					32.0
Police-Community Services	8.0	8.0		8.0					8.0
Police-Communications/Records	28.0	28.0	2.0	30.0	7.0	7.0		7.0	33.5
Police-Jail	16.0	15.0		15.0					15.0
Police-Commercial Vehicle Enforcemen	2.0	2.0		2.0					2.0
Police-School Resource Officer	12.0	12.0		12.0					12.0
Animal Services	10.0	11.0		11.0	1.0				11.0
Public Safety Total	357.0	369.0	17.0	386.0	45.0	44.0		44.0	408.0
Public Works									
Engineering & Capital Projects Admin									
Traffic Management		4.0	2.0	6.0					6.0
Engineering	14.0	13.5		13.5					13.5
Capital Projects	13.0	12.5	1.0	13.5					13.5
Public Works Administration - GF	2.8	2.8		2.8					2.8
Public Works Administration - W&S	8.5	7.5		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	6.0	6.0		6.0					6.0
Streets & Drainage	16.0	16.0		16.0					16.0
Grounds Maintenance - GF	4.5	7.5	(0.5)	7.0					7.0
Grounds Maintenance - W&S	4.5	4.5	1.5	6.0					6.0
Traffic Operations	6.0			0.0					0.0
Lift Stations	7.0	7.0		7.0					7.0
Wastewater Treatment	15.0	13.0		13.0					13.0
Water Production	16.0	16.0		16.0					16.0
Distribution & Collection	24.0	27.0	1.0	28.0					28.0
W&S Construction	10.0	10.0	2.0	12.0					12.0
Meter Services	7.0	7.0		7.0					7.0
Pre-Treatment FOG		3.0		3.0					3.0
Backflow Compliance	1.0	3.0	1.0	4.0					4.0
Public Works Total	164.0	169.0	8.0	177.0					177.0

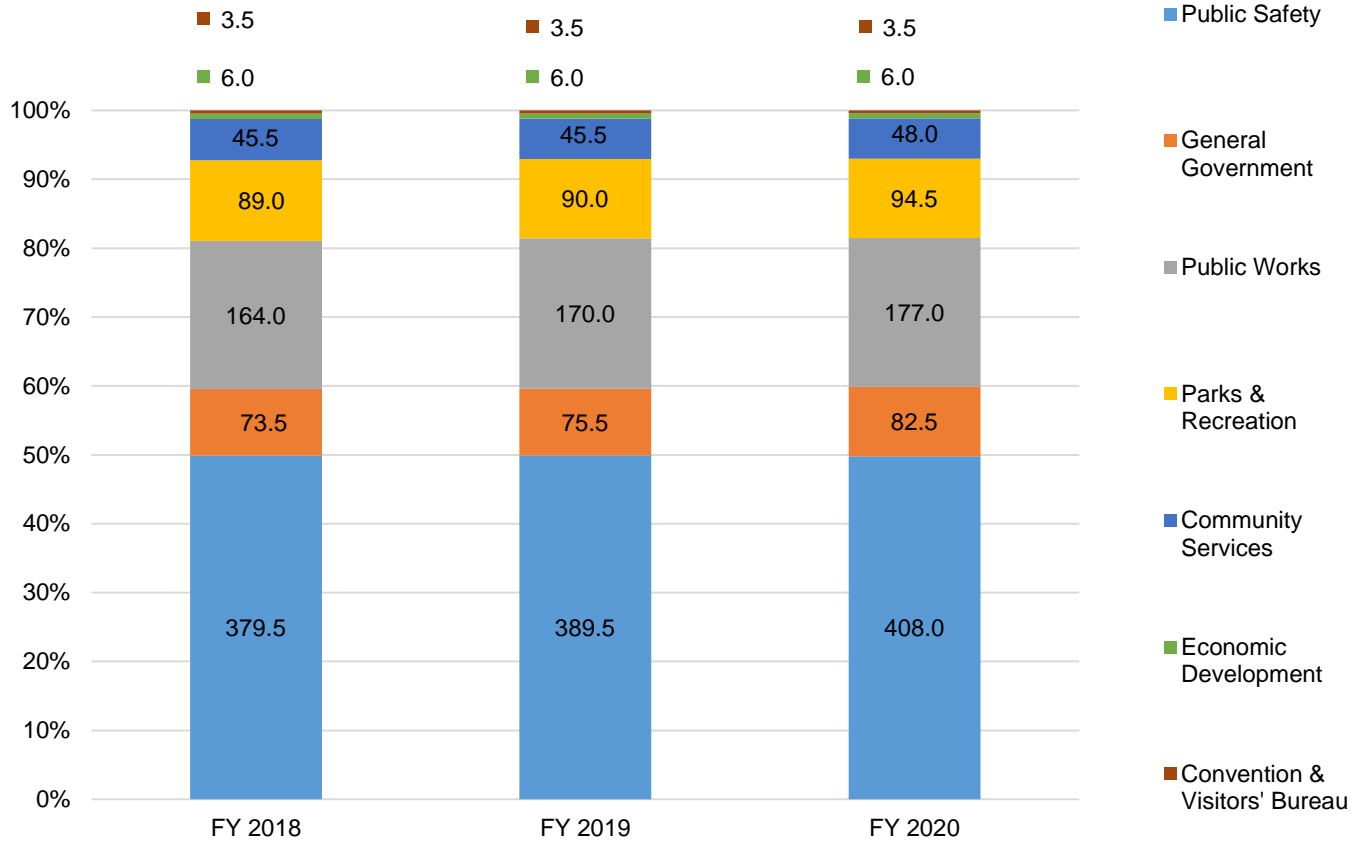
BUDGETED POSITIONS BY DEPARTMENT

Function/Department	FULL-TIME POSITIONS				PART-TIME POSITIONS				FY 2020
	FY 2018	FY 2019		FY 2020	FY 2018	FY 2019		FY 2020	Total
	AMENDED	AMENDED	CHANGE	BUDGETED	AMENDED	AMENDED	CHANGE	BUDGETED	FTE
Community Services									
Municipal Court - GF	11.5	12.0		12.0	1.0	1.0		1.0	12.5
Municipal Court Special Funds	1.5	1.5		1.5	1.0				1.5
Communications	4.0	4.0	1.0	5.0	1.0	1.0	(1.0)		5.0
Community Services									
Community Develop. Admin.	5.0	7.0	(5.0)	2.0					2.0
Planning	6.0	6.0	1.0	7.0					7.0
Permits & Inspections	16.0	16.0	(2.0)	14.0					14.0
Development Services			6.0	6.0					6.0
Community Services Total	44.0	46.5	1.0	47.5	3.0	2.0	(1.0)	1.0	48.0
Parks & Recreation									
Parks Administration	8.0	8.0		8.0					8.0
Parks & Rec. Resource Developme									
Parks	24.0	24.0		24.0			2.0	2.0	25.0
Recreation	3.0	3.0		3.0	14.0	14.0		14.0	10.0
Natural Resources	2.0	3.0		3.0		3.0		3.0	4.5
Athletics	3.0	3.0		3.0	4.0	4.0		4.0	5.0
Aquatics**	2.0	2.0	1.0	3.0	28.0	28.0		28.0	17.0
Special Events	2.0	2.0	1.0	3.0					3.0
Senior Programs	3.0	3.0		3.0	3.0	3.0		3.0	4.5
Recreation Operations**	4.0	4.0		4.0	27.0	27.0		27.0	17.5
Parks & Recreation Total	51.0	52.0	2.0	54.0	76.0	79.0	2.0	81.0	94.5
Other Funds									
Economic Development	6.0	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	9.0	9.0		9.0	1.0	1.0		1.0	9.5
ALL FUNDS									
General Fund	571.5	586.5	27.0	613.5	127.0	129.0		129.0	678.0
Water & Sewer Fund	113.5	121.5	8.0	129.5	1.0	1.0		1.0	130.0
Total Other Funds	11.0	11.0		11.0	2.0	1.0		1.0	11.5
Grand Total	696.0	719.0	35.0	754.0	130.0	131.0		131.0	819.5
Change from FY 2019 to FY 2020									35

Number Employees per 1,000 population



FTEs by Service Area



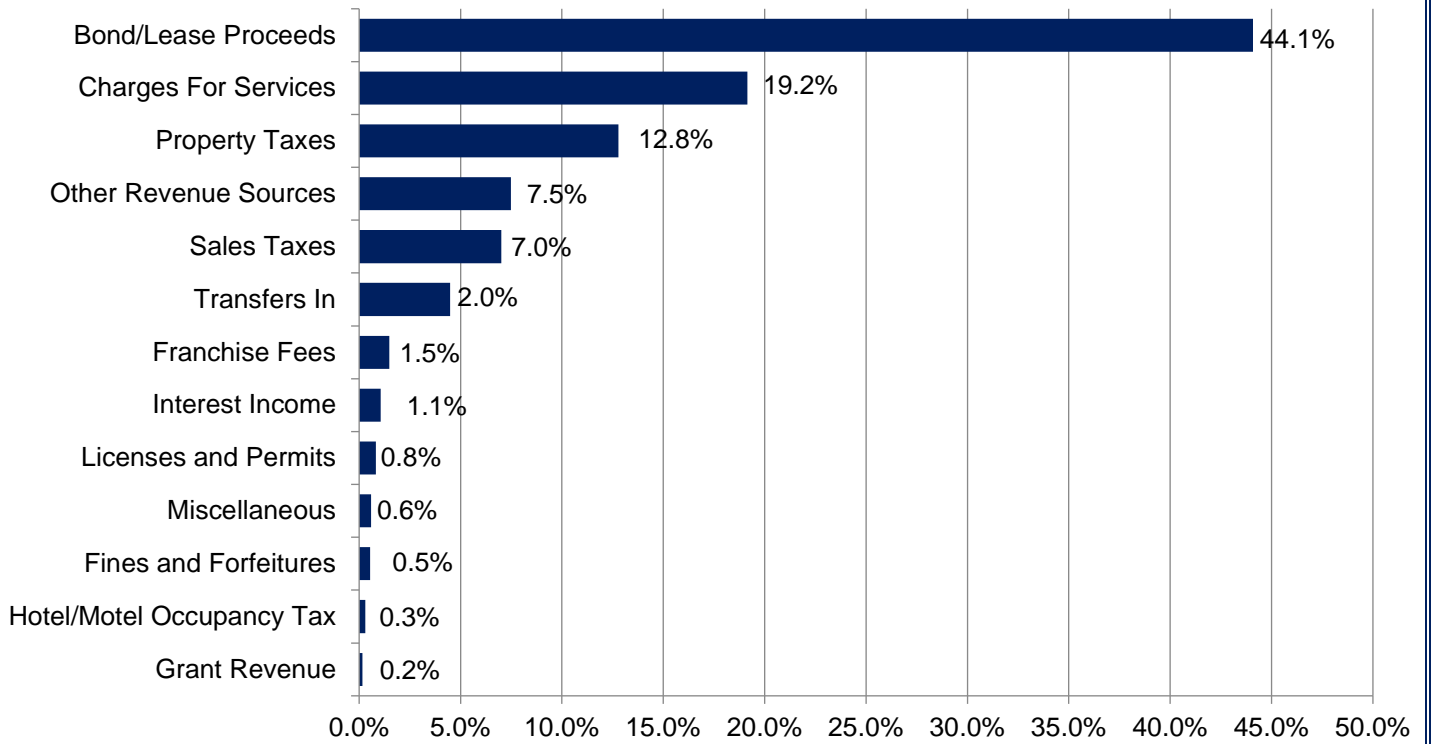
**SUMMARY ALL FUNDS
REVENUES AND EXPENDITURES**

REVENUES	FY2018 ACTUAL	FY2019 ORIGINAL BUDGET	FY2019 YEAR END AMENDED	FY2020 ADOPTED BUDGET
Property Taxes	\$54,574,310	\$57,833,973	\$57,982,305	\$62,006,101
Sales Taxes	33,842,399	33,989,580	33,570,466	34,026,786
Franchise Fees	7,357,998	7,571,694	7,537,488	7,242,757
Licenses and Permits	5,109,556	3,905,535	4,132,867	4,007,350
Fines and Forfeitures	2,467,886	2,266,250	2,638,550	2,621,250
Charges for Services	87,169,240	89,517,298	86,616,906	92,872,190
Interest Income	3,037,197	2,354,793	4,504,520	5,155,603
Hotel/Motel Occupancy Tax	1,597,258	1,450,000	1,450,000	1,450,000
Bond/Lease Proceeds	15,668,159	70,047,605	60,250,471	213,771,381
Grant Revenue	539,283	41,030,391		780,454
Miscellaneous	4,407,514	2,779,669	6,978,040	2,846,751
Other Revenue Sources	14,558,283	835,792	49,289,028	36,304,428
TOTAL REVENUES	\$230,329,084	\$313,582,580	\$314,950,641	\$463,085,051
Transfers from Other Funds	14,913,108	16,250,589	19,122,307	21,780,830
TOTAL AVAILABLE RESOURCES	\$245,242,191	\$329,833,169	\$334,072,948	\$484,865,881
EXPENDITURES				
General Government	\$12,967,840	\$13,389,468	\$14,077,442	\$14,199,199
Public Safety	42,608,215	43,949,005	44,765,020	47,140,067
Community Services	4,417,469	4,927,540	5,196,602	5,107,829
Public Works	43,705,254	47,871,284	50,970,180	48,576,399
Parks & Recreation	6,946,394	7,179,214	7,152,140	7,284,361
Utility Billing	1,592,523	2,064,358	1,906,574	2,010,733
Debt Service	53,137,074	57,648,495	56,894,683	59,530,902
Construction ¹	72,402,639	136,705,638	238,692,538	348,553,520
Insurance Coverage	8,146,251	9,128,591	9,344,656	10,058,263
Economic Development Corporation	8,861,045	27,592,999	25,702,377	19,788,807
Other ²	3,577,346		190,401	
TOTAL EXPENDITURES	\$258,362,052	\$350,456,592	\$454,892,613	\$562,250,080
Transfers to Other Funds	14,913,108	16,250,589	19,122,307	21,780,830
TOTAL EXPENDITURES AND OTHER USES	\$273,275,159	\$366,707,181	\$474,014,920	\$584,030,910
Revenues Over/(Under) Expenditures	(28,032,968)	(36,874,012)	(139,941,972)	(99,165,029)

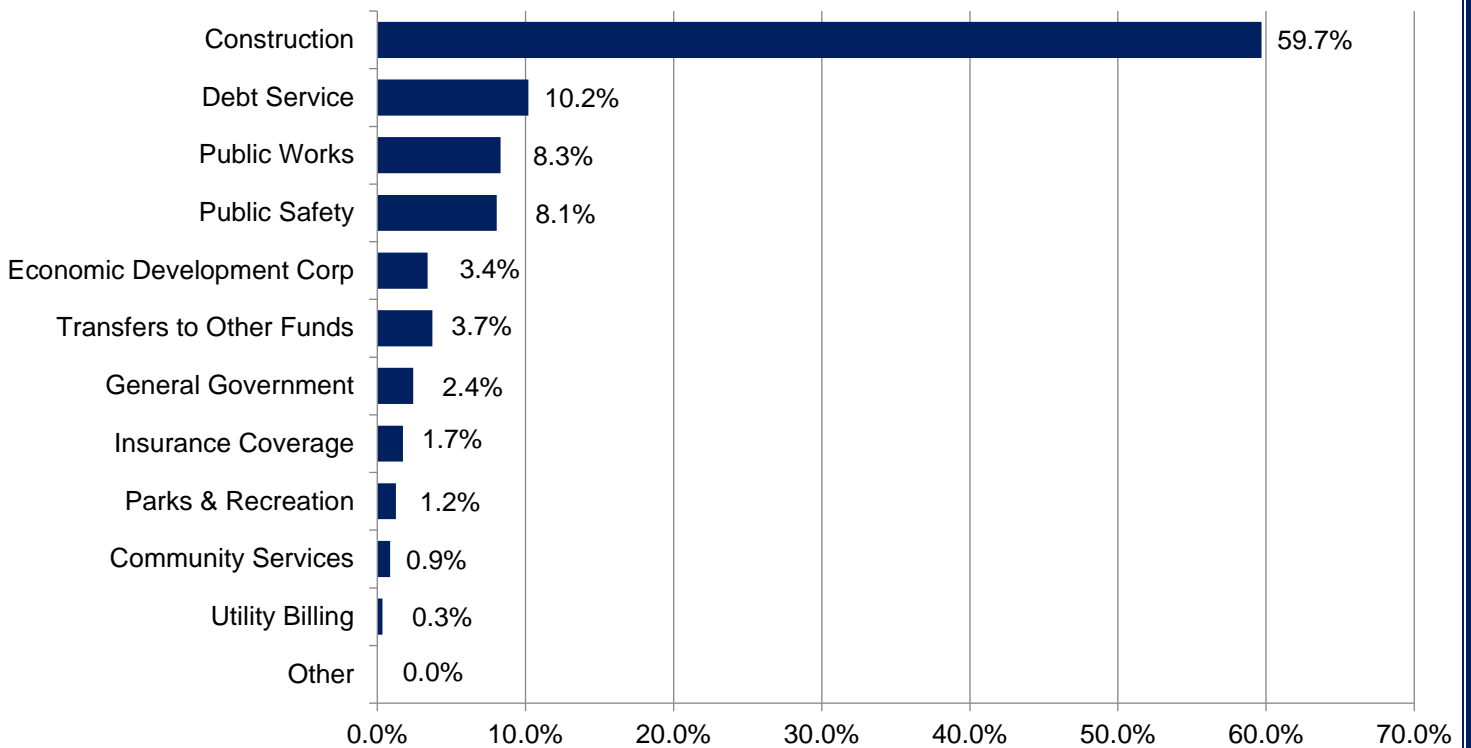
¹Capital projects are budgeted for project length. Construction is based on annual funding and not dollars spent.

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

**Revenue Summary All Funds
Adopted FY 2020 Budget**



**Expenditure Summary All Funds
Adopted FY 2020 Budget**



**ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS
SUMMARY ALL FUNDS**

FUND	FY 2020 ADOPTED BEG BALANCE	FY 2020 ADOPTED REVENUES	FY 2020 ADOPTED EXPENDITURES	FY 2020 ADOPTED END BALANCE
General Fund	\$ 13,765,218	\$ 86,934,676	\$ 86,211,511	\$ 14,488,383
Debt Service Fund	4,857,633	39,458,628	40,009,589	4,306,672
Special Revenue Funds	7,814,695	3,029,996	3,045,213	7,799,478
Proprietary Funds	26,697,618	68,400,696	64,425,666	30,672,648 *
Capital Project Funds	10,059,082	260,347,684	356,488,012	(86,081,246)
Internal Service Funds	3,492,551	14,236,085	13,889,134	3,839,502
PEDC Fund	13,965,706	12,743,116	19,961,786	6,747,036
TOTAL	\$ 80,652,503	\$ 485,150,881	\$ 584,030,911	\$ (18,227,527)

*Exclusive of \$5,486,194 reserved for debt service pursuant to bond covenants.

SPECIAL REVENUE FUNDS

FUND	FY 2020 ADOPTED BEG BALANCE	FY 2020 ADOPTED REVENUES	FY 2020 ADOPTED EXPENDITURES	FY 2020 ADOPTED END BALANCE
305 Hotel/Motel Occupancy Tax	\$ 4,544,574	\$ 1,460,800	\$ 1,101,346	\$ 4,904,028
310 Court Building Security	35,835	48,700	35,827	48,708
315 Citywide Donation	57,202	30,967	33,500	54,669
320 Court Technology	20,246	55,300	61,591	13,955
325 Street Assessment*				
330 Park Donations	64,868	128,000	122,500	70,368
331 Tree Trust	519,540	7,800	250,750	276,590
335 Police State Seizure	43,375	4,000	37,200	10,175
336 Federal Police	23,900	1,200		25,100
340 Park Development	520,462	138,000	250,000	408,462
345 Sidewalk	12,446	5,200		17,646
350 Grant Fund	175,442	350,810	351,395	174,857
351 Community Development Block Grant	48,063	429,719	429,719	48,063
360 Traffic Improvement	608,247	11,000		619,247
365 Court Juvenile Management	44,927	73,500	67,285	51,142
370 Municipal Channel	843,418	285,000	304,100	824,318
380 Regional Detention*				
510 Lower Kirby*	252,150			252,150
TOTAL	\$ 7,814,695	\$ 3,029,996	\$ 3,045,213	\$ 7,799,478

* These Funds have no budgeted activity for FY 2020

PROPRIETARY FUNDS

FUND	FY 2020 ADOPTED BEG BALANCE	FY 2020 ADOPTED REVENUES	FY 2020 ADOPTED EXPENDITURES	FY 2019* ADOPTED END BALANCE
600 Water & Sewer Fund	\$ 25,932,015	\$ 60,547,396	\$ 56,575,666	\$ 24,417,551 *
610 Solid Waste Fund	765,603	7,853,300	7,850,000	768,903
TOTAL	\$ 26,697,618	\$ 68,400,696	\$ 64,425,666	\$ 25,186,454

*Net of any reserve requirements.

**ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS
SUMMARY ALL FUNDS**

CAPITAL PROJECT FUNDS

FUND	FY 2020 ADOPTED BEG BALANCE	FY 2020 ADOPTED REVENUES	FY 2020 ADOPTED EXPENDITURES	FY 2020 ADOPTED END BALANCE
500 Capital Projects General	\$ 977,200	\$ 444,875	\$ 1,136,441	\$ 285,634
501 Capital Projects-CO	(227,413)	1,775,000	1,386,775	160,812
503 Certificates of Obligation Series 2006	13,173		2,046	11,127
506 Capital Projects-GO	688,206	31,804,828	32,161,962	331,072
507 General Obligation Series 2020	(6,750,000)	38,800,744	32,050,398	346
508 Certificates of Obligation Series 2020		23,720,237	23,691,769	28,468
509 General Obligation Series 2021			13,598,609	(13,598,609)
511 PEDC Pay-As-You-Go				
512 Certificates of Obligation Series 2021			7,405,928	(7,405,928)
513 General Obligation Series 2022			6,008,609	(6,008,609)
550 Utility Impact Fee Fund	16,117,325	1,000,000	6,042,525	11,074,800
551 Water Impact Fee Fund		2,650,000		2,650,000
552 Waste Water Impact Fee Fund		2,125,000		2,125,000
555 Shadow Creek Impact Fee	657,023	10,000	667,023	
565 W & S Revenue Bonds	184,056	300,000	309,166	174,890
566 W & S Revenue Bonds 2020	(195,000)	46,677,000	46,375,223	106,777
567 Water Drinking Bond Funds 2020	(1,600,000)	108,100,000	106,009,402	490,598
568 W & S Revenue Bonds 2021			45,793,144	(45,793,144)
569 W & S Revenue Bonds 2022			30,738,396	(30,738,396)
570 Water/Sewer Pay as You Go CIP	194,513	2,940,000	3,110,596	23,917
575 MUD 4 Capital Program				
TOTAL	\$ 10,059,082	\$ 260,347,684	\$ 356,488,012	\$ (86,081,246)

Note - Beginning in FY 2020, all debt issuances will be isolated into their own unique fund. Negative fund balances are a result of appropriations needed to award contracts, but expenses will not be incurred until an intent to reimburse has been approved by council.

INTERNAL SERVICE FUNDS

FUND	FY 2020 ADOPTED BEG BALANCE	FY 2020 ADOPTED REVENUES	FY 2020 ADOPTED EXPENDITURES	FY 2020 ADOPTED END BALANCE
700 Property Liability Insurance	\$ 104,158	\$ 1,681,381	\$ 1,711,821	\$ 73,718
702 Medical Self-Insurance	3,326,368	8,268,030	8,431,053	3,163,345
703 Motor Pool Fund	62,025	4,286,674	3,746,260	602,439
TOTAL	\$ 3,492,551	\$ 14,236,085	\$ 13,889,134	\$ 3,839,502

PEARLAND ECONOMIC DEVELOPMENT CORPORATION (PEDC)

FUND	FY 2020 ADOPTED BEG BALANCE	FY 2020 ADOPTED REVENUES	FY 2020 ADOPTED EXPENDITURES	FY 2020 ADOPTED END BALANCE
900 Economic Development Fund	\$ 13,965,706	\$ 12,743,116	\$ 19,961,786	\$ 6,747,036
TOTAL	\$ 13,965,706	\$ 12,743,116	\$ 19,961,786	\$ 6,747,036

Pearland, Texas

Where Town and Country Meet

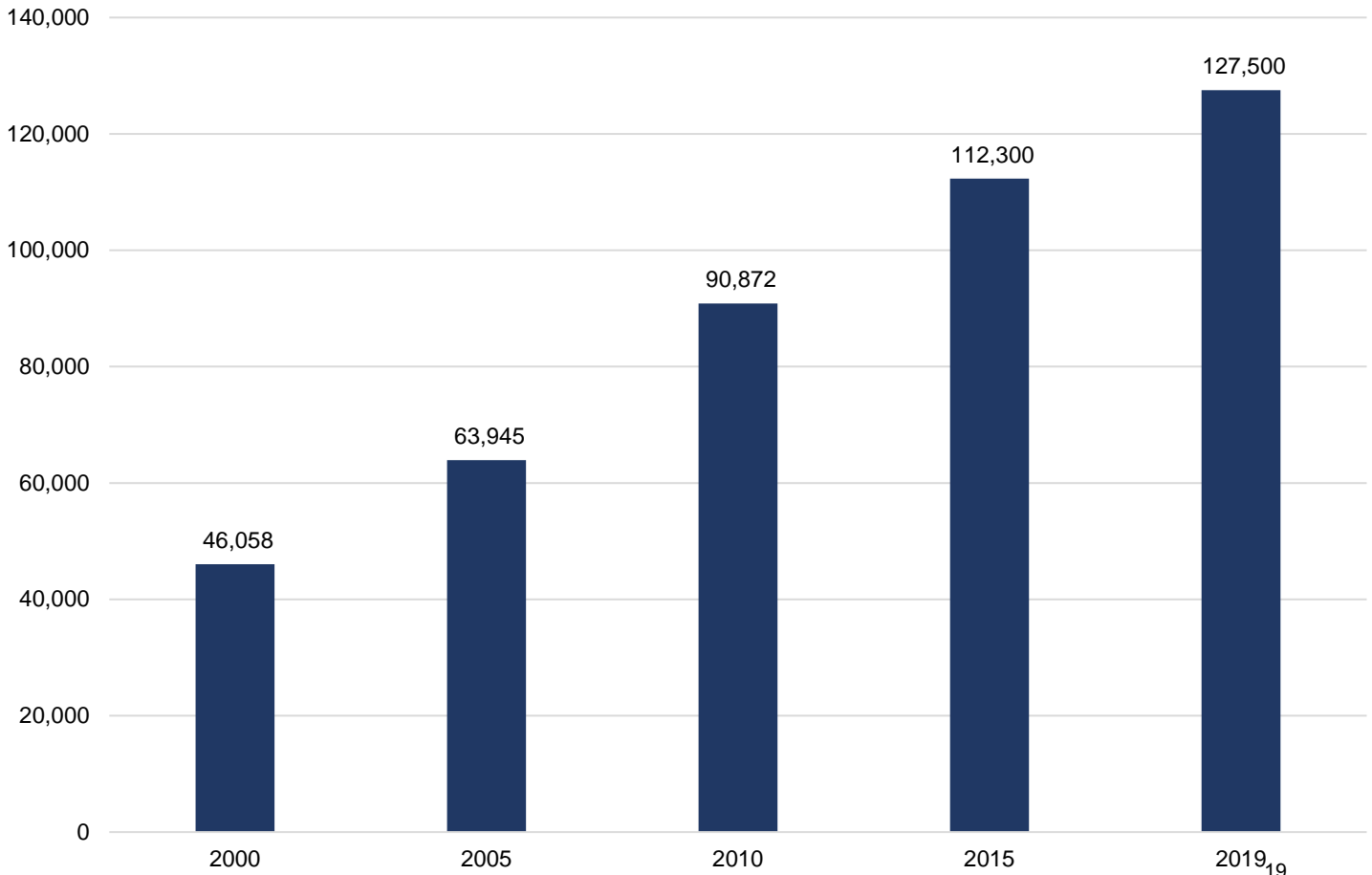
The City of Pearland, Texas was incorporated in December 1959 and adopted a Home Rule Charter on February 6, 1971 and is a home-rule City operating under a Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council consisting of the mayor and 7 other 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.

Pearland Population Growth





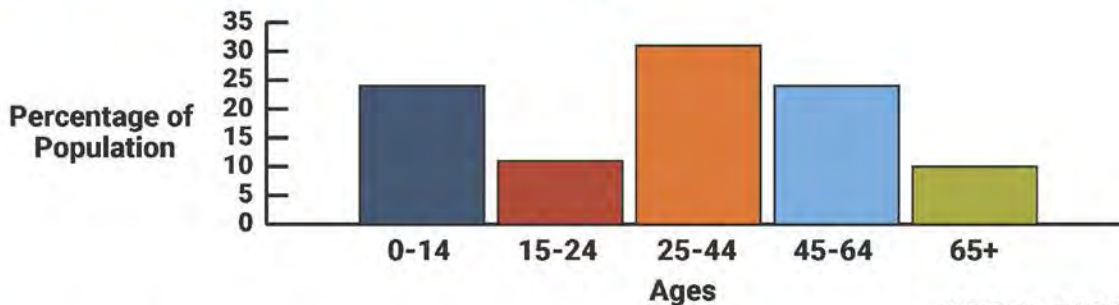
City Demographics

POPULATION

AGE DISTRIBUTION

127,000 Estimated in 2019

MEDIAN AGE: 35.1



HOMEOWNERS

75.9% of Residents are Homeowners

MEDIAN HOME VALUE

\$208,900

EDUCATION

47.3% Bachelor's Degree or Higher

MEDIAN HOUSEHOLD INCOME

\$102,124

INCOME

65% Of Households Have Income Over \$75,000

UNEMPLOYMENT RATE

2.6%

TOP EMPLOYERS

- PEARLAND INDEPENDENT SCHOOL DISTRICT
- KELSEY-SEYBOLD
- CITY OF PEARLAND
- ALVIN ISD
- MEMORIAL HERMAN

- MERIT MEDICAL
- KEMPLON
- PEARLAND MEDICAL CENTER
- DOVER ENERGY
- TURBOCARE



WORKFORCE

MANUFACTURING **12%**

32% EDUCATION, HEALTHCARE, SOCIAL ASSISTANCE

Source: U.S. Census Bureau, Bureau of Labor Statistics, City of Pearland Planning Department and Pearland Economic Development Corporation

City of Pearland Comparison City Demographics for Benchmarking

Statistical Category	Dallas-Fort Worth MSA		Houston MSA					Austin MSA
	Frisco	McKinney	Pearland	Missouri City	Sugar Land	League City	Baytown	Round Rock
City Size (square miles)	62.40	62.90	48.15	29.80	34.00	53.00	36.50	35.90
Population Density	3,016	3,047	2,537	2,507	3,488	2,005	2,110	3,586
POPULATION (US CENSUS)								
2018 Estimate	188,170	191,645	122,149	74,705	118,600	106,244	77,024	128,739
% Change (10-18)	60.8%	46.2%	33.9%	10.9%	50.5%	27.1%	7.3%	28.9%
2010 Census	116,989	131,117	91,252	67,358	78,817	83,560	71,802	99,887
% Change (00-10)	246.0%	140.5%	99.8%	27.5%	20.0%	83.6%	9.9%	62.5%
2000 Census	33,808	54,518	45,681	52,837	65,697	45,517	65,332	61,484
FINANCIAL CHARACTERISTICS (FY18 CAFR, UNLESS OTHERWISE NOTED)								
Credit Rating (Moody's)	Aaa	Aaa	Aa2	Aa2	AAA	Aa1	Aa2	Aaa
Credit Rating (S&P)	AA+	AAA	AA	AA-	AAA	AA+	AA	AA+
Total Net Position (in thousands)	\$1,733,387	\$1,158,293	\$763,578	\$168,536	\$711,865	\$553,917	\$281,480	\$880,026
Operating Rate*	0.2915	0.3554	0.3068	0.4664	0.1971	0.4042	0.4609	0.3135
Debt Tax Rate*	0.1551	0.1602	0.4344	0.1636	0.1349	0.1444	0.3411	0.1255
Total Property Tax Rate*	0.4466	0.5156	0.7412	0.6300	0.3320	0.5486	0.8020	0.4390
Total Sales Tax Revenue (in thousands)	\$43,363	\$29,079	\$35,437	\$11,945	\$47,038	\$20,194	\$16,132	\$72,862
Sales Tax Revenue Per Resident	\$230	\$152	\$290.11	\$159.90	\$397	\$190	\$209	\$566
DEMOGRAPHICS (2010 Census)								
Senior Citizens (x>65)	7.5%	9.4%	10.3%	11.7%	14.5%	9.6%	11.7%	7.5%
Juveniles (x<18)	31.6%	29.6%	27.8%	23.9%	23.1%	27.6%	27.9%	28.5%
Foreign Born Persons	19.8%	14.7%	15.9%	23.2%	35.1%	8.9%	18.9%	13.9%
Language Other Than English Spoken at Home	26.4%	21.6%	27.5%	30.8%	44.3%	17.5%	40.5%	26.9%
Race -- White	69.4%	77.3%	62.8%	32.5%	50.1%	80.6%	69.5%	74.7%
Race -- African American	7.4%	11.5%	17.8%	41.9%	6.6%	7.4%	15.8%	9.9%
Race -- Asian	16.8%	6.2%	13.4%	18.0%	39.1%	6.1%	2.2%	6.7%
Race -- Hispanic**	12.4%	18.4%	21.7%	15.5%	9.6%	18.9%	45.7%	30.8%
HOUSING AND EDUCATION (2010 Census / 2017 American Community Survey)								
Homeownership Rate	74.0%	66.6%	75.9%	80.6%	80.7%	72.7%	57.1%	62.4%
Persons Per Household	2.96	2.9	2.91	3.00	2.99	2.83	2.88	3.10
Median Household Income	\$120,701	\$87,608	\$102,124	\$88,896	\$108,994	\$100,996	\$51,874	\$76,295
Median Home Value	\$335,900	\$255,300	\$208,900	\$171,000	\$292,700	\$218,900	\$103,300	\$210,800
% Below Poverty Rate	3.9%	7.0%	3.8%	5.6%	6.0%	6.2%	17.3%	8.2%
% of Housing Stock Built After 1980	96.4%	90.0%	85.6%	69.3%	81.4%	86.5%	44.9%	88.4%
% Housing Units in Multi-unit Structures (2008-2012)	18.7%	23.2%	15.7%	6.5%	9.6%	19.6%	31.4%	29.1%
% Bachelor's Degree or Higher	60.3%	45.2%	47.3%	45.8%	58.8%	44.3%	14.3%	39.6%
EMPLOYMENT BREAKDOWN BY INDUSTRY (2017 AMERICAN COMMUNITY SURVEY)								
Mean Travel Time to Work (min)	30.1	29.3	33.1	30.4	30.5	30.4	24.8	25.2
Agriculture, forestry, fishing and hunting, and mining	1.0%	1.0%	2.9%	3.3%	5.7%	2.4%	2.0%	0.4%
Construction	0.0	0.054	0.042	4.9%	0.0	0.1	0.2	0.064
Manufacturing	0.1	0.099	0.119	8.2%	0.1	0.1	0.1	0.119
Wholesale trade	0.0	0.031	0.031	3.0%	0.0	0.0	0.0	0.028
Retail trade	0.1	0.121	0.078	10.3%	0.1	0.1	0.1	0.112
Transportation and warehousing, and utilities	2.9%	2.9%	5.8%	5.9%	3.7%	4.5%	6.5%	3.2%
Information	3.9%	3.4%	1.8%	2.2%	2.8%	1.4%	0.5%	3.1%
Finance and insurance, and real estate and rental and leasing	14.3%	11.8%	6.2%	7.3%	8.5%	5.7%	4.4%	6.7%
Professional, scientific, and management, and administrative and waste management services	18.5%	14.4%	11.4%	11.5%	16.4%	15.6%	10.5%	15.2%
Educational services, and health care and social assistance	20.2%	20.7%	31.6%	29.4%	22.6%	26.0%	17.4%	19.9%
Arts, entertainment, and recreation, and accommodation and food services	6.7%	8.9%	5.0%	6.5%	6.2%	7.2%	10.1%	8.7%
Other services, except public administration	3.9%	3.7%	3.4%	4.0%	3.6%	3.1%	4.2%	5.1%
Public administration	0.0	0.029	0.048	3.6%	0.0	0.1	0.0	0.052

Tax Rate Information is from Posted Adopted FY20 Tax Rate Notice or, if posted rate is unavailable, FY20 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

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 MANAGEMENT

Elected Officials

Tom Reid
Luke Orlando
Derrick Reed
Gary Moore
Adrian Hernandez
J. David Little
Trent Perez
Woody Owens

Position

Mayor
Councilmember, Position One
Councilmember, Position Two
Councilmember, Position Three
Councilmember, Position Four
Councilmember, Position Five (Mayor Pro Tem)
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
Maria Rodriguez
Johnny Spires
Vance Riley
Clarence Whittwer
Cynthia Pearson
Michelle Graham
Robert Upton
John McDonald
Chris Orlea
Tracy Rohrbacher

Deputy City Manager
Assistant City Manager
President, PEDC
Interim 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
Interim 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*

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.

FY20 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 16 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 5 th : City-wide Budget Kick-off – Departments given access to Financial System
April	April 15 th : Department Budgets and Supplemental Requests due
	Department Meetings with Budget Office and Management
May	May 6 th : P&Z Board reviews CIP list and recommendation to the City Manager
	May 23 rd : Department Head Supplemental Request Review Meeting
June	Finalize CIP projects, prepares fund statements and review with the City Manager
	Preliminary Budget Submitted to City Manager's Office for Review
July	July 29 th : Final Appraisal received from Assessor's Office
	Finalize Proposed Budget and Multi-Year Plan
August	August 1 st : Submit Proposed Budget to City Council.
	August 10 th : Budget Discussion #1
	August 19 th : Budget Discussion #2
September	September 9 th : Public Hearing on Tax Rate
	September 16 th : Record Vote on <ul style="list-style-type: none"> • Tax Rate Ordinance • Budget Ordinance • Non-Development Fee Ordinance • Development Fees Ordinance
	September 23 rd : Record Vote on <ul style="list-style-type: none"> • Tax Rate Ordinance • Budget Ordinance • Non-Development Fee Ordinance • Development Fees Ordinance
October	Fiscal Year 2020 Begins

TAX COLLECTIONS

	FY 2019 CERTIFIED	FY 2019 ADJUSTED	FY 2020 CERTIFIED
LEVY			
General Fund	20,399,790	22,926,228	23,303,420
Debt Service Fund	31,422,741	35,314,330	33,000,404
TOTAL CITY LEVY	51,822,531	58,240,558	56,303,824
 City Collection Rate	 99.0%	 98.8%	 99.0%

BUDGET ALLOCATION:

General Fund from Levy	20,195,792	20,195,792	23,070,386
Anticipated Revenue from Tax Ceilings	854,854	2,454,208	2,339,415
General Fund Allocation	21,050,646	22,650,000	25,409,801
 Debt Service Fund from Levy	 31,108,514	 31,108,514	 32,670,400
Anticipated Revenues from Tax Ceilings	5,011,130	3,621,486	3,305,900
Debt Service Fund Allocation	36,119,644	34,730,000	35,976,300
 TOTAL CITY BUDGET ALLOCATION	 57,170,290	 57,380,000	 61,386,101

Tax Year	Budgeted FY 2019	Adjusted FY 2019	Budgeted FY 2020
Certified Value	9,794,215,651	10,677,058,709	10,097,484,715
Plus: Not Certified Harris County Value	964,237,092		1,006,774,092
Plus: Protested Values	194,758,134		359,127,740
Less: Tax Ceilings	(1,051,551,445)		(1,131,381,084)
Net Taxable Value	9,901,659,432	10,677,058,709	10,332,005,463
Less: TIRZ Added Value	2,594,045,209	2,464,423,725	2,735,821,943
Taxable Value to City	7,307,614,223	8,212,634,984	7,596,183,520

Tax Rate per \$100

General Fund	0.279158	0.306778
Debt Service Fund	0.430000	0.434434
Total Tax Rate	0.709158	0.741212

Tax Rate Split

General Fund	39.36%	41.39%
Debt Service Fund	60.64%	58.61%
Total	100.00%	100.00%

TAX RATE DISTRIBUTION

**CURRENT FOR FISCAL YEAR 2018-2019
PROPOSED FOR FISCAL YEAR 2019-2020**

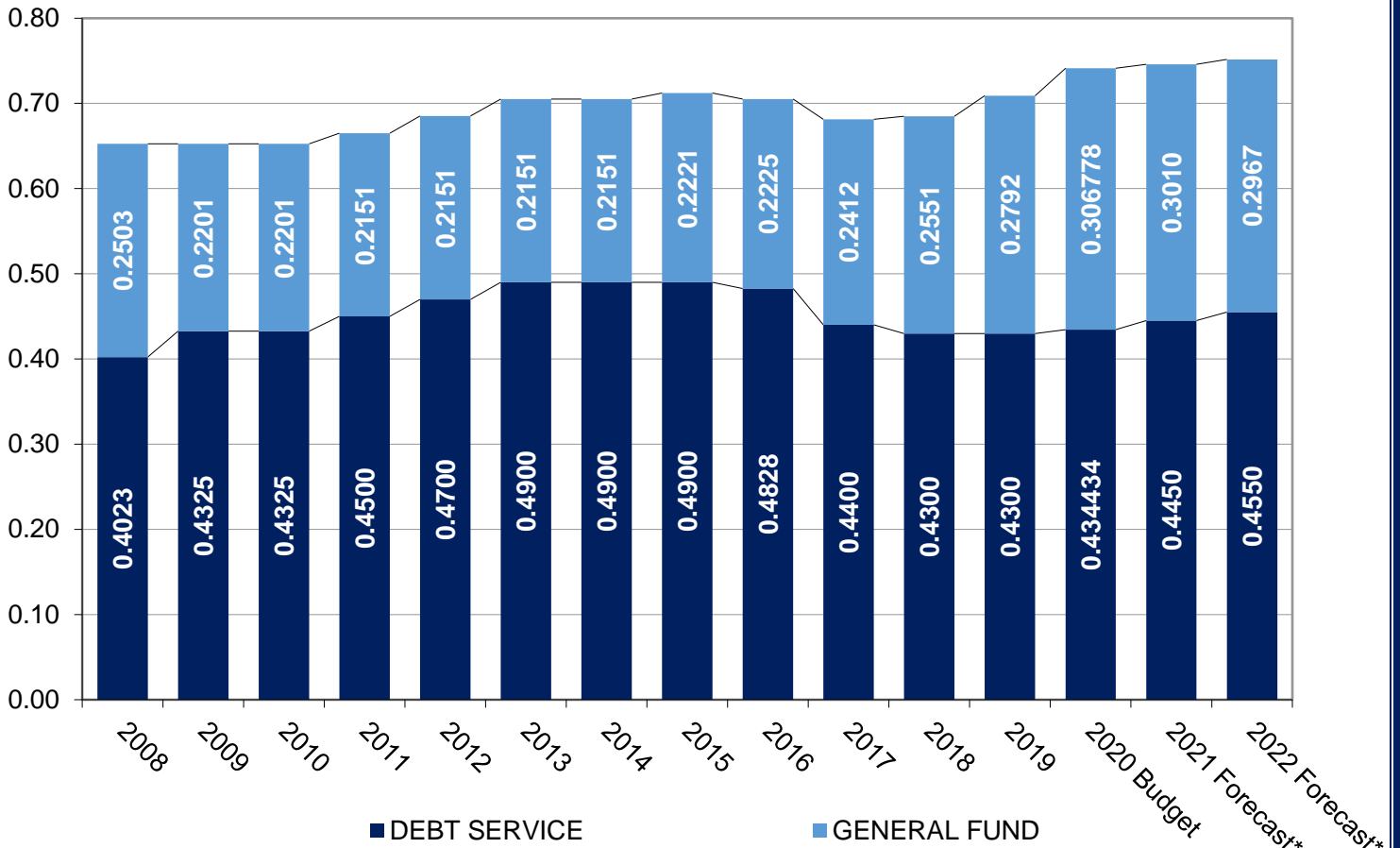
<u>FISCAL YEAR</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE</u>	<u>TOTAL TAX RATE</u>
2008	0.2503	0.4023	0.6526
2009	0.2201	0.4325	0.6526
2010	0.2201	0.4325	0.6526
2011	0.2151	0.4500	0.6651
2012	0.2151	0.4700	0.6851
2013	0.2151	0.4900	0.7051
2014	0.2151	0.4900	0.7051
2015	0.2221	0.4900	0.7121
2016	0.2225	0.4828	0.7053
2017	0.2412	0.4400	0.6812
2018	0.2551	0.4300	0.6851
2019	0.2792	0.4300	0.7092
2020 Budget	0.306778	0.434434	0.7412
2021 Forecast*	0.3010	0.4450	0.7460
2022 Forecast*	0.2967	0.4550	0.7517

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.

*Forecasted Tax Rates assume 3.5% cap on O&M tax rate growth.

Tax Rate Distribution



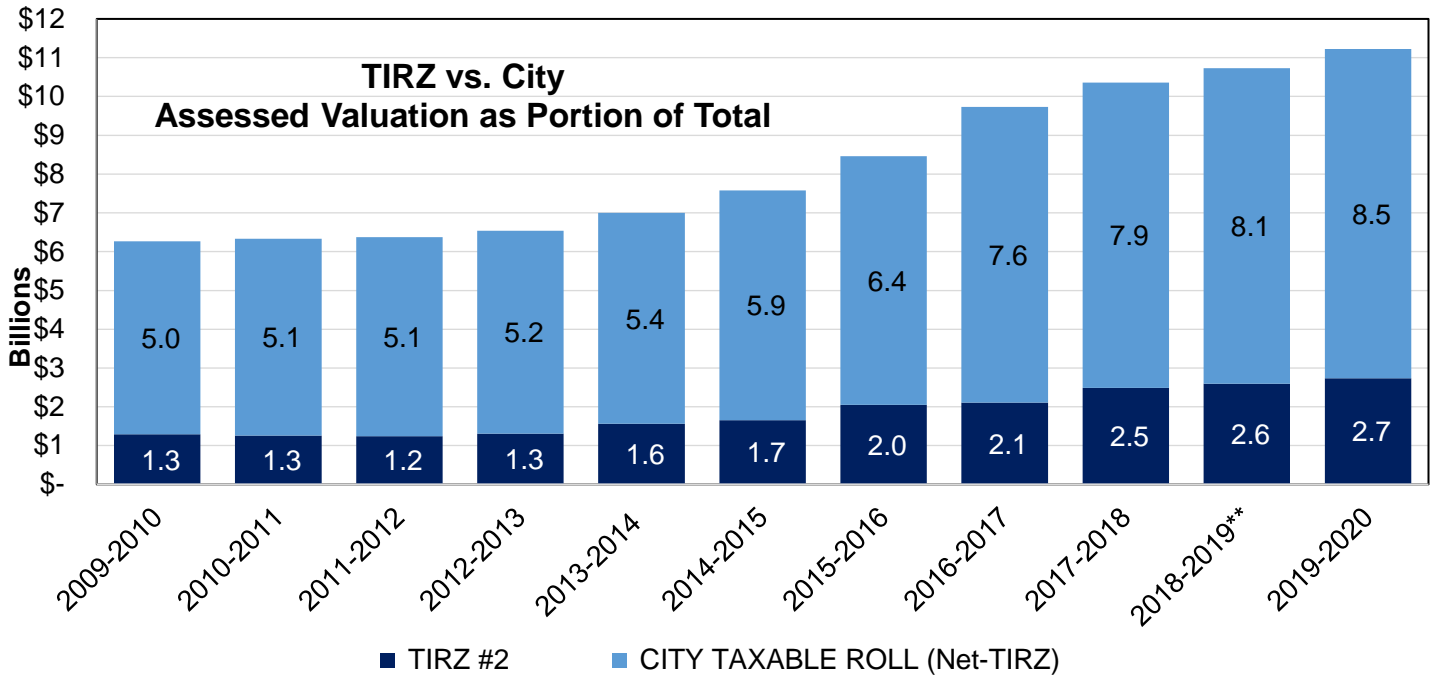
ASSESSED VALUATION, TAX LEVIED AND TAXES COLLECTED

PROJECTED FOR FISCAL YEAR 2018-2019
AND PROPOSED FOR FISCAL YEAR 2019-2020

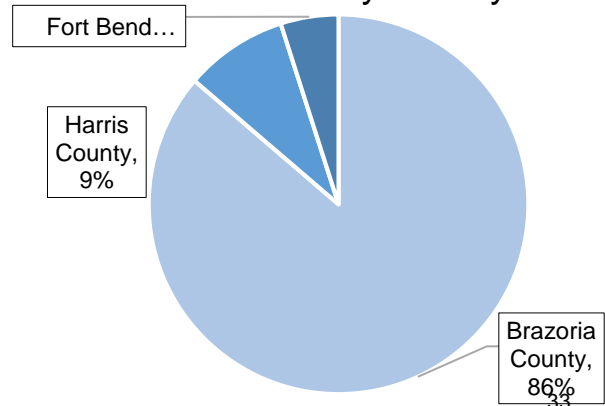
FISCAL YEAR	TAX YEAR	TIRZ #2	NET ASSESSED VALUATION*	% Change	CITY TAXABLE ROLL (Net-TIRZ)	% Change	Operations and Maint. Rate	Debt Service Rate	TOTAL CITY PROPERTY TAX RATE	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	% OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTION
2009-2010	2009		\$ 1,288,879,780	6.2%	\$ 4,980,168,157	6.0%	0.2201	0.4325	0.6526	\$ 41,081,407	\$ 40,590,543	98.8%	\$ 274,230
2010-2011	2010		\$ 1,257,526,416	1.0%	\$ 5,074,196,613	1.9%	0.2151	0.4500	0.6651	\$ 41,968,046	\$ 41,594,389	99.1%	\$ 318,250
2011-2012	2011		\$ 1,242,672,175	0.6%	\$ 5,126,954,806	1.0%	0.2151	0.4700	0.6851	\$ 43,441,792	\$ 43,110,373	99.2%	\$ 201,453
2012-2013	2012		\$ 1,306,088,463	2.6%	\$ 5,231,887,575	2.0%	0.2151	0.4900	0.7051	\$ 45,850,625	\$ 45,509,522	99.3%	\$ 362,129
2013-2014	2013		\$ 1,562,848,106	7.0%	\$ 5,434,125,412	3.9%	0.2151	0.4900	0.7051	\$ 49,096,473	\$ 48,802,720	99.4%	\$ 262,967
2014-2015	2014		\$ 1,651,897,101	8.3%	\$ 5,928,659,888	9.1%	0.2221	0.4900	0.7121	\$ 53,463,919	\$ 53,256,024	99.6%	\$ 187,075
2015-2016	2015		\$ 2,048,031,760	11.7%	\$ 6,416,743,529	8.2%	0.2225	0.4828	0.7053	\$ 60,290,271	\$ 58,530,381	97.1%	\$ 298,608
2016-2017	2016		\$ 2,109,639,316	15.0%	\$ 7,623,677,993	18.8%	0.2412	0.4400	0.6812	\$ 64,977,413	\$ 64,625,147	99.5%	\$ 125,832
2017-2018	2017		\$ 2,484,550,226	6.4%	\$ 7,873,406,459	3.3%	0.2551	0.4300	0.685059	\$ 70,752,913	\$ 70,184,235	99.2%	\$ 283,242
2018-2019**	2018		\$ 2,594,045,209	3.6%	\$ 8,132,285,956	3.3%	0.2792	0.4300	0.709158	\$ 75,593,482	\$ 75,021,238	99.2%	\$ 220,676
2019-2020	2019		\$ 2,735,821,943	4.6%	\$ 8,485,235,057	4.3%	0.3068	0.4344	0.741212	\$ 82,278,202	\$ 81,461,559	99.0%	\$ 225,000

*Net Assessed value shown above does not remove the entire value for properties with Tax Ceilings, as is shown on the previous page. Instead, only the estimated value loss is included, which is based on the previous year's loss of \$242,329,547. Net Assessed Value is calculated by adding the Certified Value, Estimated Harris County Value and Protested Values subtracting the estimated value loss.

**YTD Collections as of 6/30/2019



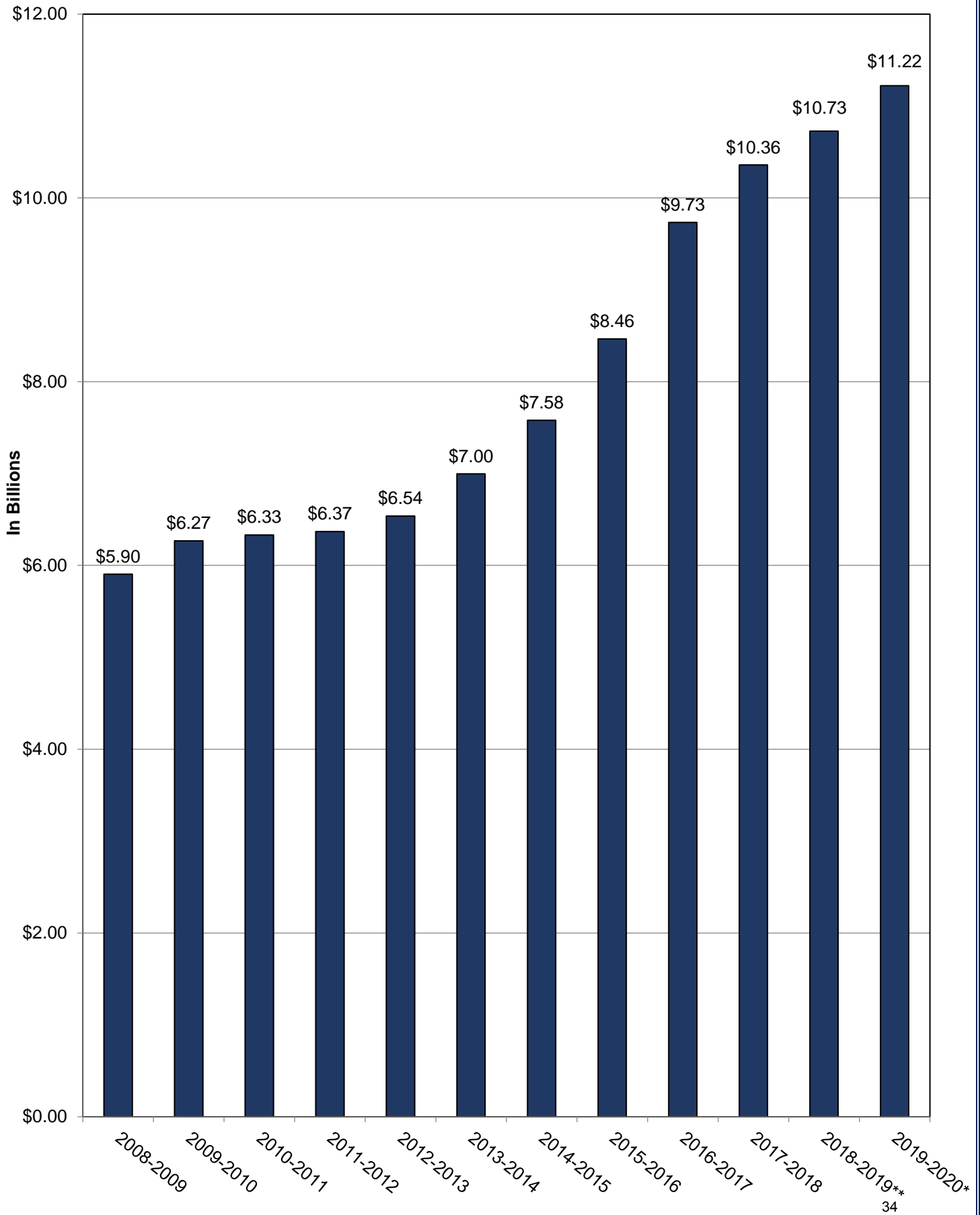
Distribution of Total 1/1/2019 AV by County



ASSESSED VALUATION BY COUNTY

City of Pearland portion of...	Certified Appraised Value As of 1/1/2018 for FY19	Certified Appraised Value As of 1/1/2019 for FY20*	Change from Prior Year	
			%	\$
Brazoria County	\$ 9,456,732,429	\$9,888,003,135	4.6%	\$431,270,706
Harris County	\$ 915,402,464	\$1,006,774,092	10.0%	\$ 91,371,628
Fort Bend County	\$ 526,515,076	\$ 564,648,252	7.2%	\$ 38,133,176
City of Pearland	\$10,898,649,969	\$11,459,425,479	5.1%	\$560,775,510

NET ASSESSED VALUATION

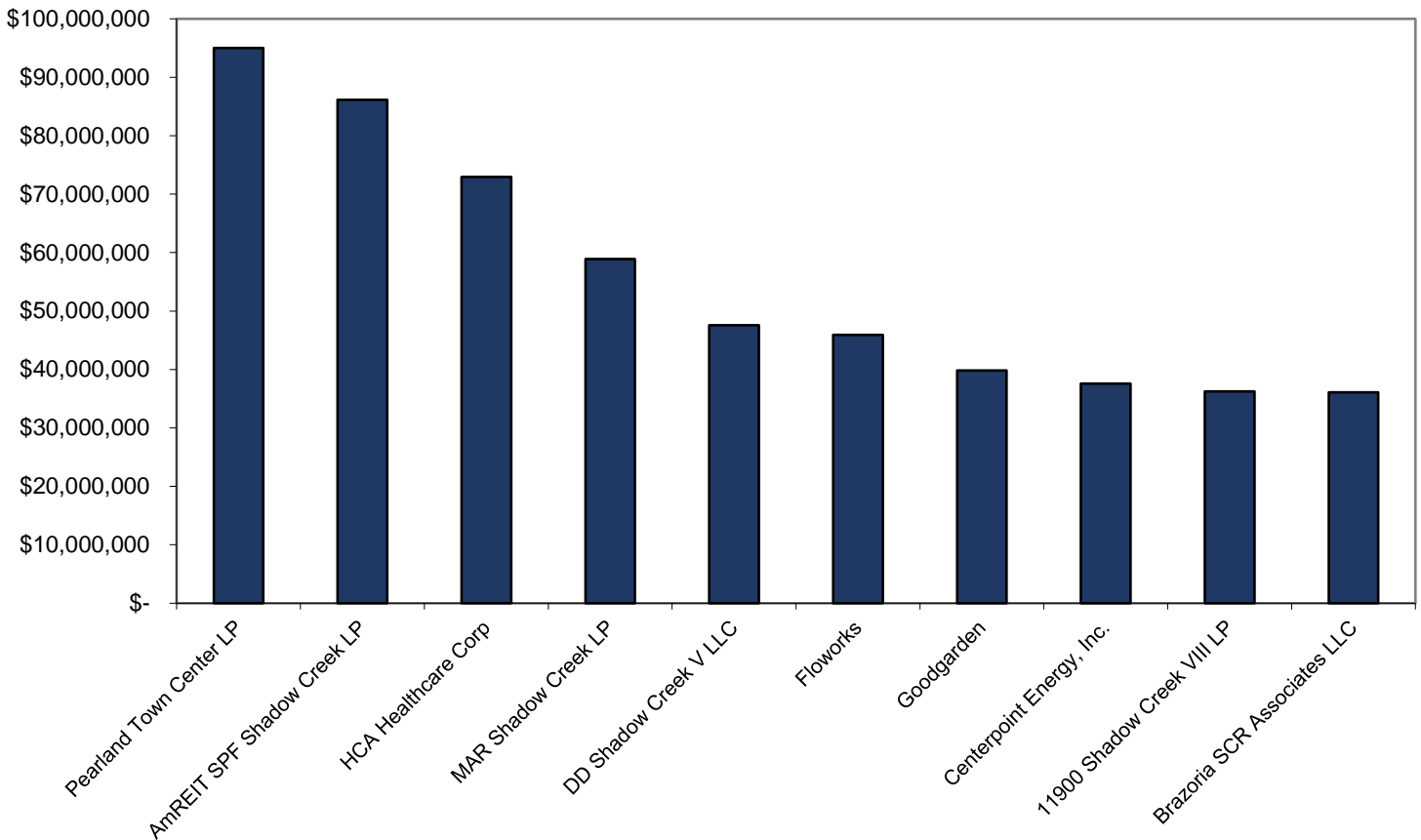


**PRINCIPAL TAXPAYERS
FISCAL YEAR 2019-2020**

<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	\$ 95,032,680	0.92%
2 AmREIT SPF Shadow Creek LP	Retail Center Management	\$ 86,133,400	0.83%
3 HCA Healthcare Corp	Hospital	\$ 72,967,490	0.71%
4 MAR Shadow Creek LP	Multi-Family Residential	\$ 58,900,000	0.57%
5 DD Shadow Creek V LLC	Multi-Family Residential	\$ 47,557,030	0.46%
6 Floworks	Energy & Industrial Supply	\$ 45,895,913	0.44%
7 Goodgarden	Multi-Family Residential	\$ 39,849,870	0.39%
8 Centerpoint Energy, Inc.	Electric & Natural Gas	\$ 37,564,510	0.36%
9 11900 Shadow Creek VIII LP	Multi-Family Residential	\$ 36,246,640	0.35%
10 Brazoria SCR Associates LLC	Retail Center Management	\$ 36,070,020	0.35%
TOTAL PRINCIPAL TAXPAYERS		\$ 556,217,553	5.38%
ALL OTHERS		\$ 9,775,787,910	94.62%
TOTAL		\$ 10,332,005,463	100.00%

SOURCES: Brazoria and Harris Counties Tax Assessor Collector

TOP TEN TAXPAYERS





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MULTI-YEAR FORECAST FISCAL YEARS 2020 – 2022

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 2019-2020 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 these forecasts portray 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 Debt Service 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 20 tax rate increased from \$0.7092 to \$0.7842 in FY22 per \$100 valuation; an increase of \$0.05307. The property tax revenue increase has been limited to 3.5% for 21 and 22, due to the changes at the state level. Please note that the details of the calculation have not been shared with City Staff, so this projection will likely change.
- ◆ During the 2019 Bond Referendum, the materials presented showed a maximum projected debt rate of \$0.4875; this projection does not exceed that amount.
- ◆ Revenue increase of 5% is included in the FY20 budget for the water/sewer fund. Additional increases are needed in fiscal years 2021 and 2022 of 9% annually, 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.

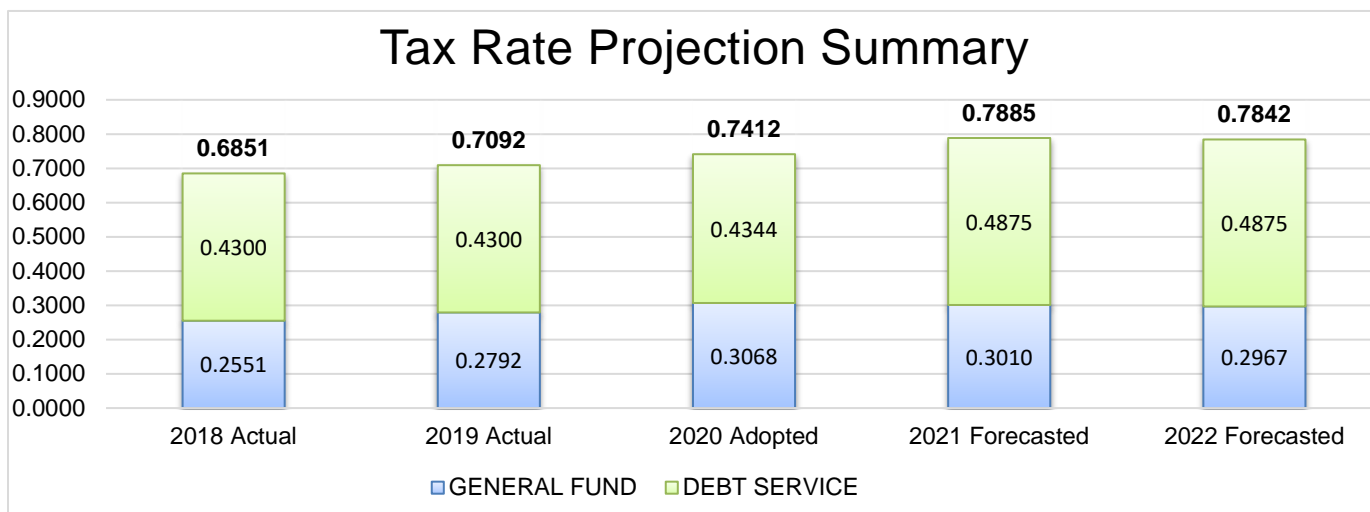
General Fund and Debt Service revenues are dependent on the net assessed property valuation assumptions which are derived from anticipated residential and commercial development, revaluation of existing property, and the scheduled roll-off of tax abatements. The forecast assumes property valuation growth for 5.5% in FY 21 and 5% in FY 22.

INDIVIDUAL FUND OVERVIEWS

Tax Rate

As shown on the table below, by FY 22, the total tax rate is \$0.7842; 38% to the General Fund and 62% to the Debt Service Fund, which represents a decrease of \$0.01012 to the General Fund and an increase of \$0.0531 to the Debt Service Fund from the FY 20 adopted tax rate.

As compared to last year's multi-year forecast, the FY 20 tax rate is \$0.0008 lower than projected.



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 \$80 million 2019 Bond Program, the Debt Service tax rate will need to increase by \$0.0531 from the adopted FY 20 tax rate of \$0.4344 to the forecasted FY 22 tax rate of \$0.4875. This projection assumes a 5.5% and 5% increase in the taxable value in FY21 and FY22 respectively and is in line with projections shared during the 2019 Bond Referendum.

General Fund

The General Fund is structurally balanced for FY 20 whereby expenses are greater than revenues. The current policy reserve requirement of 16.167% of total expenditures increases in FY 22 to 20% of total expenditures. Total expenditures are projected to increase \$4,618,703, driven by new facilities and continued growth in our staffing needs. This projection accounts for 13 new Firefighters to staff Fire Stations #8. This forecast 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 29% in FY 20. General Fund property tax revenues as a percentage of total drops slightly to 29.3% in FY 21 and FY 22. 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 1.6% and a change to the base rate multiplier was adopted in 2020 to eliminate the need for a much larger revenue increase for 2023. The City plans to issue \$152.5 million, \$127.8 million, and \$59.8 million in fiscal years 2020, 2021 and 2022 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 2022 total \$65 million, an increase of \$12.5 million from fiscal year 2020, 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 \$77.4 million in fiscal year 2022, up from \$56.5 million in fiscal year 2020. Debt service increases over the forecast period, from \$19.5 million in fiscal year 2020 to \$40.3 million in fiscal year 2022. 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 288 corridor enhancements and beautification. The ending fund balance is projected to be \$17.2 million in FY 2022, an increase of \$10.5 million from FY 2020.

Sales tax revenue is a major component of funding for the Corporation. Revenues from sales taxes increased by 6.0% between FY20 and FY22, from \$13.3 million in fiscal year 2020 to \$12.0 million in fiscal year 2022. The sales tax revenues are 89.1% of the total revenues in 2020 and 85.8% in 2022.

CONCLUSION

The forecasts are conservative and only include 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 2020 – 2022
DEBT SERVICE**

	ACTUAL FY 2018	AMENDED FY 2019	ADOPTED FY 2020	FORECASTED	
				FY 2021	FY 2022
REVENUES					
Property Taxes	\$ 34,190,351	\$ 35,030,000	\$ 36,301,300	\$ 43,000,000	\$ 47,000,000
Other Revenue*	1,051,202	1,094,914	1,121,581	1,144,013	1,166,893
Transfers	697,023	571,968	2,035,747	2,576,462	3,127,991
TOTAL	35,938,576	36,696,882	39,458,628	46,720,475	51,294,884
EXPENDITURES					
Mud Rebates	7,169,266	7,328,484	7,435,253	7,807,016	8,197,366
Bond Payment	27,864,329	31,327,208	32,574,336	38,067,136	42,904,436
TOTAL	35,033,595	38,655,692	40,009,589	45,874,152	51,101,802
 REV OVER/(UNDER) EXP	 904,982	 (1,958,810)	 (550,961)	 846,323	 193,082
 BEGINNING FUND BALANCE	 5,911,461	 6,816,443	 4,857,633	 4,306,672	 5,152,995
 ENDING FUND BALANCE	 \$ 6,816,443	 \$ 4,857,633	 \$ 4,306,672	 \$ 5,152,995	 \$ 5,346,076
 Reserve 10%	 \$ 3,698,269	 \$ 3,865,569	 \$ 4,000,959	 \$ 4,587,415	 \$ 5,110,180
Over Policy	\$ 3,118,174	\$ 992,064	\$ 305,713	\$ 565,580	\$ 235,896

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

**MULTI-YEAR BUDGET 2020 – 2022
GENERAL FUND OVERVIEW**

DESCRIPTION	ACTUAL 2018	AMENDED 2019	ADOPTED 2020	FORECASTED	
				2021	2022
REVENUE					
Property Taxes	\$20,383,959	\$22,952,305	\$25,704,801	\$ 26,299,144	\$27,219,614
Sales & Use Taxes	22,662,007	22,438,980	22,669,370	23,349,451	24,049,935
Franchise Fees	7,097,568	7,272,488	7,242,757	7,604,895	7,985,140
Licenses & Permits	4,145,496	3,882,867	3,887,350	4,003,971	4,124,090
Fines & Forfeitures	2,322,398	2,452,750	2,445,750	2,494,665	2,544,558
Charges for Service	16,051,689	16,900,459	18,291,338	18,931,535	19,594,139
Investment Earnings	323,550	537,000	622,000	640,660	659,880
Miscellaneous	1,302,233	1,150,903	1,121,854	1,144,291	1,167,177
Transfers In	3,816,116	4,674,460	4,949,456	5,097,940	5,250,878
TOTAL REVENUES	78,105,016	82,262,212	86,934,676	89,566,551	92,595,409
EXPENDITURES					
General Government	11,936,500	12,293,435	12,720,684	12,771,897	12,824,859
Public Safety	42,277,271	46,023,417	48,327,734	48,746,148	49,179,625
Community Services	4,050,477	4,147,697	4,303,693	4,335,652	4,368,666
Public Works	13,997,803	13,830,730	14,154,818	14,273,078	14,395,014
Parks & Recreation	6,090,666	6,462,780	6,704,582	6,766,723	6,830,793
Anticipated Additional				2,336,276	3,231,257
TOTAL EXPENDITURES	78,352,717	82,758,059	86,211,511	89,229,774	90,830,214
REV OVER/(UNDER) EXP	(247,701)	(495,847)	723,165	336,777	1,765,195
BEGINNING FUND BALANCE	14,508,766	14,261,065	13,765,218	14,825,160	16,927,132
ENDING FUND BALANCE	\$14,261,065	\$13,765,218	\$ 14,488,383	\$ 15,161,936	\$18,692,327
Policy Requirement*	11,808,269	11,828,989	14,368,010	14,865,680	18,166,043
Amount Over Policy	\$ 2,452,796	\$ 1,936,229	\$ 120,372	\$ 296,256	\$ 526,284
Fund Balance in Days	66.43	60.71	61.34	62.02	75.11
TAX RATE					
General Fund	0.2551	0.2792	0.3068	0.3010	0.2967
Debt Service	0.4300	0.4300	0.4344	0.4450	0.4550
Total Tax Rate	0.6851	0.7092	0.7412	0.7460	0.7517
TAX RATE SPLIT					
General Fund	37%	39%	41%	40%	39%
Debt Service	63%	61%	59%	60%	61%
TAX RATE INCREASE (DECREASE)					
General Fund		0.0241	0.0276	-0.0058	-0.0043
Debt Service		0.0000	0.0044	0.0106	0.0100
Total Tax Rate		0.0241	0.0321	0.0048	0.0057

*Policy minimum increased to 16.67% in FY20 and 20% in FY2022

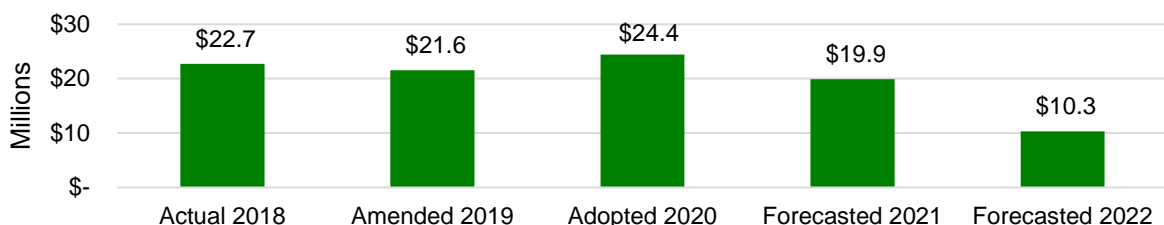
**MULTI-YEAR BUDGET 2020 – 22
WATER & SEWER FUND DETAIL**

DESCRIPTION	ACTUAL 2018	PROJECTED 2019	ADOPTED 2020	FORECASTED 2021	FORECASTED 2022
CHARGES FOR SERVICE					
Water/Sewer Charges	\$ 49,682,814	\$ 46,821,756	\$ 52,479,199	\$ 57,739,910	\$ 63,578,335
Sanitation Billing Fee	434,116	420,305	425,000	429,250	433,543
Connection Fee	170,104	154,253	165,000	166,650	168,317
Water/Sewer Tap Fee	356,202	252,764	365,000	368,650	372,337
Late Payment Fee	655,235	634,948	650,000	656,500	663,065
Meter Set Fee	2,669	117,255	5,000	5,050	5,101
Curb Stop Replacement Fee					
Grease Trap Fee	39,500	44,100	45,000	45,450	45,905
Reconnect Fee	43,875	99,920	50,000	50,500	51,005
Miscellaneous	23,638	19,697	15,000	15,150	15,302
TOTAL CHARGES FOR SERVICE	51,408,154	48,564,998	54,199,199	59,477,110	65,332,907
MISCELLANEOUS REVENUE					
NSF Fees	3,346	4,050	7,500	7,575	7,651
Reimbursements		58,007			
Miscellaneous	4,118	6,552	5,000	5,050	5,101
TOTAL MISCELLANEOUS	7,464	68,609	12,500	12,625	12,751
INTEREST					
Interest	288,283	475,529	500,000	505,000	510,050
TOTAL INTEREST	288,283	475,529	500,000	505,000	510,050
TRANSFERS IN					
Transfers In	2,950,000	2,950,000	5,835,697	9,759,345	9,683,161
TOTAL INTERFUND TRANSFERS	2,950,000	2,950,000	5,835,697	9,759,345	9,683,161
OTHER FINANCING SOURCES					
Sale of Property		2,300,000			
Miscellaneous					
Capital Proceeds					
TOTAL OTHER FINANCING SOURCES		2,300,000			
TOTAL REVENUES	54,653,901	54,359,136	60,547,396	69,754,080	75,538,869

**MULTI-YEAR BUDGET 2020 – 22
WATER & SEWER FUND DETAIL**

DESCRIPTION	ACTUAL 2018	PROJECTED 2019	ADOPTED 2020	FORECASTED 2021	FORECASTED 2022
EXPENDITURES					
Public Works					
Administration	\$ 770,555	\$ 1,096,912	\$ 799,784	\$ 824,969	\$ 851,257
Lift Stations	1,408,613	1,580,291	1,898,851	1,957,609	2,018,452
Waste Water	4,986,943	5,711,351	5,286,651	5,448,969	5,616,786
Backflow Compliance		239,590	362,154	374,375	387,166
Water Production	9,173,247	11,636,580	10,677,811	10,940,615	11,210,804
Distribution & Collection	2,264,833	3,563,493	3,187,627	3,292,774	3,402,454
Construction	1,145,638	1,751,855	1,288,623	1,331,086	1,375,341
Water Meter Services	938,159	849,886	785,337	811,464	838,707
Water/Sewer Grounds Maintenance	424,334	556,436	628,696	649,688	671,609
Pretreatment		219,548	246,777	255,053	263,715
Information Technology	744,721	1,318,589	1,569,035	1,617,537	1,667,770
Utility Billing	1,245,700	1,527,139	1,636,132	1,689,788	1,745,856
Other Requirements	8,087,603	7,656,186	8,686,875	7,290,323	7,067,386
Debt Service	17,751,235	17,238,991	19,521,313	35,197,017	40,317,645
TOTAL EXPENDITURES	48,941,581	54,946,847	56,575,666	71,681,268	77,434,947
REV OVER(UNDER) EXP	5,712,320	(587,711)	3,971,730	(1,927,188)	(1,896,078)
BEGINNING CASH EQUIVALENTS	20,807,406	26,519,726	25,932,015	29,903,745	27,957,148
RESERVE FOR DEBT SERVICE	3,796,725	4,356,022	5,486,194	8,097,130	15,779,915
ENDING CASH EQUIVALENTS	\$ 22,723,001	\$ 21,575,993	\$ 24,417,551	\$ 19,860,018	\$ 10,261,359
BOND COVERAGE - 1.4 min required	2.16	1.59	1.43	1.42	1.48
CASH RESERVE RATIO - 25% min req	73%	57%	66%	54%	28%
NUMBER OF CONNECTIONS	37,034	37,944	38,877	39,833	40,619
% REVENUE INCREASE NEEDED	10.0%	0.0%	1.6%	7.5%	8.0%
REVENUE BONDS TO BE ISSUED		\$ -	\$152,527,000	\$ 127,875,500	\$ 59,889,000
DEBT SERVICE COVERAGE					
REVENUES	\$ 54,653,901	\$ 54,509,136	\$ 60,469,316	\$ 69,754,080	\$ 75,538,869
LESS OPERATING EXPENSES	31,190,346	37,707,856	34,170,325	33,949,251	35,317,302
NET REVENUES AVAILABLE FOR DEBT SERVICE	\$ 23,463,555	\$ 16,801,280	\$ 26,298,991	\$ 35,804,828	\$ 40,221,567
TOTAL AVERAGE ANNUAL DEBT SERVICE (LESS GO)	\$ 10,854,853	\$ 10,576,640	\$ 18,418,025	\$ 25,215,288	\$ 27,130,037

CASH EQUIVALENTS
MULTI-YEAR HISTORY - FORECAST



MULTI-YEAR BUDGET 2020 – 22
PEARLAND ECONOMIC DEVELOPMENT CORPORATION

	AMENDED 2019	ADOPTED 2020	FORECASTED	
			2021	2022
REVENUES				
Sales Tax	\$ 11,131,486	\$ 11,354,116	\$ 11,694,739	\$ 12,045,581
Mgmt District Reimbursements	441,517	559,000	-	1,000,000
Other*	1,127,000	830,000	1,420,388	986,801
TOTAL REVENUES	\$ 12,700,003	\$ 12,743,116	\$ 13,115,127	\$ 14,032,382
EXPENDITURES				
Operating & Service Exp	2,507,040	2,575,596	2,702,564	2,736,841
Bond Payments	11,307,132	291,300	285,400	279,500
Current Incentive Obligations	1,245,230	1,188,890	1,169,890	766,889
Potential Future Incentives	-	1,220,000	1,088,110	1,483,111
Infrastructure/Redevelopment	7,494,347	1,584,000	125,000	1,084,254
Lower Kirby	1,684,370	1,397,000	350,000	250,000
288 Corridor Improvements	1,332,000	11,385,000	3,660,000	-
Corridor/Entryway Maintenance	297,000	320,000	329,600	339,488
TOTAL EXPENDITURES	25,867,119	19,961,786	9,710,564	6,940,083
REV OVER/(UNDER) EXP	(13,167,116)	(7,218,670)	3,404,563	7,092,299
BEGINNING FUND BALANCE	27,132,823	13,965,707	6,747,037	10,151,600
ENDING FUND BALANCE	\$13,965,707	\$6,747,037	\$10,151,600	\$17,243,899

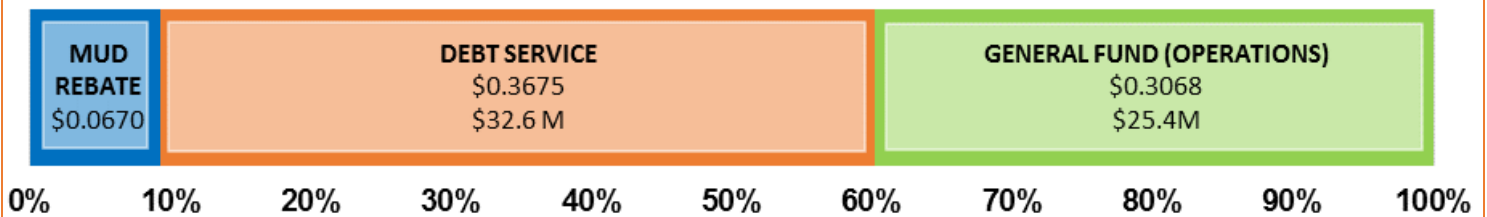
*Other includes Interest, CSI Rent, BCD Assessments and Lower Kirby Reimbursements

DEBT SERVICE FUND SUMMARY

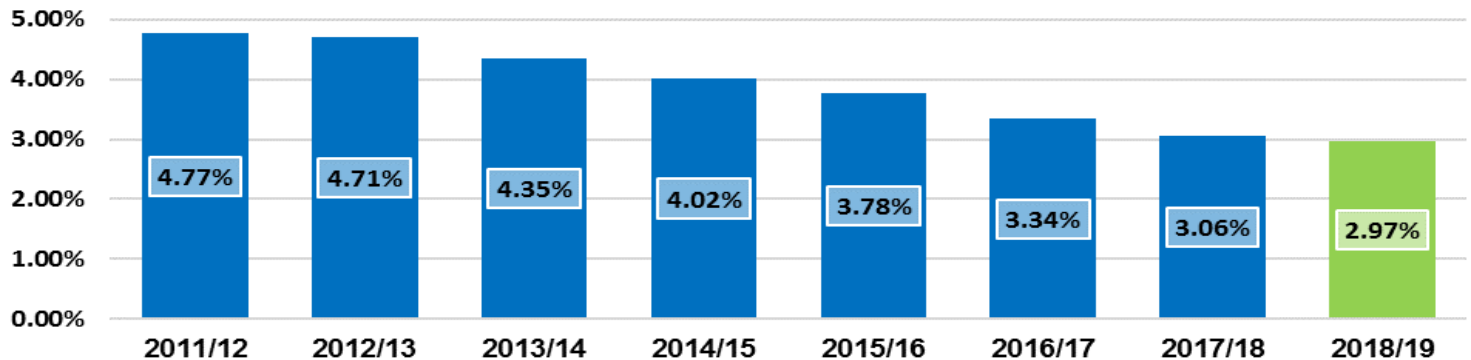
	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Property Taxes*	\$ 34,190,351	\$ 36,501,204	\$ 35,030,000	\$ 36,301,300
Miscellaneous	1,051,202	874,914	1,094,914	1,121,581
Transfers	697,023	542,253	571,968	2,035,747
TOTAL REVENUES	35,938,576	37,918,371	36,696,882	39,458,628
EXPENDITURES				
MUD Rebates	7,169,266	7,587,066	7,328,484	7,435,253
Bond Payment	27,864,329	31,354,028	31,327,208	32,574,336
TOTAL EXPENDITURES	35,033,595	38,941,094	38,655,692	40,009,589
 REV OVER/(UNDER) EXP	 904,982	 (1,022,723)	 (1,958,810)	 (550,961)
BEGINNING FUND BALANCE	5,911,461	6,410,451	6,816,443	4,857,633
ENDING FUND BALANCE	\$ 6,816,443	\$ 5,387,728	\$ 4,857,633	\$4,306,672
 Reserve 10% Over Policy	 \$ 3,698,269 \$ 3,118,174	 \$ 3,894,109 \$ 1,493,619	 \$ 3,865,569 \$ 992,064	 \$ 4,000,959 \$ 305,713
Funds Committed	\$ -	\$ 5,011,130	\$ -	\$ 4,300,000
Uncommitted Fund Balance	\$ 6,816,443	\$ 376,598	\$ 4,857,633	\$ 6,672

*Property Tax revenue includes \$4,300,000 in "committed" fund balance the City has pledged for use if property tax revenue does not come in as expected.

Breakout of Property Tax Rate



Tax-Supported Debt to Taxable Assessed Valuation



DEBT SERVICE FUND SUMMARY

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 certified property values, the adopted budget includes a Debt Service tax rate of \$0.434434 per \$100 assessed valuation to meet fiscal year 2020 obligations.

The Debt Service tax rate generates \$35,976,300 in current property taxes at a 99.0% collection rate, *including* \$4,300,000 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 third year the City has designated funds to lower the Debt Service Fund Tax Rate, committing \$5 million in FY19 as well. In FY 18, the City dedicated \$5.1 million in fund balance.

Fund revenues includes \$771,581 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 \$440,967 for debt associated with water/sewer construction issued with General Obligation debt to save interest costs.

Expenditures total \$40,009,589 for fiscal year 2020 and include \$32,436,336 in bond principal and interest payments. Debt (General Obligation and Certificates of Obligation) anticipated to be issued includes \$59.6 million in fiscal year 2020 pursuant to the City's capital improvement program of which, \$11.4 million is reimbursable from TIRZ #2, once obligations ahead of the City are paid and the TIRZ has enough increment to pay the City.

\$27.5 million in General Obligation Bonds will be issued in 2020 for 2019 Bond Referendum Projects. Total principal outstanding paid from property taxes at September 30, 2020 is anticipated to be \$285.4 million (this excludes new debt and property tax backed debt paid by the water/sewer fund).

Net debt per capita is \$2,560 at September 30, 2020, down from \$2,632 in fiscal year 2019. Debt to Assessed Value, a leading indicator of the City's ability to pay debt dropped again this year to 2.97%. 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 \$7,435,253, an increase of \$106,769 from fiscal year 2019 year-end projections.

The FY 2020 Debt Service ending fund balance at September 30, 2020 is projected to be \$4,306,672 and is \$305,713 over the reserve policy of \$4,000,959. However, that balance includes the aforementioned assignment for potential use in debt service in FY 2020.

**DEBT SERVICE FUND SUMMARY
IN-CITY MUNICIPAL UTILITY DISTRICT (MUD) DETAIL**

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.

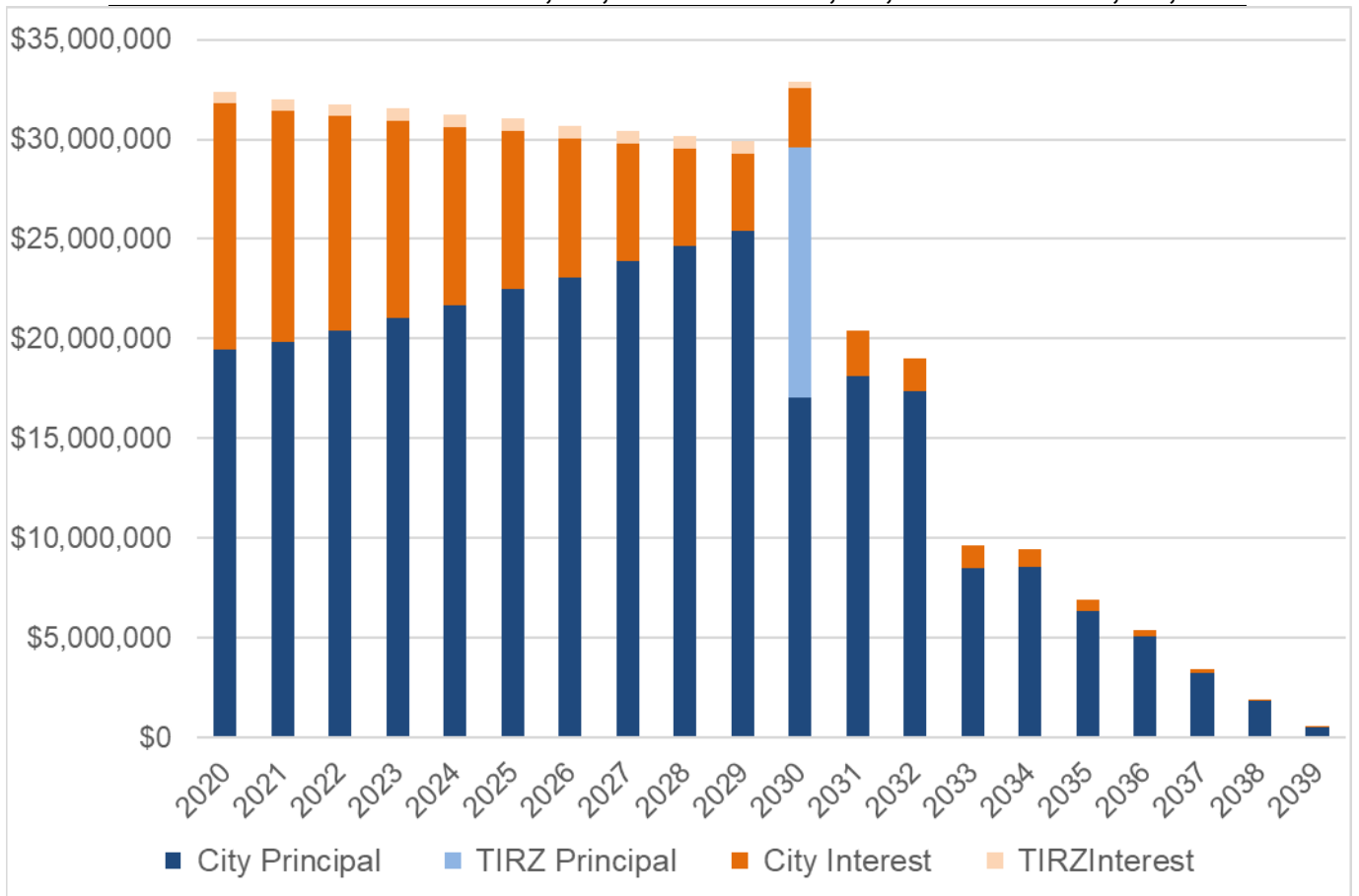
MUD DESCRIPTION	TAX RATE	REBATE	FY 2018 ACTUAL	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
BRAZ/FT BEND MUD 1	0.8480	N/A	1,655,022	1,774,779	1,754,324
MUD 17	0.3800	0.1500	730,415	719,837	774,241
MUD 18	0.3900	0.1500	648,822	629,706	687,753
MUD 19	0.4700	0.1500	798,791	793,626	846,720
MUD 23	0.4700	0.1500	356,072	361,867	377,438
MUD 26	0.7000	0.1500	1,227,737	1,252,596	1,301,402
MUD 28	0.8000	0.1500	808,067	837,946	856,552
MUD 34	1.0000	0.1500	637,484	699,167	675,735
MUD 35**	0.6900	N/A	143,218	17,910	
MUD 509	0.8500	0.1500	163,636	241,050	161,088
TOTAL MUD REBATES			7,169,266	7,328,484	7,435,253

*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.

**GOVERNMENTAL DEBT MATURITY SCHEDULE
AS OF 9/30/2019**

Fiscal Year	Principal	Interest	Total
2019 - 2020	19,480,000	12,894,125	32,374,125
2020 - 2021	19,835,000	12,189,343	32,024,343
2021 - 2022	20,395,000	11,376,999	31,771,999
2022 - 2023	21,040,000	10,498,511	31,538,511
2023 - 2024	21,660,000	9,545,136	31,205,136
2024 - 2025	22,465,000	8,564,574	31,029,574
2025 - 2026	23,075,000	7,573,268	30,648,268
2026 - 2027	23,870,000	6,527,024	30,397,024
2027 - 2028	24,650,000	5,489,458	30,139,458
2028 - 2029	25,435,000	4,469,518	29,904,518
2029 - 2030	29,615,000	3,295,946	32,910,946
2030 - 2031	18,105,000	2,319,880	20,424,880
2031 - 2032	17,370,000	1,650,549	19,020,549
2032 - 2033	8,495,000	1,147,931	9,642,931
2033 - 2034	8,590,000	833,975	9,423,975
2034 - 2035	6,360,000	554,503	6,914,503
2035 - 2036	5,085,000	328,753	5,413,753
2036 - 2037	3,245,000	164,456	3,409,456
2037 - 2038	1,865,000	59,500	1,924,500
2038 - 2039	505,000	10,100	515,100
TOTAL	321,140,000	99,493,549	420,633,549



GENERAL FUND SUMMARY

OVERVIEW

The General Fund provides the financing for all 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 56.9% 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 613.5 full-time positions and 129 part-time positions including utilities, fuel, park and right-of-way maintenance, and street lighting, just to name a few.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Property Taxes	\$20,383,959	\$21,332,769	\$22,952,305	\$25,704,801
Sales & Use Taxes	22,662,007	22,855,294	22,438,980	22,669,370
Franchise Fees	7,097,568	7,296,694	7,272,488	7,242,757
Licenses & Permits	4,145,496	3,785,535	3,882,867	3,887,350
Fines & Forfeitures	2,322,398	2,110,750	2,452,750	2,445,750
Charges for Service	16,051,689	17,618,566	16,900,459	18,291,338
Miscellaneous	1,625,783	1,233,806	1,687,903	1,743,854
Transfers In	3,816,116	4,560,460	4,674,460	4,949,456
TOTAL REVENUES	78,105,016	80,793,874	82,262,212	86,934,676
EXPENDITURES				
General Government	10,927,049	10,494,897	11,072,549	11,387,511
Public Safety	42,277,271	45,258,605	46,023,417	48,327,734
Community Services	4,050,477	4,307,687	4,147,697	4,303,693
Public Works	13,997,803	12,651,388	13,830,730	14,154,818
Parks & Recreation	6,090,666	6,335,737	6,462,780	6,704,582
SUBTOTAL EXPENDITURES	77,343,265	79,048,314	81,537,173	84,878,338
Transfers Out	1,009,451	1,375,798	1,220,886	1,333,173
TOTAL EXPENDITURES	78,352,717	80,424,112	82,758,059	86,211,511
REV OVER/(UNDER) EXP	(247,701)	369,762	(495,847)	723,165
BEGINNING FUND BALANCE	14,508,766	11,886,007	14,261,065	13,765,218
ENDING FUND BALANCE	\$14,261,065	\$12,255,769	\$13,765,218	\$14,488,383
Policy - 2 months Recurring Oper.	11,828,989	12,181,840	13,604,064	14,362,838
Fund Balance Over Policy	2,432,076	73,929	161,154	125,545

GENERAL FUND SUMMARY

OVERVIEW – FUND BALANCE

The City anticipates ending FY 2019 on September 30, 2019, with a fund balance of \$13,765,218, \$161,154 over fund balance policy. The adopted FY 2020 fund balance over policy is \$125,545 a decrease of \$35,609 from the 2019 amended budget, with FY 2020 adopted ending fund balance of \$14,362,838.

REVENUES

Revenues in FY 2020 are anticipated to exceed those in 2019 in all categories except Fines & Forfeitures and Franchise Fees revenues. Overall, the increase in total revenues from FY 2019 is 5.7%. Property tax, sales tax and charges for services are the three major revenue sources for the City.

Property Tax revenues increased in 2020 by 12% over FY 19 year-end amended revenue. FY 2020 sales tax revenue is projected to grow at 1.0%. Charges for Services include TIRZ administration fees, which are increasing by \$432,880 as a result of property values in the TIRZ increasing. Franchise Fees are decreasing due to legislative changes. Fines & Forfeitures for FY 20, based on the trajectory of the last several years, are expected to decline. All other revenue sources have minor changes.

Total Revenues

FY 2020 Adopted	\$86,934,676	
FY 2019 Amended	<u>\$82,262,212</u>	
Increase / (Decrease)	\$ 4,672,464	5.7% increase

EXPENDITURES

Fiscal year 2020 total expenditures are \$86,211,511, 4.2% higher than the FY 2019 Amended Budget. Salaries and benefits remain the major expenditure for FY 20, at 71.7% of the total an increase of 0.72 percentage points over FY 2019 Amended.

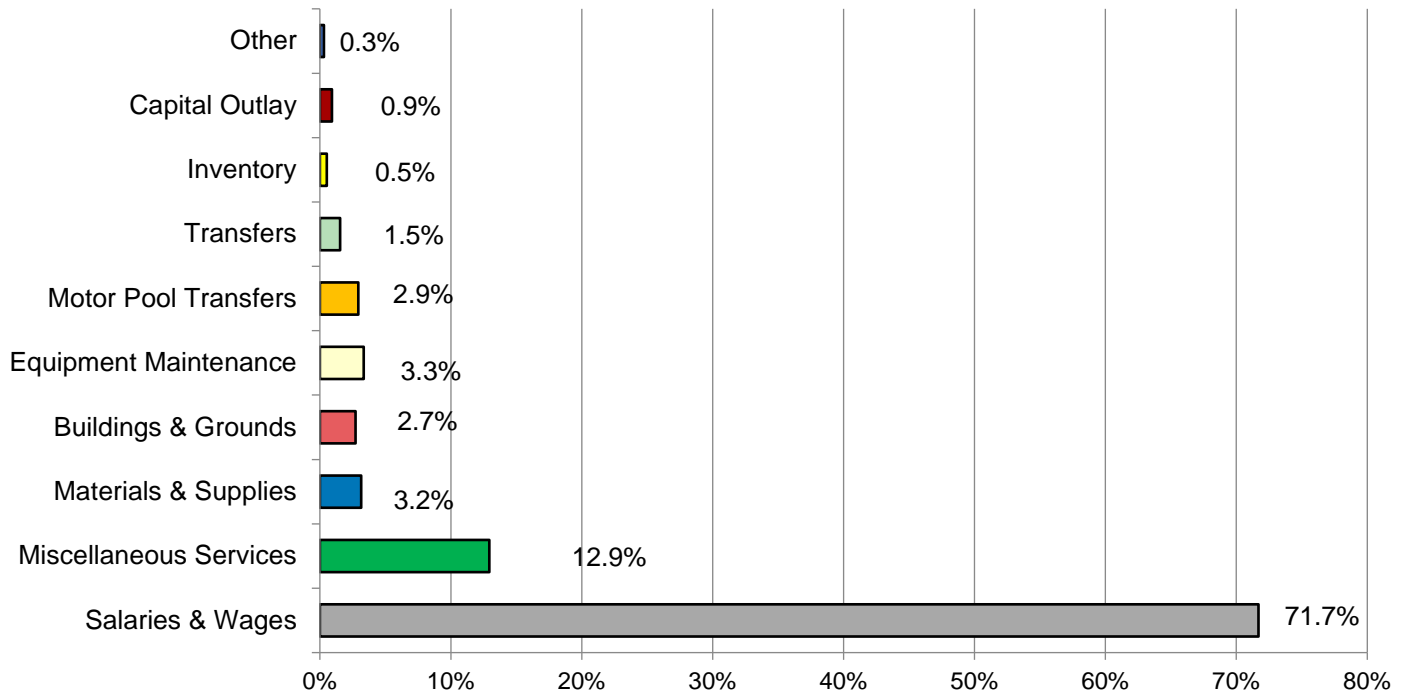
Major changes in the General Fund are described in the Budget Overview section. Police and Fire remain the focus of the supplemental funding. The FY 2020 adopted budget contains two new police officers, two telecommunication officers, and continues to bring firefighters on board with thirteen new positions. Public Works saw a slight increase of \$400,000 in funding for street and sidewalk rehabilitation over FY 2019 adopted.

A 2% cost of living increase is included for all personnel, to support recruitment and retention efforts.

Total Expenditures

FY 2020 Adopted	\$86,211,511	
FY 2019 Amended	<u>\$82,758,059</u>	
Increase / (Decrease)	\$ 3,453,452	4.2% increase

General Fund Expenditures by Type



BY CATEGORY	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Salaries & Wages	\$53,952,027	\$58,806,243	\$58,732,447	\$61,804,255
Materials & Supplies	2,264,965	2,333,953	2,374,179	2,634,036
Buildings & Grounds	3,063,638	2,158,391	2,788,455	2,348,911
Equipment Repair & Maintenance	3,117,319	1,941,461	2,020,659	2,886,741
Miscellaneous Services	11,812,313	10,809,209	11,513,090	11,157,240
Other Charges	19,180	251,245	145,784	265,700
Inventory	779,348	443,865	478,569	455,453
Capital Outlay	2,334,476	425,638	901,873	794,306
Motor Pool Transfers		1,878,309	2,582,117	2,531,696
SUB-TOTAL	77,343,265	79,048,314	81,537,173	84,878,338
Transfers	1,009,451	1,375,798	1,220,886	1,333,173
TOTAL	\$78,352,716	\$80,424,112	\$82,758,059	\$86,211,511

GENERAL FUND EXPENDITURES

FUNCTION/DEPARTMENT	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
GENERAL GOVERNMENT				
City Council	\$ 109,438	\$ 143,741	\$ 143,538	\$ 139,633
City Manager	996,292	1,076,495	1,096,801	1,055,947
Legal	846,919	818,855	825,592	913,388
City Secretary	413,327	381,108	486,042	463,368
Human Resources	1,049,617	1,115,248	1,159,406	1,362,773
Finance	2,152,389	2,201,814	2,230,791	2,321,598
Information Technology	3,235,567	3,024,785	3,197,218	3,389,324
Other Requirements ¹	2,123,500	1,732,851	1,933,161	1,741,480
GENERAL GOVERNMENT TOTAL	\$10,927,049	\$10,494,897	\$11,072,549	\$11,387,511
PUBLIC SAFETY				
POLICE				
	26,825,594	28,069,784	28,777,018	29,655,498
Police Administration	1,945,442	1,880,489	1,991,929	1,946,425
Patrol	14,735,115	15,311,045	15,891,700	16,127,863
Investigations	3,188,500	3,377,595	3,567,241	3,793,489
Commercial Vehicle Enforcement	247,281	268,353	262,855	268,393
Community Service	870,388	1,047,357	1,078,215	1,117,026
Training	296,971	317,535	325,035	326,485
School Resource Officers (SRO)	1,398,160	1,449,792	1,462,530	1,535,990
Communications & Records	2,178,413	2,313,723	2,223,420	2,420,662
Jail	1,150,125	1,209,394	1,142,101	1,154,291
Animal Services	815,200	894,501	831,992	964,874
FIRE				
	15,451,676	17,188,821	17,246,399	18,672,236
Fire Administration	1,171,212	1,292,831	1,308,819	1,480,493
Fire Operations	12,643,332	14,127,759	14,150,502	15,477,435
Fire Marshal	848,045	906,747	910,155	842,898
Emergency Management	160,217	225,314	244,983	237,305
Health/Code Enforcement	628,871	636,170	631,940	634,105
PUBLIC SAFETY TOTAL	\$42,277,271	\$45,258,605	\$46,023,417	\$48,327,734
COMMUNITY SERVICES				
Community Development				
Community Development Administration	429,155	524,359	584,877	247,181
Permits & Inspections	1,256,808	1,357,631	1,216,828	1,188,797
Planning	649,823	613,400	515,978	683,525
Development Services				375,039
Communications	531,915	568,378	615,742	609,428
Municipal Court	815,148	840,995	822,790	810,137
Library ²	367,628	402,924	391,482	389,586
COMMUNITY SERVICES TOTAL	\$4,050,477	\$4,307,687	\$4,147,697	\$4,303,693
PUBLIC WORKS				
Public Works Operations Administration	772,522	317,576	327,440	306,473
Traffic Operations and Maintenance	993,068	241,027		
Custodial Services	399,626	530,760	549,889	559,035
Fleet Management	496,118		8,200	
Streets & Drainage	5,563,115	4,299,832	5,150,350	5,069,074
Right-Of-Way Maintenance	1,515,674	2,348,597	2,274,192	2,444,281
Facilities Management	1,595,986	1,658,857	1,747,333	1,650,137
ENGINEERING & CAPITAL PROJECTS				
Traffic Operations and Maintenance	5,195	333,534	701,589	1,125,937
Engineering	1,495,172	1,580,840	1,561,423	1,556,029
Capital Projects	1,161,327	1,340,365	1,510,314	1,443,852
PUBLIC WORKS TOTAL	\$13,997,803	\$12,651,388	\$13,830,730	\$14,154,818

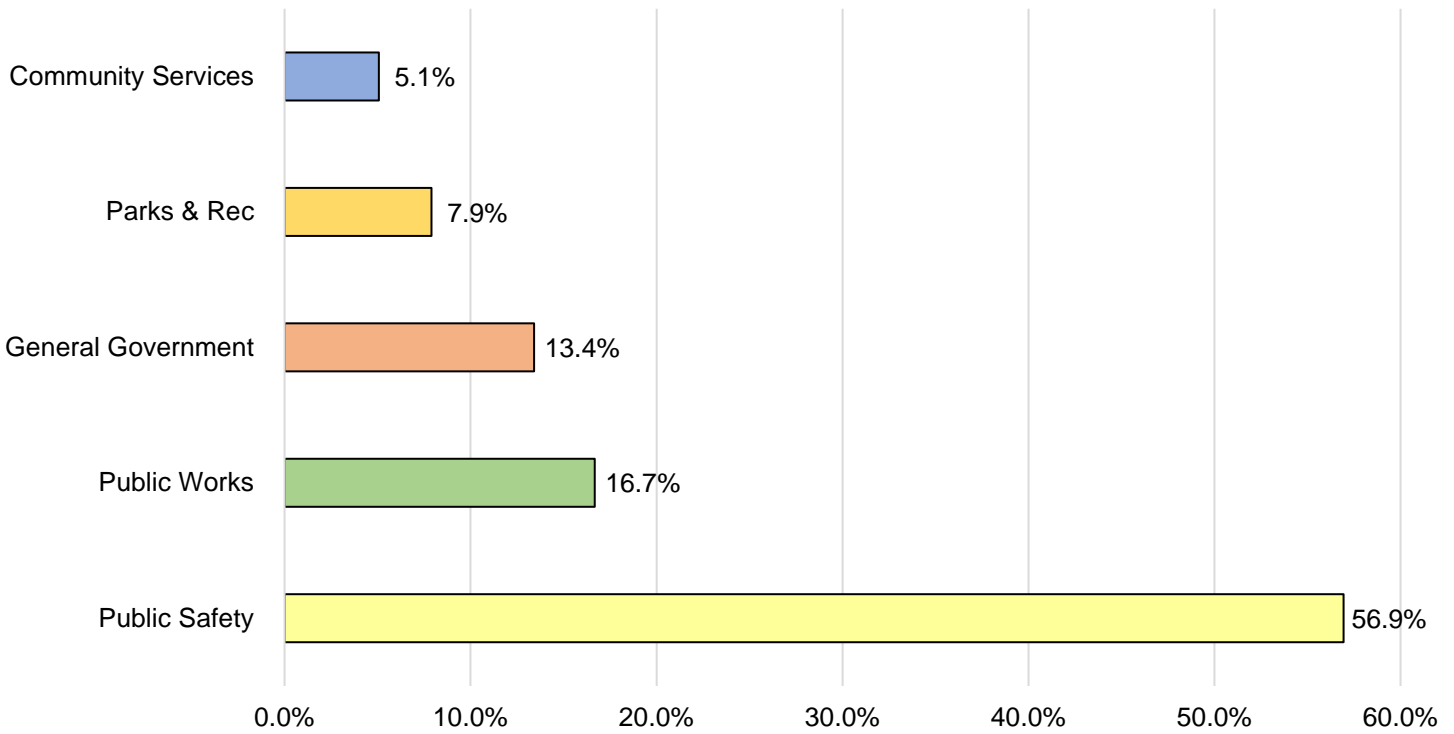
GENERAL FUND EXPENDITURES

FUNCTION/DEPARTMENT	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
PARKS & RECREATION				
Administration	774,838	801,816	840,277	859,398
Recreation Center/Natorium	384,308	433,712	436,569	434,199
Athletics	298,744	359,931	312,544	338,087
Special Events	393,027	393,924	393,596	446,492
Senior Program	264,477	302,682	311,170	319,784
Aquatics	572,021	584,451	578,358	595,741
Parks	1,925,648	1,966,711	2,090,517	2,156,302
Recycling	1,174	1,200	1,200	1,200
Natural Resources	263,468	275,889	289,544	323,706
Recreation Operations	1,212,963	1,215,421	1,209,005	1,229,673
PARKS & RECREATION TOTAL	6,090,666	6,335,737	6,462,780	6,704,582
TOTAL OPERATING EXPENDITURES	77,343,265	79,048,314	81,537,173	84,878,338
Transfers	1,009,451	1,375,798	1,220,886	1,333,173
GENERAL FUND TOTAL	\$ 78,352,717	\$ 80,424,112	\$ 82,758,059	\$ 86,211,511

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

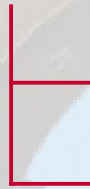
² Library employees' salaries are funded by the County; the City pays all operating expenses.

General Fund Expenditures by Department



General Government

Mayor & City Council



Legal

City Manager

Information Technology

Deputy City Manager

City Secretary

Finance

Human Resources

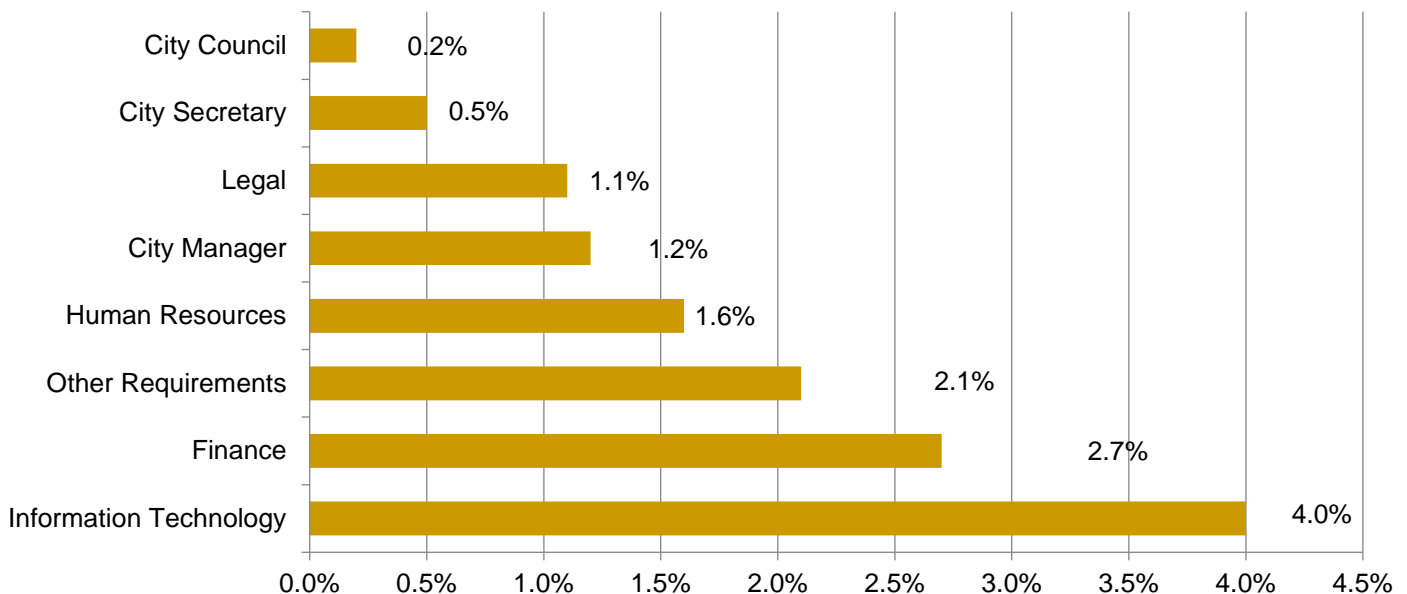
**GENERAL GOVERNMENT
EXPENDITURE SUMMARY**

EXPENDITURES BY DEPT / DIVISION	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
City Council	\$ 109,438	\$ 143,741	\$ 143,538	\$ 139,633
City Manager	996,292	1,076,495	1,096,801	1,055,947
Legal	846,919	818,855	825,592	913,388
City Secretary	413,327	381,108	486,042	463,368
Human Resources	1,049,617	1,115,248	1,159,406	1,362,773
Finance	2,152,389	2,201,814	2,230,791	2,321,598
Information Technology	3,235,567	3,024,785	3,197,218	3,389,324
Other Requirements*	2,123,500	1,732,851	1,933,161	1,741,480
GENERAL GOVERNMENT TOTAL	\$ 10,927,049	\$ 10,494,897	\$ 11,072,549	\$ 11,387,511

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

EXPENDITURES BY CATEGORY	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Salaries & Wages	\$ 5,327,629	\$ 5,400,245	\$ 5,836,063	\$ 5,893,555
Materials & Supplies	197,319	183,073	201,356	259,279
Equipment Repair & Maintenance	1,493,021	1,609,044	1,692,600	1,845,304
Miscellaneous Services	3,224,711	2,641,991	2,781,477	2,723,704
Other Charges	16,085	248,245	142,734	261,700
Inventory	631,628	406,600	412,620	402,000
Capital Outlay	36,656			
Motor Pool Transfers		5,699	5,699	1,969
GENERAL GOVERNMENT TOTAL	\$ 10,927,049	\$ 10,494,897	\$ 11,072,549	\$ 11,387,511

General Government Expenditures as Percentage of Operating Budget
FY 2020 - 13.4% of the \$84.9 million Operating Budget



CITY COUNCIL

GOALS

- ◆ Maintain strong relationships with Federal, State and Local entities and staff executives 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 property tax rate and debt service rate. to accomplish objectives and remain a positive place to live and build.
- ◆ With ordinances, development regulations, and policies, maintain the characteristics that make Pearland a safe, warm community with attractive neighborhoods, accessibility, and cosmopolitan feel while enhancing the sense of community building, quality of life improvements and beautification opportunities.

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ Focus on the community's goals, long-term considerations as community growth, land use development, major projects, capital improvement plans, capital financing and strategic planning.
- ◆ Maintain a high level of citizen satisfaction and cost-effective delivery of City services: Value for tax dollars.
- ◆ Strive for land uses that build the prosperity of the City: Balancing property tax values, sales tax revenue and primary jobs.
- ◆ Ensure continued sound fiscal policies and effective budget oversight.
- ◆ Improve and formalize systems for Council-appointed committees.
- ◆ Provide a better understanding of individual Councilmember roles in supporting City's critical work.
- ◆ 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 2020 OBJECTIVES

- ◆ 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 2020/2021 that will ensure sustainability for the City over the next 5 plus years.

PERFORMANCE MEASURES

	<u>FY 2017</u> <u>Actual</u>	<u>FY 2018</u> <u>Actual</u>	<u>FY 2019</u> <u>Actual</u>	<u>FY 2020</u> <u>Target</u>
Ordinances Considered	71	49*	39	53
Resolutions Considered	201	233	295	243

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.

Key Budget Items for FY 2020 Include:

- ◆ No significant items

GOALS

- ◆ Keep City Council informed of the critical business of the City.
- ◆ Keep Pearland citizens and businesses updated on the operations of the City via the City's website, social and print media.
- ◆ Provide transparent and timely financial and capital project reports to City Council.
- ◆ Present an annual operating budget to City Council that meets the needs of a growing and dynamic City.
- ◆ Continue to advocate for added traffic safety/transportation capacity and mobility improvements city-wide.
- ◆ Support Strategic Economic Development growth.

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ Held City Council Early Budget Input Session on February 14, 2019.
- ◆ Provided detailed Capital Project information that lead to May 4, 2019 Bond Referendum.
- ◆ Provided detailed Municipal Utility District (MUD) information which lead to adoption of new MUD rebate policy on July 22, 2019.
- ◆ Submitted a balanced budget to City Council which was adopted on September 23, 2019.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Present funding issuance and refunding opportunities to maintain or reduce the City's overall debt service.
- ◆ Provide essential and quality of life services that meet the needs of the citizens.
- ◆ Bring forward the Drainage Utility discussion for consideration for a May 2020 ballot measure.

CITY MANAGER

PERFORMANCE MEASURES

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target
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.

CITY SECRETARY

OVERVIEW

The City Secretary's office is now the first point of contact for persons visiting the City Hall. We serve as a resource and link between citizens, visitors to City Hall, and the City organization, quickly identifying and connecting the public to the right person or resource. 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. The office manages recruitment for Boards and Commissions appointment, maintains applications, resumes, certifications, letters and questionnaires.

STRATEGIC COUNCIL PRIORITY: The City Secretary's office ensures citizens have access to agenda information and can 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 2020 Include:

- ◆ GOVQA Public Records Request Management (FOIA) Software

GOALS

- ◆ Record and maintain all City Council actions accurately and in a timely manner.
- ◆ Implementation of Boards and Commission to centralize and manage the application process, creating profiles, track terms, and provide meeting access. Improve the public's visibility into boards, commissions, committees and members
- ◆ 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.
- ◆ Enhance 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.
- ◆ 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 2019 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 quarterly iCompass automated agenda training.
- ◆ Administered Oaths of Office for new City Employees.
- ◆ Processed Boards and Commission.
- ◆ Successful administration of City General Elections.

CITY SECRETARY

FISCAL YEAR 2020 OBJECTIVES

- ◆ Implement the automated minute module in iCompass 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 aid 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.
- ◆ Conduct City wide training of the iCompass (agenda software), agenda process, and Public Information Act.
- ◆ Successfully administer the 2020 City Elections
- ◆ Administer the department's budget efficiently and monitor the funds allocated and expended.

PERFORMANCE MEASURES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
<hr/>				
PUBLIC RECORDS				
Open Records Requests processed (<i>Freedom of Information Act</i>)	1,294	1,687	1,822	1,900
ELECTIONS				
Number of registered voters (average)	68,633	71,459	73,216	75,000
Number of votes cast (average)	7,660	7,315	6,047	8,000
Average % of voter turnout	11.2%	10.24%	8.26%	10.0%

LEGAL

OVERVIEW

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

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

Key Budget Items for FY 2020 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 2019 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 daily.
- ◆ Coordinated legal proceedings allowing for the demolition of 12 unsafe structures in the City.

FISCAL YEAR 2020 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.

LEGAL

- ◆ 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.
- ◆ Facilitate 2020 election for 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 2020 include:

- ◆ Cyber Security Specialist
- ◆ Application Support Specialist

GOALS

- ◆ Provide citywide innovation and leadership in the utilization and deployment of information technology services and applications.
- ◆ Ensure high-quality, effective and efficient production environment 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 leveraging the City's Enterprise Platform.
- ◆ Convert and integrate available data into a standard format to import into a centralized database.
- ◆ Produce informative maps, reports, and digital graphics, dashboards, and assist with the presentation of geographic information.
- ◆ Maintain responsibility for the ongoing process of creating, maintaining and managing the City's growing digital footprint.
- ◆ Evaluate long-term coordination needs of the GIS user community and direct a strategic plan to facilitate coordination.

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ Implemented new Contact Center initiative to support external customer service needs for Parks, Permitting, Utility Billing, and Municipal Court.
- ◆ Converted to a digital platform for signage at key facilities supporting the City's proactive communication approach.

INFORMATION TECHNOLOGY

- ◆ Implemented 30 of the 50 cameras at key intersections to support Police video uploads along with wireless capabilities.
- ◆ Provided technology solutions for the new Nature Center and Fire Station 1.
- ◆ Implemented performance metrics/dashboard solution for call volume statistics to provide the best possible customer experience.
- ◆ Implemented new technology for the City's Emergency Operations Center.
- ◆ Normalized data in New World to deliver visual representation of utility billing account information in GIS.
- ◆ Migrated City's storage solution over to a new platform providing increased capacity and performance.
- ◆ Installed 47 new mobile data terminals for Police and Fire vehicles.
- ◆ Implemented technology backend solution to support the advanced meter infrastructure project.
- ◆ Implemented new cyber security technology to reduce the City's risk from a cyber-attack.
- ◆ Created an interlocal cooperative initiative with the Manvel Police Department allowing them to utilize our Police Departments computer-based system.
- ◆ Initial rollout of Microsoft Office 365 completed for the Information Technology Department.
- ◆ Completed a full review of the City's landline circuits as a cost reduction effort.
- ◆ Created a SharePoint steering committee to organize content delivery method preparing for the full implementation of Office 365.
- ◆ Implemented new council meeting delivery format to push live video to YouTube and Facebook.
- ◆ Engaged Department of Homeland Security (DHS) to assist in reviewing the City's cyber security posture.
- ◆ Develop new GIS website providing several enhancements for residents.
- ◆ Created application to import Brazoria County Appraisal District information into GIS for visual representation.
- ◆ Imported New World utility billing information into Trakit consisting of owner and tenant information.
- ◆ Streamlined health inspection data integrating with the City's website removing the manual process.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Implement Office 365 for remaining City departments.
- ◆ Continue to support the advanced meter infrastructure project.
- ◆ Implement 2019.1 New World ERP software to provide year end close out solution.
- ◆ Replace Toughbooks in Police and Fire vehicles that are at their end-of-life cycle.
- ◆ Implement Asset Management system and coordinate with Public Works for roll out.
- ◆ Create and customize GIS dashboards for Public Works, Police, and Fire operations.
- ◆ Integrate database information into GIS to provide visual representation of the data.
- ◆ Support the additions of new Public Works, Fire Station 8, and West Side Library facilities.
- ◆ Pilot GPS based traffic pre-emption solution.
- ◆ Install remaining eTicket writers for the Police Department.
- ◆ Coordinate SCADA redesign with Capital Projects and Public Works.
- ◆ Implement new SharePoint site for the City's Intranet.
- ◆ Provide support for new public records solution software.
- ◆ Work with League City Police Consortium to allow cross functional data transmission.

INFORMATION TECHNOLOGY

PERFORMANCE MEASURES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
Number of PC's supported	706	756	770	790*
Number of support calls	906	1200**	1000	900
Number of new software programs installed	2	4	2	15
Average number of GIS layers maintained	135	142	150	160
Number of maps requested/prepared	256	225	200	180***

* PC additions due to additional personnel and facilities (Fire Station 8)

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

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

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 2020 Include:

- ◆ Senior Accountant

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 2019 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.
- ◆ 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.

FINANCE

- ◆ 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
- ◆ Updated Comprehensive Financial Management Policies

FISCAL YEAR 2020 OBJECTIVES

- ◆ Begin implementation of a department wide Cross-training and Succession Planning Initiative
- ◆ Implement a new time keeping 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.
- ◆ 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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
Investments in compliance with policy and PFIA	100%	100%	100%	100%
Number of audit comments	0	0	0	0
Tax Backed Bond Rating				
Moody’s	Aa2	Aa2	Aa2	Aa2
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 2020 Include:

- ◆ Radio maintenance agreement with City of Houston - \$300,000
- ◆ KPB franchise fee - \$300,000
- ◆ Credit Card Charges - \$320,000
- ◆ Sales tax incentives (Kelsey Seybold and Costco) - \$250,000
- ◆ Capital leases - lease on pumper truck (\$87,471), ERP lease (\$166,809) and lease on ladder truck and Parks and Recreation equipment (\$125,336).

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

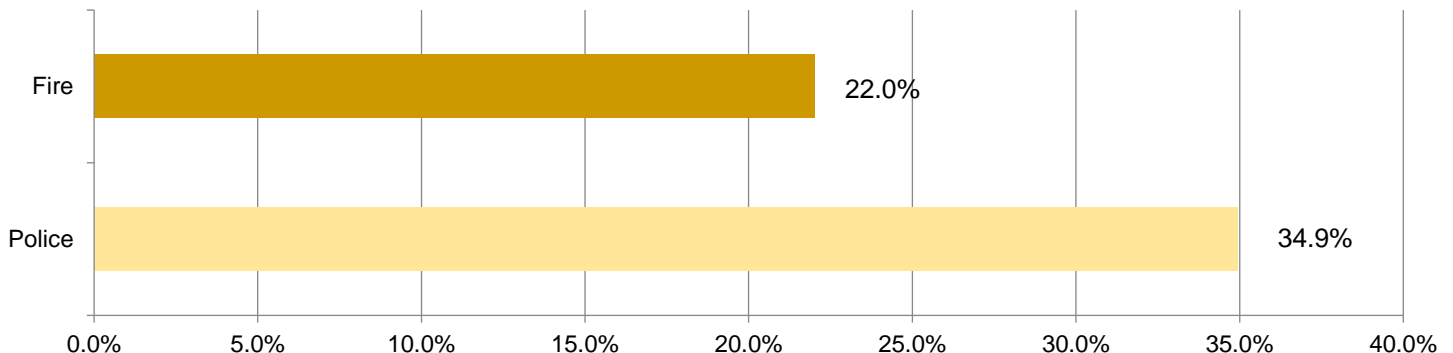
Health Code Enforcement

**PUBLIC SAFETY
EXPENDITURE SUMMARY**

EXPENDITURES BY DEPT / DIVISION	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Police Administration	\$ 1,945,442	\$ 1,880,489	\$ 1,991,929	\$ 1,946,425
Patrol	14,735,115	15,311,045	15,891,700	16,127,863
Investigations	247,281	268,353	262,855	268,393
Commercial Vehicle Enforcement	3,188,500	3,377,595	3,567,241	3,793,489
Community Service	870,388	1,047,357	1,078,215	1,117,026
Training	296,971	317,535	325,035	326,485
School Resource Officers (SRO)	1,398,160	1,449,792	1,462,530	1,535,990
Communications & Records	2,178,413	2,313,723	2,223,420	2,420,662
Jail	1,150,125	1,209,394	1,142,101	1,154,291
Animal Services	815,200	894,501	831,992	964,874
POLICE TOTAL	26,825,594	28,069,784	28,777,018	29,655,498
Fire Administration	1,171,212	1,292,831	1,308,819	1,480,493
Fire Operations	12,643,332	14,127,759	14,150,502	15,477,435
Fire Marshal	848,045	906,747	910,155	842,898
Emergency Management	160,217	225,314	244,983	237,305
Health/Code Enforcement	628,871	636,170	631,940	634,105
FIRE TOTAL	15,451,676	17,188,821	17,246,399	18,672,236
PUBLIC SAFETY TOTAL	\$ 42,277,271	\$ 45,258,605	\$ 46,023,417	\$ 48,327,734

EXPENDITURES BY CATEGORY	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Salaries & Wages	\$ 36,736,012	\$ 40,241,874	\$ 40,219,344	\$ 42,280,469
Materials & Supplies	1,102,280	1,217,402	1,235,731	1,359,286
Equipment Repair & Maintenance	28,611	28,300	36,296	53,615
Miscellaneous Services	1,222,963	235,217	242,208	822,729
Other Charges	1,753,981	1,868,926	1,910,016	1,940,758
Inventory	106,178	37,265	43,633	47,653
Capital Outlay	1,327,246	166,152	282,912	190,000
Motor Pool Transfers		1,463,469	2,053,277	1,633,224
PUBLIC SAFETY TOTAL	\$ 42,277,271	\$ 45,258,605	\$ 46,023,417	\$ 48,327,734

Public Safety Expenditures as Percentage of Operating Budget
FY 2020 - 56.9% of the \$84.9 million Operating Budget



POLICE

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, Rape Aggression Defense, Citizen Response to Active Shooter Events, neighborhood watch programs, security surveys, home safety inspections, Teen Citizens Police Academy, Police Explorers, Youth Leadership Academy, as well as other programs. The department operates out of the Public Safety Building on Cullen Boulevard.

Pearland Animal Services is also within the purview of the City's Police Department. 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 Animal Control 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 20 include:

- ◆ Addition of two sworn officers
- ◆ Addition of two Communications Operators

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 through enforcement of traffic laws, reducing the number of motor vehicle and pedestrian accidents.
- ◆ Provide targeted enforcement in neighborhoods to reduce traffic violations and improve safety for residents.
- ◆ Identify and target organized criminal activity groups committing offenses.

POLICE

- ◆ 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.
- ◆ Reduce euthanasia rates for animals and work toward a “no-kill” shelter status.
- ◆ Utilize DDACTS as an effective police strategy to reduce crime and traffic crashes in “hot spot” areas.
- ◆ Improve social media responsiveness and the quantity and quality of posts.

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ Partnered with PISD to enter into a 3-year Interlocal Agreement for SRO services, increasing compensation to the City.
- ◆ Began preliminary design of a new Animal Shelter after passage of the 2019 Bond package.
- ◆ Provided over 18,000 hours of training and hosted over 90 police agencies.
- ◆ Utilized DDACTS to reduce many part 1 crimes in “hot zones.”
- ◆ Adopted less lethal munitions (bean bags) as another option to avoid the use of deadly force.
- ◆ Graduated two Citizen Police Academies, a Teen CPA, and collaborated with Explorers from Post #237 to successes at competitions.
- ◆ Launched the Special Investigative Unit in CID to tackle proactively quality of life crimes and issues.
- ◆ Trained 16 police officers as swift water rescuers and deployed twice with multi-departmental teams to actual flooding events.
- ◆ Hosted a successful National Night Out.
- ◆ Continued succession planning through training and certifications of supervisory and non-supervisory personnel.
- ◆ Trained all departmental personnel in De-escalation.
- ◆ Created a new Custodian of Records position from within the Records unit to streamline processing and to take task duties away from a management position.
- ◆ Implemented and trained a second Civilian Crime Scene Technician.
- ◆ Signed an agreement with the City of Manvel to bring Manvel PD into the Pearland PD consortium for OSSI/CentralSquare.
- ◆ Conducted training to add additional personnel as certified UAS pilots.
- ◆ Conducted Rape Aggression Defense training.
- ◆ Completed the remodel of the communications center.
- ◆ Began procurement procedures for a Mobile Command Posts with funds coming from Federal and State Seizures, PEG funds, a hefty donation from the Pearland Citizens Police Academy Alumni Association, and a small portion from the General Fund.

FISCAL YEAR 2020 OBJECTIVES

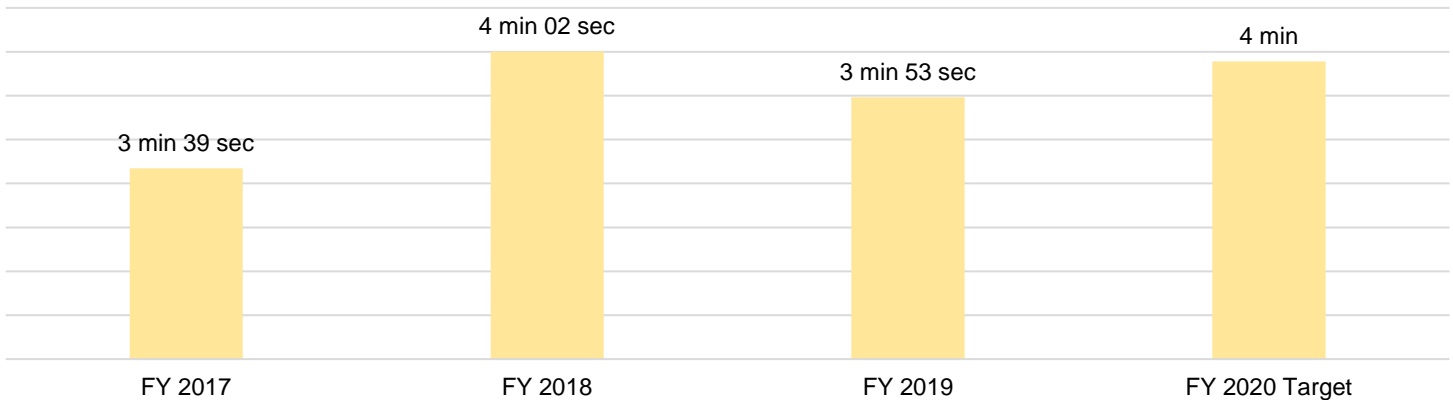
- ◆ Finalize procurement of an MCP and make it available for deployment.
- ◆ Complete or prepare for a Phase I environmental study of land for use as a possible gun range and/or driving track.
- ◆ Start the Texas Chief of Police Association Recognition process.
- ◆ Thoroughly review dispatch operations and processes and increase telecommunications staffing.
- ◆ Increase the number of training personnel to meet demands for police and civilian training in law enforcement.
- ◆ Improve Employee Wellness through implementation of a departmental policy and incentives for healthy living.
- ◆ Continue the process of acquiring a new Animal Shelter and working with Capital Projects and other departments on this goal.
- ◆ Complete distribution of E-ticket writers to all patrol vehicles.

POLICE

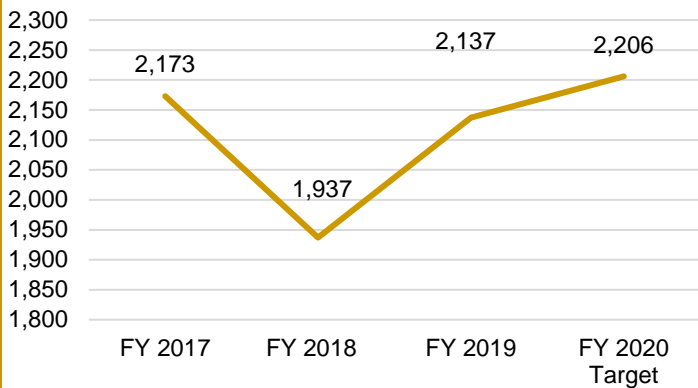
- ◆ Complete the deployment of OSSI/CentralSquare to Manvel PD.
- ◆ Finish assisting Pearland ISD with their reunification plan.
- ◆ Improve the collaboration with Alvin ISD PD through appointment of a liaison and meetings between key departmental personnel.
- ◆ Finish the application process for Pearland to be certified by TCOLE as a police academy.
- ◆ Keep priority 1 response times to the 90th percentile under 7 minutes.

PERFORMANCE MEASURES

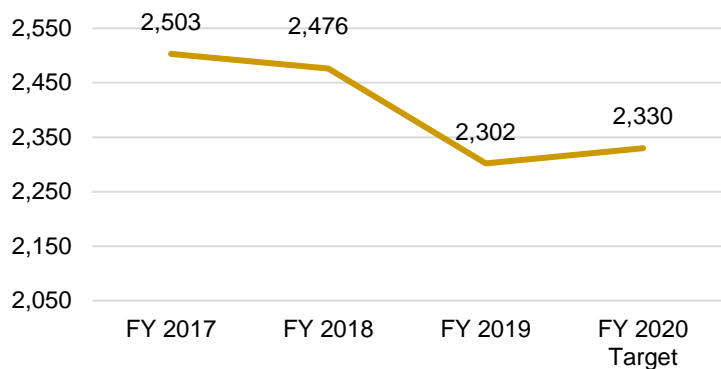
Average Response Time per Car from Receipt of Call to Arrival on Scene



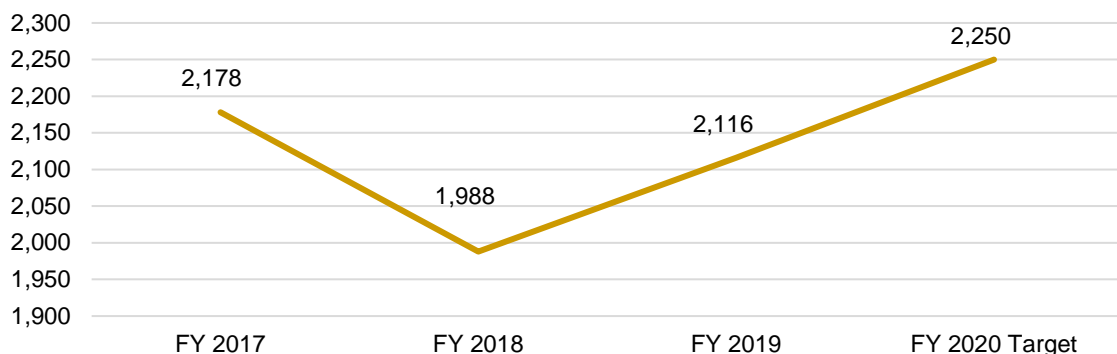
Total Number of Part 1 Offenses



Total Cases Assigned CID



Number of Animals Received at the Animal Shelter



POLICE

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
Violent and non-violent person crimes reported	845	1066	787	900
Property and society crimes reported	4,308	4,482	4,241	4,400
Training hours completed, Pearland Officers	11,498	11,442	13,253	12,000
Average time - citizen call to unit dispatched (in seconds), Priority 1 Calls	47 sec	45 sec	50 sec	48 sec
Number of offense / crash reports taken	11,416	12,609	12,293	12,200
Total arrests made by police	4,857	4,808	4,602	4,700
Dispatched calls per Patrol Officer / month	63	61	58	60
Average response time per car, Priority 1 Calls	3 min 39 sec	4 min 02 sec	3 min 53 sec	4 min
Number of animals received at animal shelter	2,178	1,988	2,116	2,250
Percent of animals adopted	83%	71%	87%	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, two Emergency Service Districts (ESD 4 and ESD 5) as well as 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. Emergency Management help foresee and mitigate the consequences of disaster, prepares City staff and residents to respond effectively to disaster and facilitates the expeditious recovery of Pearland's business sector, residents and critical infrastructure.

Key Budget Items for FY 2020 include:

- ◆ Continuous onboarding of Firefighters-\$871,067

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 engagement and awareness.
- ◆ Increase operational readiness and response capabilities through effective training and equipment. Inspect all health code permitted businesses semi-annually.
- ◆ Enhance community preparedness via the Emergency Management Grant Program and maximize federal reimbursement of City disaster preparedness costs.
- ◆ Increase self-sufficiency by evolving the City's disaster response capability, staff proficiency and training.
- ◆ Develop City disaster recovery plans to integrate and fully utilize community resources, including faith-based and non-profit organizations, to organize disaster recovery in a unified, efficient and effective manner.

FIRE

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ Continued implementation of Fire Department Strategic Plan.
 - ◆ Continued implementation of Lexipol policy management system.
 - ◆ Completed construction of new Fire Station #1 to replace the existing Fire Station #1.
 - ◆ Continued onboarding of personnel for new Fire Stations.
 - ◆ Established citywide Emergency Management Working Group
 - ◆ Began training FD staff in Water Rescue courses.
 - ◆ Established a City incident management team, began position-specific training, and increased water rescue capabilities.
 - ◆ Revised and updated annexes to the City's emergency operations plan and completed training and exercise plan in compliance with Emergency Management Program Grant requirements.
 - ◆ Implemented annex briefings for senior staff meetings.
 - ◆ Completed a periodic 5-year update of the City's Hazard Mitigation Plan.
 - ◆ Convened a dialysis workshop involving City staff, Pearland dialysis providers, Brazoria County Department of Public Health and the Southeast Texas Regional (Trauma) Advisory Council (SETRAC).
 - ◆ Conducted a "Points of Dispensing" deployment drill to assess the City's ability to rapidly establish points of dispensing for pharmaceutical prophylaxis in response to a highly-lethal public health emergency.
- Conducted a Pearland Recovery Workshop to evolve the City's recovery plans and align expectations for catastrophic planning and post-disaster housing and logistics and supply-chain management.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Complete construction of new Fire Station #8.
- ◆ Begin design of Fire Station #4
- ◆ Take delivery of the new Engine and Ladder Truck for Fire Station #8.
- ◆ Review, revise and continue implementation of Fire Department Strategic Plan.
- ◆ Continue onboarding of personnel for new Fire Stations.
- ◆ Complete implementation of Lexipol policy management system.
- ◆ Implement a new Fire Department training plan.
- ◆ Continue abatement of substandard structures.
- ◆ Increase the number of annual fire inspections.
- ◆ Satisfy Emergency Management Performance Grant program requirements.
- ◆ Continue to develop disaster response and recovery self-sufficiency via acquisition of response equipment and staff training, with emphasis on incident management team proficiency.
- ◆ Conduct a full-scale exercise of the City's "Point of Dispensing" capability to validate response plans for a public health emergency and ensure Pearland can meet dispensing goals established by the Center for Disease Control for a highly-lethal bio-terrorism scenario.
- ◆ Continue to refine the City's emergency operations plans to ensure they meet the needs of the community.
- ◆ Conduct preparedness and alignment workshops for Pearland's faith-based community and long-term healthcare facilities.

FIRE

PERFORMANCE MEASURES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
Average Response Time:				
Percent 5 minutes or less	40%	N/A	N/A	N/A
Percent 9 minutes or less	83%	N/A	N/A	N/A
Alarm processing time <= 90 seconds	N/A	73%	—	90%
Alarm processing time <= 120 seconds	N/A	84%	—	99%
Turnout Time <= 2 minutes	N/A	89%	—	90%
Call to first unit arrival <= 7:30	N/A	51%	56%	90%
Call to arrival of ERF <= 11:30	N/A	29%	21%	90%
Total Estimated Fire Loss	\$2,521,840	\$2,950,592	\$2,484,540	
Number of Code Enforcement Cases Opened	2,745	2,962	2280	3500
Number of Annual Inspections	2,211	1,720	1765	2000
Emergency Medical Transports	4,614	4,500	5023	
Public Safety Education Hours	420	610	460	700

Community Services

Mayor & City Council

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

Community Development

Administration

Permits & Inspections

Planning

Development Services

Deputy City Manager

Communications

Library

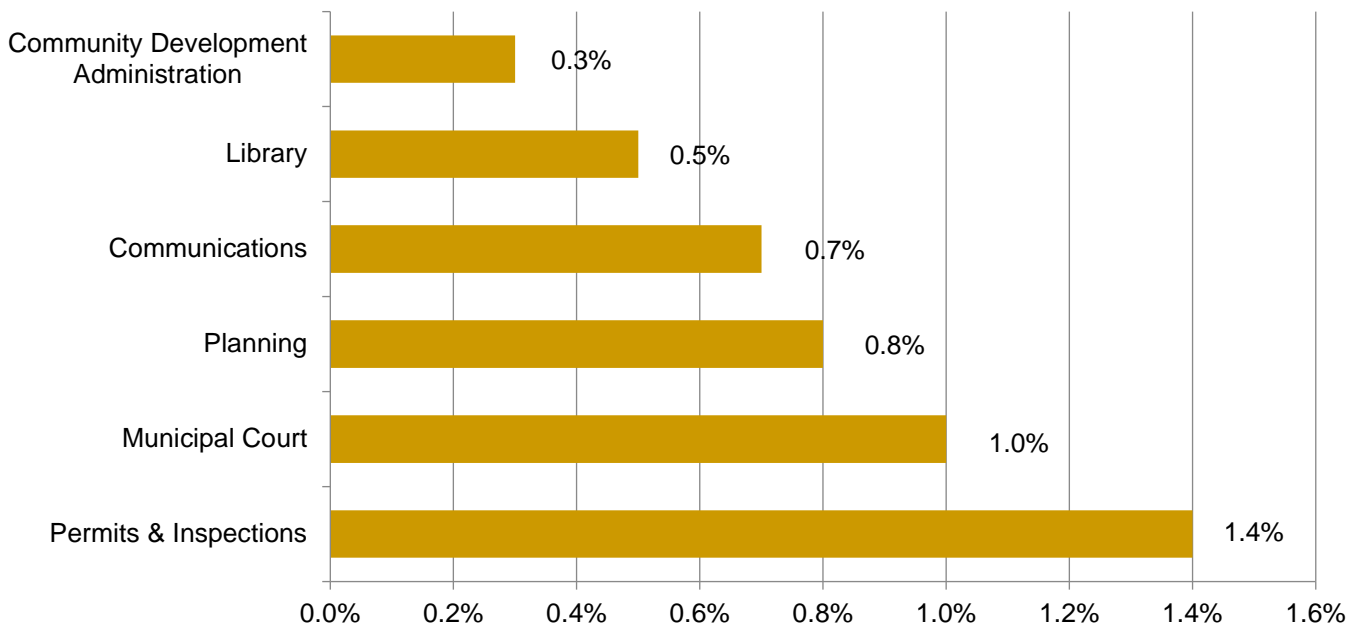
Municipal Court

**COMMUNITY SERVICES
EXPENDITURE SUMMARY**

EXPENDITURES BY DEPT / DIVISION	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Community Development				
Community Development				
Administration	429,155	524,359	584,877	247,181
Permits & Inspections	1,256,808	1,357,631	1,216,828	1,188,797
Planning	649,823	613,400	515,978	683,525
Development Services				375,039
Communications	531,915	568,378	615,742	609,428
Municipal Court	815,148	840,995	822,790	810,137
Library ²	367,628	402,924	391,482	389,586
COMMUNITY SERVICES TOTAL	\$4,050,477	\$4,307,687	\$4,147,697	\$4,303,693

EXPENDITURES BY CATEGORY	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Salaries & Wages	3,202,233	3,400,556	3,236,652	3,439,150
Materials & Supplies	115,908	130,866	130,508	73,978
Equipment Repair & Maintenance	15,334			17,108
Buildings & Grounds		2,460	1,460	1,460
Miscellaneous Services	664,849	746,041	751,263	756,854
Other Charges	3,095	3,000	3,050	4,000
Inventory	23,307			
Capital Outlay	25,751			
Motor Pool Transfers		24,764	24,764	11,143
COMMUNITY SERVICES TOTAL	\$4,050,477	\$4,307,687	\$4,147,697	\$4,303,693

Community Services Expenditures as Percentage of Operating Budget
FY 2020 - 5.1% of the \$84.9 million Operating Budget



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 2020 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 2019 ACCOMPLISHMENTS

- ◆ 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.

COMMUNITY DEVELOPMENT

- ◆ Continued to provide population updates and special studies.
- ◆ Reformatted and continued to publish annual and quarterly Community Development newsletter.
- ◆ Revised pre-development information to include all new adopted codes and ordinances.
- ◆ Implemented UDC changes as adopted by City Council from the UDC ad hoc committee.
- ◆ Prepared for upcoming 2020 census by coordinating with HGAC to prepare census tracts and manage address points.
- ◆ Fully reorganized and staffed new Development Services Division.
- ◆ Expanded community outreach by hosting the inaugural Quarterly Share event.
- ◆ Hosted a successful Pearland Development Forum.
- ◆ Successfully hosted a training for all City staff on the TRAKiT permitting software.
- ◆ Retrained the City’s development review team on pre-development meeting procedures and general plan review.
- ◆ Updated processes to improve efficiency with several application types including Subdivision Improvement Agreements, Temporary Certificates of Occupancy, and Infrastructure permits.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Ongoing improvements to the Enterprise Resource Planning (ERP) – TRAKiT software.
- ◆ Continue implementation of Action Steps listed in the 2015 Comprehensive Plan. Plan while preparing for the next 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.
- ◆ Solidify the Quarterly Share event as a well-attended, staple City program that provides useful updates.
- ◆ Create visual flowchart of full permitting process and identify opportunities for higher efficiency.

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	2020 Target
Zone Changes	14	15	17	15
Plat Reviews	183	188	95	120
Site Plans Reviewed	129	50	23	40
Total Plans Reviewed	1,164	1,071	1838	1500
Pre-development Meetings Conducted	83	65	65	65
Total Building Inspections	33,441	32,833	35,982	36,200
Total Permits Issued	12,475	10,042	3,241	3,241
Average Value Single Family Home Permitted	\$208,5245	\$201,606	N/A	N/A

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 2020 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 with engaging content.
- ◆ Build community and positive identification among residents with their home City.
- ◆ Build corporate pride among employees and positive identification with the City government.

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ Increased social media followers by leveraging technology and fine-tuning creative messaging to enhance user experience.
- ◆ Developed City Council Round Up, an engaging video series that highlights elements from City Council meetings
- ◆ Launched a digital content program in City facilities that promotes important events, supports related agencies, and keeps Pearland residents informed.
- ◆ Executed a communications plan to build awareness around the Advanced Metering Infrastructure plan.
- ◆ Developed a new section of content with easy to navigate information for Project Updates.
- ◆ Successfully launched a dedicated Fire Department Facebook page.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Overhaul Parks and Recreation branding.
- ◆ Expand ongoing video series to include educational programming.
- ◆ Increase awareness of newly developed Resident Hub.
- ◆ Increase awareness of online water billing, reduce reliance on paper bills.
- ◆ 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.

COMMUNICATIONS

PERFORMANCE MEASURES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
Facebook fans/friends	17,135	19,980	20,312	22,343
Twitter followers	5,475	6,470	7,212	7,933
YouTube views	27,473	27,976	31,431	34,574
Instagram fans/followers	1,620	1,928	2,206	2,427
Website users	445,105	436,178	476,196	523,816

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 2020 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 2019 ACCOMPLISHMENTS

- ◆ 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 2020 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 2017</u> <u>Actual</u>	<u>FY 2018</u> <u>Actual</u>	<u>FY 2019</u> <u>Actual</u>	<u>FY 2020</u> <u>Target</u>
Number of Judge trials prepared	185	183	120	170
Number of Jury trials prepared	436	374	394	370
Number of warrants issued	5,980	6,056	6,244	6,000
Total number of charges brought in	16,257	15,333	19,018	15,000
Outstanding warrants	15,459	13,982	13,013	13,000
Value of outstanding warrants	\$8,052,214	\$7,651,834	\$7,425,815	\$7,000,000

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.

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 aid 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 2020 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 2019 ACCOMPLISHMENTS

- ◆ Improved Summer Reading Club participation for the second year in a row, with a 41% increase in registration between both branches over the previous fiscal year.
- ◆ Began partnership between the branches with Parks & Recreation Department to provide joint programming at Parks facilities.
- ◆ Westside entered the design phase for the new Westside Library.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Continue to create and implement successful programming for teenagers in the community while increasing attendance.
- ◆ Develop structured Fiber Arts Makerspace programming at Tom Reid Library now that the equipment has arrived, and plan for the Audiovisual Makerspace at the new Westside Library.
- ◆ Explore more programming options with the City in order to reach a wider audience in the community while continuing to nurture a strong working relationship.

PERFORMANCE MEASURES

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Target</u>
<u>Tom Reid Library</u>				
Number of volumes	58,736	77,371	80,570	82,000
Number of items checked out - circulation	357,600	225,633	385,703	424,000
<u>Business Center Drive Library</u>				
Number of volumes	60,688	56,724	69,266	68,000
Number of items checked out – circulation	502,052	516,263	488,568	537,000

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

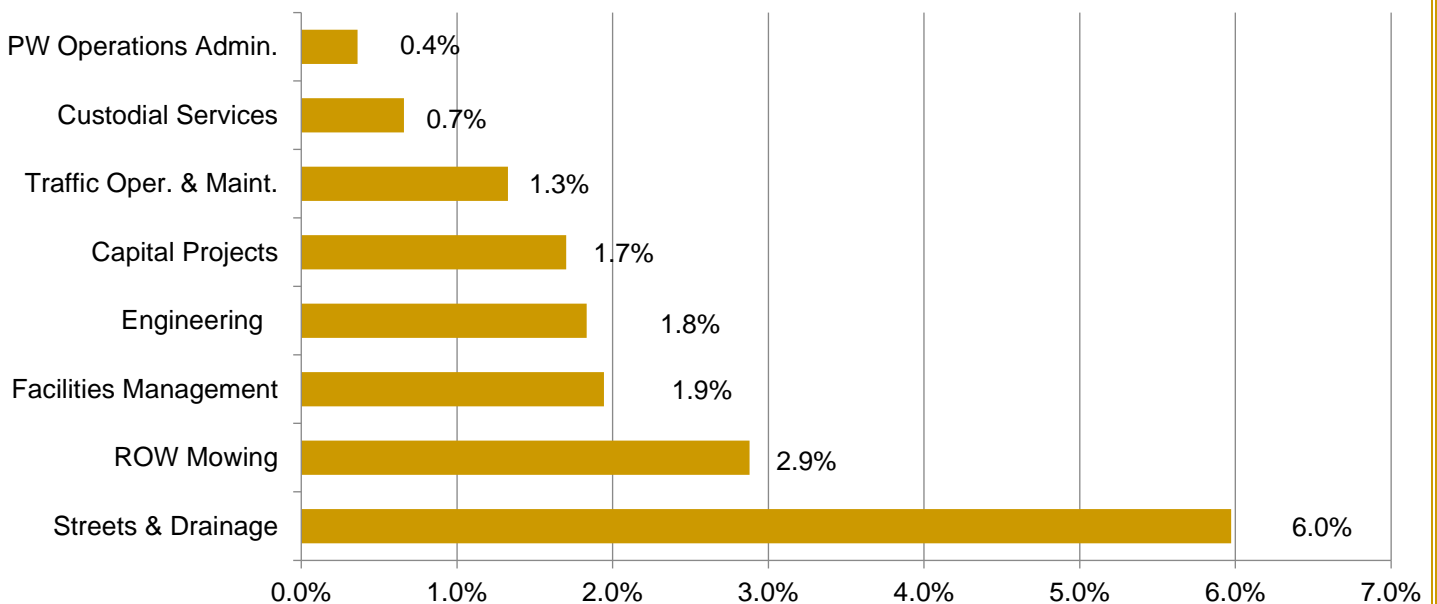
Fleet Management (Internal Service Fund)

**PUBLIC WORKS
EXPENDITURE SUMMARY**

EXPENDITURES BY DEPT / DIVISION	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
<i>ENGINEERING & CAPITAL PROJECTS</i>				
Traffic Operations and Maintenance	\$ 5,195	\$ 333,534	\$ 701,589	\$ 1,125,937
Engineering	1,495,172	1,580,840	1,561,423	1,556,029
Capital Projects	1,161,327	1,340,365	1,510,314	1,443,852
<i>PUBLIC WORKS</i>				
Public Works Operations Administration	772,522	317,576	327,440	306,473
Traffic Operations and Maintenance	993,068	241,027		
Custodial Services	399,626	530,760	549,889	559,035
Fleet Management	496,118		8,200	
Streets & Drainage	5,563,115	4,299,832	5,150,350	5,069,074
Row Mowing	1,515,674	2,348,597	2,274,192	2,444,281
Facilities Management	1,595,986	1,658,857	1,747,333	1,650,137
PUBLIC WORKS TOTAL	\$ 13,997,803	\$ 12,651,388	\$ 13,830,730	\$ 14,154,818

EXPENDITURES BY CATEGORY	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Salaries & Wages	\$ 4,782,940	\$ 5,336,367	\$ 5,160,708	\$ 5,567,612
Materials & Supplies	391,914	311,530	313,512	425,110
Buildings & Grounds	2,509,005	1,719,714	2,319,883	1,878,358
Equipment Repair & Maintenance	298,191	53,200	53,200	123,000
Miscellaneous Services	5,343,437	4,665,641	5,196,291	4,854,363
Inventory	1,198			5,000
Capital Outlay	671,117	259,486	367,686	459,486
Motor Pool Transfers		305,450	419,450	841,889
PUBLIC WORKS TOTAL	\$ 13,997,803	\$ 12,651,388	\$ 13,830,730	\$ 14,154,818

Public Works Expenditures as Percentage of Operating Budget
FY 2020 - 16.7% of the \$84.9 million Operating Budget



ENGINEERING & CAPITAL PROJECTS

OVERVIEW

The Engineering & Capital Projects Department reports to the Assistant City Manager and is responsible for the design and construction of the City's infrastructure, review of private development infrastructure, transportation mobility and traffic signal maintenance and operations.

Within the General Fund, the Engineering & Capital Projects Department consists of three divisions. The Engineering Division provides engineering assistance to the Community Development Department to assist citizens with the review of building plans, floodplain mitigation, private subdivision infrastructure plan review and general engineering questions and provides engineering assistance for the Capital Improvement Program. The Engineering Division also includes an inspections group that provides the review and inspections of infrastructure improvements (streets, drainage, water and wastewater) located in the City's right-of-way for private development and the City's Capital Improvement Program. In addition, this division oversees the preparation of the City's Master Drainage Plan, Water and Wastewater Master Plans, and Impact Fee updates.

The Capital Projects Division develops, implements, and manages City infrastructure capital projects including facilities, parks, streets, drainage, water and wastewater projects. The division includes project managers, construction managers and project coordinators that are responsible to coordinate the construction of the Capital Improvement Program with other agencies such as TxDOT, Brazoria County, HGAC, and utility companies.

The third division is the Traffic Division which is responsible for the maintenance and operation of the traffic signals, Transportation Master Plan, working with developments regarding the review and approval of Traffic Impact Analysis and working with other departments to implement polices to improve traffic mobility during construction activities and public special events.

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

Key Budget Items for FY 2020 include:

- ◆ Traffic Crew & Bucket Truck
- ◆ Project Coordinator

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 utilizing the Thoroughfare Master Plan and in coordination with the Public Works Department pavement management system.
- ◆ Successfully initiate policies and procedures to operate within the newly created Traffic Division.
- ◆ Maintain and implement the City's traffic signal network through systematic inspection and maintenance and installing fiber for improved communication and reliability.
- ◆ Continue installing and evaluating the Flashing Yellow arrows program at approved intersections.
- ◆ Reduce flooding and minimize the chance of property damage, injury or loss of life through a program of drainage systems maintenance and construction.
- ◆

ENGINEERING & CAPITAL PROJECTS

- ◆ Maintain a highly trained Project Management staff proficient with the tools necessary to manage complex capital projects in a professional manner.
- ◆ Manage project scope, schedule, budget, and provide innovative solutions to deliver best value projects within budget and on schedule.
- ◆ Develop and maintain the City's Five-Year CIP in conjunction with the Finance Department.
- ◆ Develop and maintain the City's Engineering Design Criteria Manual, Specifications, Standard Details, and Infrastructure Master Plans.
- ◆ Develop a strategic department growth plan that efficiently provides the needed support to our Capital Improvement Program, the Public Works Department, Parks & Recreation Department, and other City departments.

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ 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.
- ◆ 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.
- ◆ Assisted the community and other departments in the recovery of Hurricane Harvey
- ◆ Developed and constructed a semi-regional detention pond located in the Southeast Quadrant of Old Townsite that offers regional detention in the area for development to purchase capacity.
- ◆ Finalized the Master Drainage Plan cooperatively with the Brazoria Drainage District #4.
- ◆ Developed and finalized the City water utility infrastructure model that will be utilized to optimize the system and to develop CIP projects and maintenance activities
- ◆ Improved the drainage infrastructure and converted asphalt roads to concrete curb and gutter in Wagon Trail road located in the Corrigan Ditch Sub-Basin of Mary's Creek Drainage.
- ◆ Completed the Phase I improvements to Independence Park. That included an adaptive play structure, new restrooms and an event stage and grass amphitheater.
- ◆ Reconstructed Old Alvin Road from Plum Street to McHard Road and Orange Street from SH35 to Schlieder Drive. The project included new underground storm drainage and lowered the elevation of the road.
- ◆ Expanded Max Road from Hughes Ranch Road to Reid Boulevard.
- ◆ Completed the construction of the new Fire Station 1 facility to relocate to McHard Road and Old Alvin Road to improve response times.
- ◆ Installed over one mile of 20-inch water line along FM 521 from Broadway to Mooring Pointe to improve water distribution system looping and redundancy.
- ◆ Performed the investigation and evaluation of the Underground Piping Infrastructure at 13 Water Production Facilities that identified system deficiencies that are to be addressed in the next phase of the project and created detailed drawings of three facilities that did not have record drawings.
- ◆ Replaced old transite water lines in the Old Townsite area along Walnut Street.
- ◆ Expanded the Reflection Bay Water Reclamation Facility by adding four million gallons per day capacity to a total capacity of 6 million gallons per day.
- ◆ Abandoned the Springfield and Independence Park Lift Stations by connecting them to the gravity collection system.
- ◆

ENGINEERING & CAPITAL PROJECTS

- ◆ Completed fifteen Preliminary Engineering Reports and finalized the projects and costs for the FY19 Bond Program. In May 2019 the citizen's voted to approve the \$80 million bond initiative that included 5 Propositions and a total of 12 projects. By September 2019, nine of the projects have been stated with the goal to complete within the next 5 years.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Update Emergency operations annex for the Engineering Department as city's plans develop and change.
- ◆ Continue to install pan, tilt and zoom (PTZ) cameras on the traffic signals and send the feed to Transtar for integration into their website. Currently 50 traffic signals have been integrated with the PTZ cameras. Plan is to install another 25 PTZ cameras this year
- ◆ Test and evaluate the Trafficware in-ground control system that will detect vehicles and assist in the timing plans.
- ◆ Installation of the Trafficware software and controllers for all traffic signals.
- ◆ Continue installing fiber optic lines to connect city facilities and traffic signals.
- ◆ Transition Traffic Committee requests from citizens into the Track-it system.
- ◆ Evaluate the completed Master Drainage Plan and create inundation maps at various elevations to assist Public Works and EMS during flooding events.
- ◆ Continue to evaluate local drainage flooding areas identified in Hurricane Harvey to determine potential solutions that can be completed with in-house forces or create future CIP projects.
- ◆ Review and evaluate private development plans within the allotted time.
- ◆ Assist residents with the application process for TWDB Flood Mitigation Assistance program to raise their homes out of the floodplain.
- ◆ Develop a wastewater collection system model that will be utilized to optimize the system and to develop CIP projects and maintenance activities
- ◆ Develop a wastewater reuse system model that will be utilized to develop locations for reuse and to develop CIP projects to bring the reuse water to City facilities such as Parks and landscape medians.
- ◆ Continue to assist and work with FEMA to address the effects and resolution to reimbursements from the Hurricane Harvey event.
- ◆ Complete the design of the 9 bond projects that were started in FY 2019 and begin the construction phase of 7 projects.
- ◆ Begin the design on 2 bond projects (Fire Burn Building and Phase II of the street reconstruction program).
- ◆ Maintain the construction schedule to complete 17 capital projects that will benefit our citizens through drainage improvements, mobility improvements, EMS response and quality of life.
- ◆ Review the current FY2020 CIP and evaluate projects for the FY2021 CIP and begin the change to start planning efforts for a 10-year CIP planning document.

ENGINEERING & CAPITAL PROJECTS

PERFORMANCE MEASURES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
Number of Traffic Impact Analysis	22	12	5	5
Number of Responses to Signal Problems	434	804	897	500
Number of Signals	87	91	97	105
Signals Receiving Preventative Maintenance	50%	50%	25%	50%
Number of Flood Plain Customer Calls	88	94	79	80
Number of Drainage Studies	7	13	7	7
Miles of Road Added (Development)	3.7	5.4	5.8	4
Feet of Sanitary Sewer Added (Development)	17,024	26,059	30,427	20,000
Feet of Waterline Added (Development)	17,932	31,484	32,457	20,000
Feet of Storm Line Added (Development)	14,858	29,884	28,777	15,000
Number of Flood Plain Customer Calls	88	94	79	80
Miles of Road Added or Reconstructed	3.1	1.6	3.2	3
Feet of Sanitary Sewer Added or Replaced	-	6,230	3,940	7,500
Feet of Waterline Added or Replaced	-	12,100	10,112	15,000

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 Department oversees Administration, Facilities Maintenance, Custodial Services, Fleet Maintenance, Streets & Drainage, and Right of Way within the General 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 2020 include:

- ◆ Maintenance Supervisor

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 condition assessment, and inspection, implementing pavement management strategies for maintenance of the entire streets network to improve pavement conditions.
- ◆ Develop ROW Management Policy to govern future development of right of ways, streetscape design, and maintenance standards.
- ◆ Complete the restoration of public landscapes after major impacts sustained from Hurricane Harvey.
- ◆ Maintain policies and procedures to operate within the newly created Motor Pool Fund.
- ◆ Begin a Facilities Condition Assessment process, report immediate concerns and budget needs through the Capital Improvement and operational budget process.
- ◆ Select software for Asset Management system and begin work order system implementation.
- ◆ 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

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ Updated Emergency Operations plans for each division within Public Works, outfitted high water vehicles and trained 12 high water vehicle drivers.
- ◆ Completed two and a half (2.58) miles of asphalt pavement overlay of roadways identified through ROW assessment and concrete panel replacements in Country Place Subdivision.
- ◆ Initiated three sidewalk repair contracts; pavement raising, trip hazards elimination and remove/replace to address sidewalk repairs.
- ◆ Repaired/replaced 9,286 linear feet of sidewalk.
- ◆ Removed 4,782 linear feet of sidewalk trip hazards addressed with new contracts.
- ◆ Repaired 3,605 potholes in asphalt streets.
- ◆ Regraded 29,364 linear feet of ditches via City crews and contractor to maintain and improve drainage.
- ◆ Cleaned 22,181 linear feet of culvert pipe to remove silt and debris to maintain drainage.
- ◆ Cleaned and inspected 3,792 storm inlets.
- ◆ Utilized standard operating procedures for services provided within the ROW Division.
- ◆ Assisted in the completion of several gateway monument projects and numerous other median and facility landscape enhancements; includes Main Street and Eastern Gateway.
- ◆ Continued to decrease Fleet vendor outsourcing and increased work orders performed in-house.
- ◆ Utilized the heavy duty lift to repair heavy equipment, ambulances and performed first engine replacement.
- ◆ Completed 1,989 fleet work orders on 480 units of rolling stock, of these 1,364 work orders were completed in less than 24 hours.
- ◆ Updated FASTER Fleet database and provided training to Finance and Fleet staff to capture additional information.
- ◆ Created a layer in GIS for generator information and locations.
- ◆ Implemented a Preventative Maintenance Program for all City facilities.
- ◆ Effectively cleaned 497 miles of roadway via contractual street sweeping contract.
- ◆ Implemented an after-hours response service for damaged traffic signs and guardrails. Responded to 31 after-hour emergency call outs.
- ◆ Created a work order submission and tracking program for traffic sign maintenance services.
- ◆ Repaired and maintained 1,511 traffic signs.
- ◆ Replaced two chillers at PSB.
- ◆ Combined HVAC preventative maintenance and repair contracts resulting in 81% decrease of emergency repair and replacement cost.
- ◆ Upgraded the HVAC equipment at the Melvin Knapp Center, utilizing CDBG funds.
- ◆ Implemented a quarterly restroom preventative maintenance program.
- ◆ Upgraded the RCN lighting from metal halide to LED ensuring safety while conserving energy.
- ◆ Upgraded the Fleet lighting from fluorescent to LED improving efficiency and safety for mechanics.
- ◆ Renovated Fire Station #1 into offices for Public Works staff.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Expand Emergency Operations Plans to include Public Works/PD/Fire response plan.
- ◆ Provide position specific training that will allow staff to achieve technical competency in new areas.
- ◆ Complete 350 work orders to reduce the backlog related to sidewalk repairs via sidewalk contracts.
- ◆ Regrade 45,000 linear feet of ditches via City crews and contractor.
- ◆ Establish a method to accomplish drainage culvert pipe cleaning.

PUBLIC WORKS

- ◆ Reduce the number of pothole repairs by establishing an effective preventative maintenance program for streets.
- ◆ Continue joint and crack seal program as part of street maintenance and preservation.
- ◆ Continue to implement additional tools for sidewalk repairs per sidewalk policy and criteria.
- ◆ Complete the asphalt paving rehabilitation of 6.83 lane miles of streets.
- ◆ Conduct ROW Assessment of asphalt roadways updating prior data from 2014.
- ◆ Develop an electronic street light outage audit tool and implement with staff in the quarterly audit.
- ◆ Develop and implement a Curb Repair Program.
- ◆ Develop and implement in-house Crack Seal Program.
- ◆ Develop and implement Base Repair Program.
- ◆ Continue rehabilitation of sidewalks, signs, pavement markings and roadways identified through ROW assessment and funded through budget process.
- ◆ Complete and adopt the Right-of-Way Policy that governs the design and maintenance of all City's ROWs.
- ◆ Achieved cost efficiencies by reducing outsourcing of work via Fleet division and reduced costs for the Motor Pool fund.
- ◆ Upgrade current fuel management software with updated tools, equipment, and software for better fuel management, decommission old fuel island and tanks and install new fuel island, tanks and fuel management system.
- ◆ Expand the City's Christmas Decorating Program by two for a total of three decorated locations.
- ◆ Create an online work order submission and tracking tool for all Hot Shot related work requests.
- ◆ Review and update all Engineering Design Criteria Manual (EDCM) specifications related to landscape, trees, turf and irrigation.
- ◆ Develop construction details to accompany EDCM revised specifications.
- ◆ Develop guardrail inspection and restoration/maintenance tracking process.
- ◆ Complete facility condition assessment for RCN and plan for required equipment replacement.
- ◆ Improve Fire Admin Building parking lot.
- ◆ Improve RCN HVAC system efficiency through enclosure modifications.
- ◆ Install building identity lettering at PSB and Tom Reid Library.
- ◆ Continue to upcycle equipment from old FS #1 to Public Works facilities.
- ◆ Replace roof at Southdown WRF Admin Building.
- ◆ Install enclosure for PSB evidence storage.
- ◆ Complete City wide ITS traffic signal project upgrades.
- ◆ Implement new signal timing plans along key corridors (FM 518, Magnolia, FM 865 and FM 2234).
- ◆ Continue the delivery of storm water improvements and services via the newly implemented street sweeping contract.

PERFORMANCE MEASURES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	2020 Target
Percent of Water Plants Mowed Within the 2-week Schedule	49%	74%	99.75%	100%
Street Sweeping (miles)	1,112	1,815	495	894
Ditch/Culvert Cleaning (feet)	48,463	34,604	29,364	35,000
Percent of Lane Miles in Need of Repair (asphalt)	37%	37%	57%	56%
Number of Open Sidewalk Repair Work Orders	674	680	971	600
Number of Potholes Repaired	2,499	1,875	3,605	2,500
Culvert Pipe Installed/Replaced (feet)	186	84	29	-

Parks & Recreation

Deputy City Manager

Parks & Recreation

Administration

Recreation

Athletics

Special Events

Senior Programs

Aquatics

Parks

Natural Resources

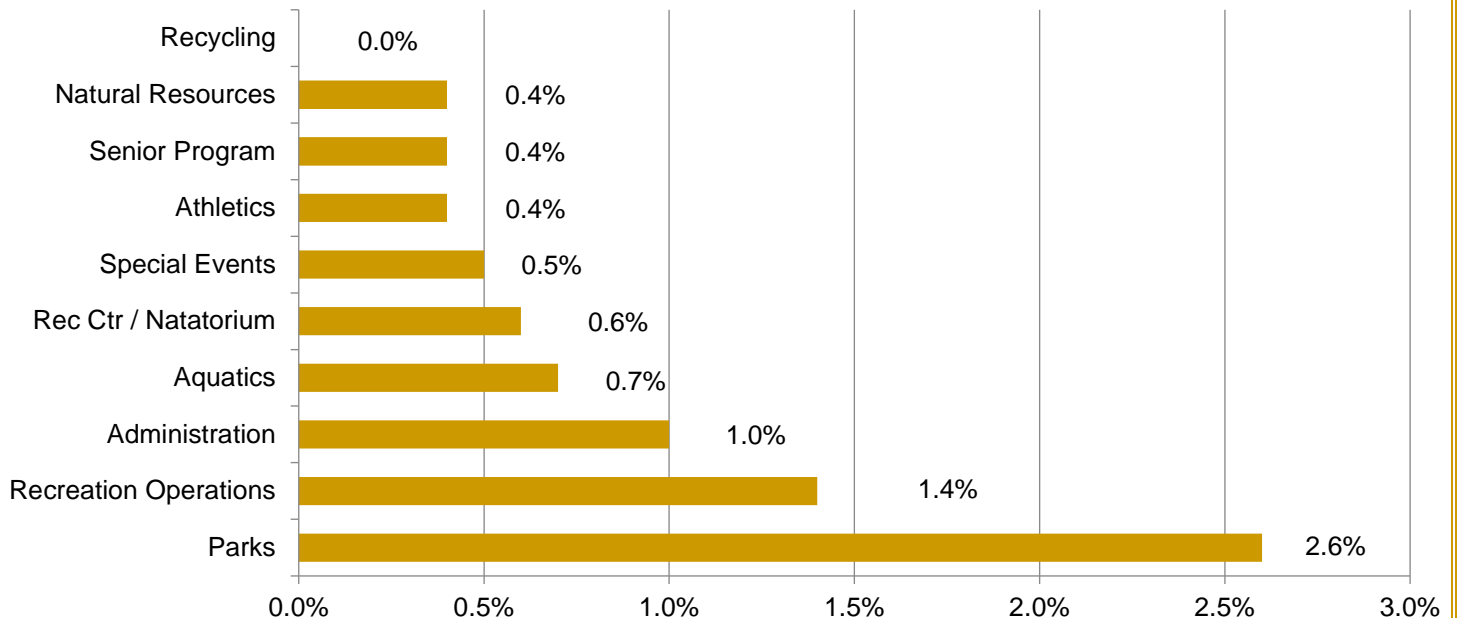
Recreation Operations

**PARKS & RECREATION
EXPENDITURE SUMMARY**

EXPENDITURES BY DEPT / DIVISION	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Administration	774,838	801,816	840,277	859,398
Recreation Center/Natatorium	384,308	433,712	436,569	434,199
Athletics	298,744	359,931	312,544	338,087
Special Events	393,027	393,924	393,596	446,492
Senior Program	264,477	302,682	311,170	319,784
Aquatics	1,925,648	1,966,711	2,090,517	2,156,302
Parks	263,468	275,889	289,544	323,706
Recycling	572,021	584,451	578,358	595,741
Natural Resources	1,174	1,200	1,200	1,200
Recreation Operations	1,212,963	1,215,421	1,209,005	1,229,673
PARKS & RECREATION TOTAL	\$6,090,666	\$6,335,737	\$6,462,780	\$6,704,582

EXPENDITURES BY CATEGORY	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Salaries & Wages	3,903,213	4,427,201	4,279,680	4,623,469
Materials & Supplies	457,545	491,082	493,072	516,383
Buildings & Grounds	526,022	407,917	430,816	415,478
Equipment Repair & Maintenance	87,810	44,000	32,651	78,600
Miscellaneous Services	825,335	886,610	874,043	881,561
Inventory	17,037		22,316	800
Capital Outlay	273,705		251,275	144,820
Motor Pool Transfers		78,927	78,927	43,471
PARKS & RECREATION TOTAL	\$6,090,666	\$6,335,737	\$6,462,780	\$6,704,582

Parks & Recreation Expenditures as Percentage of Operating Budget
FY 2019 - 7.9% of the \$84.9 million Operating Budget



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 5 larger community parks, a Recreation Center/Natatorium, the Westside Events Center, Delores Fenwick Nature 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 2020 include:

- ◆ Parks Mower Package
- ◆ Special Event Coordinator-6 Months
- ◆ Aquatics Technician

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 2019 ACCOMPLISHMENTS

- ◆ Developed a community wide programming team, that includes the Pearland Library, YMCA, Police Department, and local teens, to address programming needs and gaps in service that as a group we can fulfill.
- ◆ Attracted over 165,000 visitors to the Pearland Natatorium. This includes event highlights such as the Junior Olympics and the diverse local, regional, and state swim meets throughout the year.
- ◆ Hosted the TAAF Winter Games of Texas for the second consecutive year.
- ◆ Seven staff completed High Performing Organization and Leadership training.
- ◆ Increased volunteer participation by 23% over FY18.
- ◆ Completed Independence Park Phase I construction and hosted Celebration of Freedom to over 10,000 attendees.
- ◆ Opened the Delores Fenwick Nature Center in March and educated 6,589 visitors through September.
- ◆ Replaced playground fall surfaces at six playgrounds.

PARKS & RECREATION

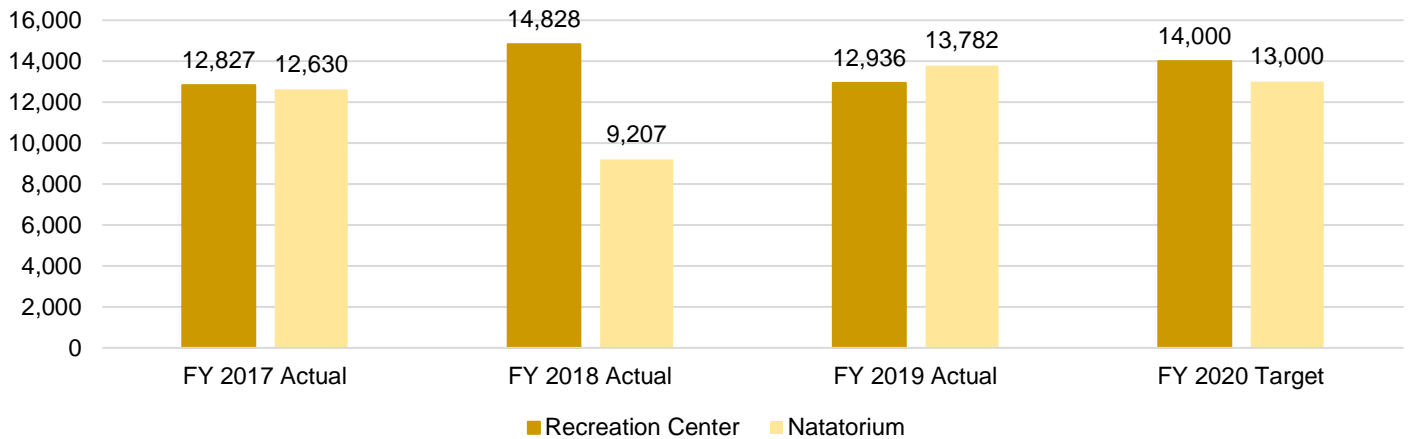
- ◆ Completed Woodcreek Park enhancements including a new playground, landscaping, shade structure, and picnic area.
- ◆ Resurfaced Centennial and Southdown Park Slash Pads.
- ◆ Replaced the Natatorium pool deck.
- ◆ Began Master Planning process.

FISCAL YEAR 2020 OBJECTIVES

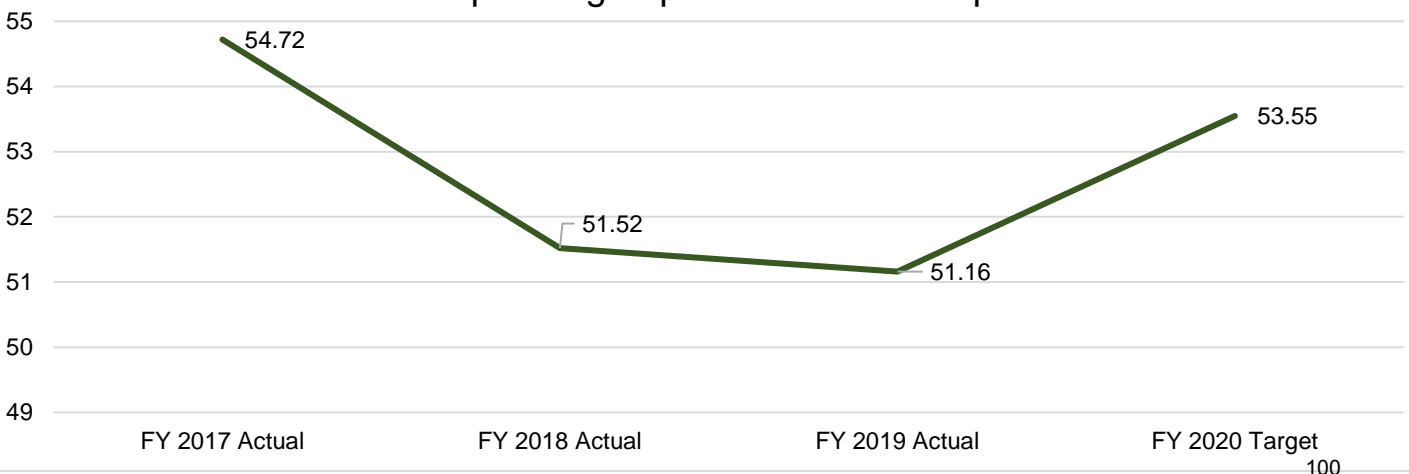
- ◆ Develop a Strategic Marketing Plan with unique branding guidelines.
- ◆ Restore, preserve and enhance natural areas in the community through creative development initiatives.
- ◆ Complete comprehensive program inventory assessment.
- ◆ Develop a Diversity, Equity and Inclusion Strategic Plan.
- ◆ Leverage data to improve promotional targeting.
- ◆ Develop, expand and promote volunteer opportunities in natural areas.
- ◆ Improve and maintain health and recreation opportunities for our aging community.
- ◆ Seek partnerships and alternate funding opportunities.

PERFORMANCE MEASURES

Average Number of Monthly Visitors
Recreation Center & Natatorium



Operating Expenditures Per Capita



ENTERPRISE (WATER AND SEWER) FUND

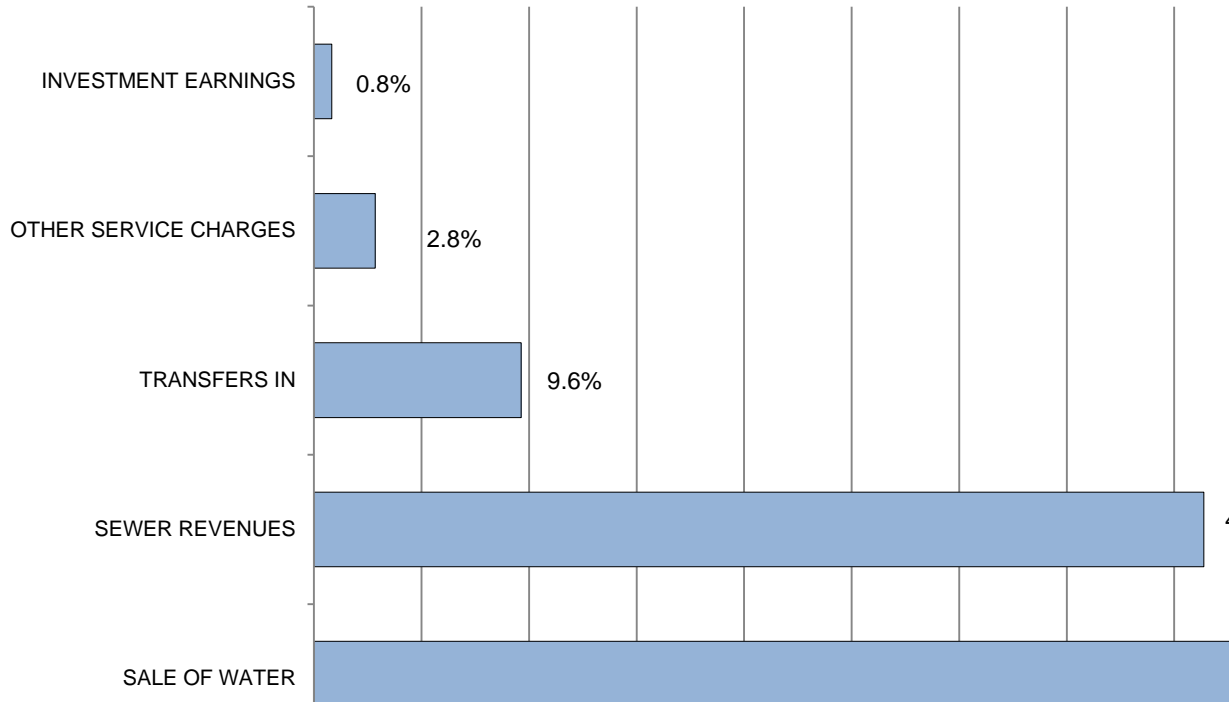
OVERVIEW

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 37,900 residential and commercial customers.

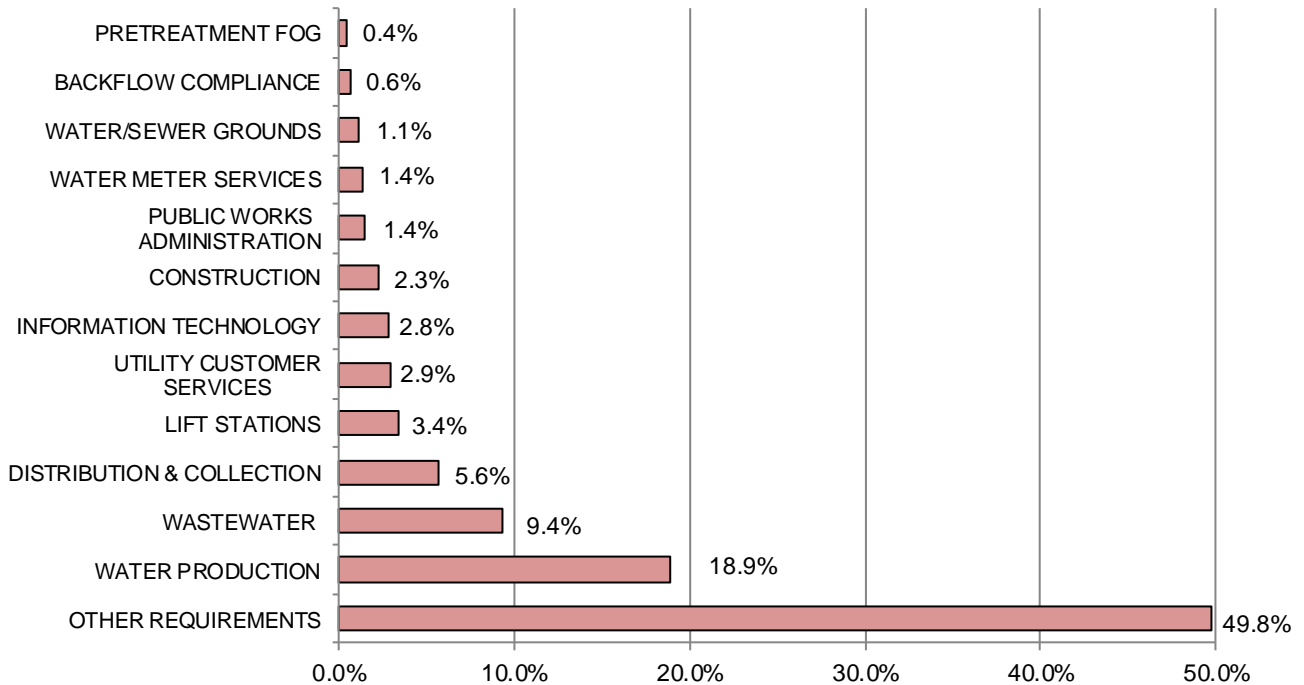
Water & Sewer revenues provide 86.7% of the total revenue generated in the Water & Sewer Fund. As such, the City of Pearland continually monitors and evaluates the need to adjust water and sewer rates in order to ensure that the fund is self-supporting, that infrastructure rehabilitation is adequate, and that all bond covenants are in compliance. For fiscal year 2020, a water and sewer revenue increase of 1.6% will generate \$2,886,796 from growth and \$770,409 from rate adjustments.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
SALE OF WATER	25,920,698	26,077,836	24,380,169	27,426,593
SEWER REVENUES	23,762,116	24,097,048	22,441,587	25,052,606
OTHER SERVICE CHARGES	1,725,339	1,735,000	1,743,242	1,720,000
INVESTMENT EARNINGS	288,283	325,000	475,529	500,000
OTHER MISCELLANEOUS INCOME	7,464	12,500	2,368,609	12,500
TRANSFERS IN	2,950,000	2,950,000	2,950,000	5,835,697
OTHER FINANCING SOURCES				
TOTAL	54,653,901	55,197,384	54,359,136	60,547,396
EXPENSES				
UTILITY CUSTOMER SERVICES	1,245,700	1,644,923	1,527,139	1,636,132
INFORMATION TECHNOLOGY	744,721	1,285,576	1,318,589	1,569,035
OTHER REQUIREMENTS	25,838,838	24,550,762	24,895,177	28,208,188
PUBLIC WORKS ADMINISTRATION	770,555	727,551	1,096,912	799,784
WATER/SEWER GROUNDS	424,334	528,303	556,436	628,696
LIFT STATIONS	1,408,613	1,780,483	1,580,291	1,898,851
WASTEWATER	4,986,943	5,709,337	5,711,351	5,286,651
BACKFLOW COMPLIANCE		270,642	239,590	362,154
WATER PRODUCTION	9,173,247	10,758,831	11,636,580	10,677,811
DISTRIBUTION & COLLECTION	2,264,833	3,099,461	3,563,493	3,187,627
CONSTRUCTION	1,145,638	1,652,469	1,751,855	1,288,623
WATER METER SERVICES	938,159	1,155,056	849,886	785,337
PRETREATMENT FOG		253,326	219,548	246,777
TOTAL	48,941,581	53,416,720	54,946,847	56,575,666
REVENUES OVER/(UNDER) EXPENSES	5,712,320	1,780,664	(587,711)	3,971,730
Beginning Cash Equivalents	20,807,406	23,440,374	26,519,726	25,932,015
Reserve for Debt Service	3,796,725	4,356,022	4,356,022	5,486,194
Ending Cash Equivalents	\$22,723,001	\$20,865,016	\$21,575,993	\$24,417,551
Bond Coverage - 1.4	2.16		1.59	1.43
Cash Reserve Ratio - 25%	73%		57%	66%

**WATER AND SEWER REVENUES
AS A % OF TOTAL**



**WATER AND SEWER EXPENSES
AS A % OF TOTAL**



**ENTERPRISE (WATER & SEWER) FUND
REVENUE & EXPENSE SUMMARY**

FISCAL YEAR 2018-2019

There was no rate increase for FY 2019. Projected revenues of \$54,359,136 are \$838,248, or 1.5%, lower than the original budget and \$55,197,384, or 0.05%, less than fiscal year 2018 actual of \$54,653,901. The fiscal year 2019 projected revenue is primarily lower than the original budget due to a decrease in water consumption. Revenues from the sale of water and sewer services are projected to be \$3,353,128 or 6.7% lower than budgeted. Other service charges are projected to come in slightly more than the original budget amount.

Fiscal Year 2019 expenses are anticipated to be \$54,946,847. This is \$1,530,127 more than the original budget of \$53,416,720, due to \$502,500 million in additional funds added to fund capital improvement projects with cash and \$2.3 million for City of Houston SE water plant capital true-up. Expenses are estimated \$6,005,266 higher than the fiscal year 2018 actual. Debt payments have decreased \$521,894 over 2018 actuals. The ending balance at September 30, 2019 is estimated to be \$21,575,993 with a 57% cash reserve ratio and a bond coverage of 3.4, above the required indicators.

FISCAL YEAR 2019-2020

Fiscal Year 2020 budgeted revenues total \$60,547,396, a \$6,188,260 increase from the fiscal year 2019 projections. Water and sewer charges increased by \$5,657,443, or 12.1%, over the 2019 projections. This is mainly due to a 1.6% rate increase and a change to the rate multiplier, an anticipated increase in customer growth of 2.5% and an increase in contributions from Impact Fee Funds.

Fiscal year 2020 expenses total \$56,575,666 and include annual debt service payments of \$19.11 million, an increase of only \$2.2 million from fiscal year 2019. Expenses are \$1,628,819 or 3.0%, higher than the fiscal year 2019 projections and are \$3,158,946, or 5.9%, higher than the original budget.

Supplemental requests included in the budget total \$3,344,935. Supplementals include additional funding for in-city MUD rebates (\$1.5 million), a utility billing specialist (\$38,941), cyber security specialist (\$32,366), an application specialist (\$72,814), water/waste water model updates (\$50,000), utility inspector (\$87,810), a maintenance supervisor with vehicle (\$123,072), a construction crew (\$104,032), a backflow inspector (\$84,268), Peterbuilt haul truck and trail king trailer (\$248,072), concrete breakers (\$28,746), and replacement vehicles (\$824,000).

The budget anticipates a water/sewer bond sale totaling \$154.13 million to fund infrastructure improvements in the capital improvement program.

Available ending balance at September 30, 2020 is expected to be \$24,417,551. Revenues exceed expenditures by \$3,971,730. Bond coverage is 2.04 (1.4 minimum) and cash reserves are 68% (25% minimum). Over the next several Fiscal Years, the Enterprise will build up reserves over-policy in order to prepare for increased debt payments and minimum requirements resulting from the balance Texas Water Development Board bonds for the Surface Water Treatment Plant. This will result in phased increases rather than a spike in Fiscal Year 2022.

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

Consumption	Current Bill	2020 Bill	Amount Changed
Base (0-2,000)	\$38.04	\$38.52	\$ 0.48
6,000	\$73.80	\$74.76	\$ 0.96
8,000	\$83.66	\$84.94	\$ 1.28
10,000	\$93.52	\$95.12	\$ 1.60
15,000	\$118.17	\$120.57	\$ 2.40

**ENTERPRISE (WATER & SEWER) FUND
EXPENSE SUMMARY**

EXPENSES BY DEPT/DIVISION	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
UTILITY CUSTOMER SERVICE	1,245,700	1,644,923	1,527,139	1,636,132
INFORMATION TECHNOLOGY	744,721	1,285,576	1,318,589	1,569,035
OTHER REQUIREMENTS *	25,838,838	24,550,762	24,895,177	28,208,188
PUBLIC WORKS ADMINISTRATION	770,555	727,551	1,096,912	799,784
WATER/SEWER GROUNDS	424,334	528,303	556,436	628,696
LIFT STATIONS	1,408,613	1,780,483	1,580,291	1,898,851
WASTEWATER	4,986,943	5,709,337	5,711,351	5,286,651
BACKFLOW COMPLIANCE		270,642	239,590	362,154
WATER PRODUCTION	9,173,247	10,758,831	11,636,580	10,677,811
DISTRIBUTION & COLLECTION	2,264,833	3,099,461	3,563,493	3,187,627
CONSTRUCTION	1,145,638	1,652,469	1,751,855	1,288,623
WATER METER SERVICES	938,159	1,155,056	849,886	785,337
PRETREATMENT FOG		253,326	219,548	246,777
WATER & SEWER FUND TOTAL	48,941,581	53,416,720	54,946,847	56,575,666

EXPENSES BY CATEGORY	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
SALARIES & WAGES	7,340,802	8,512,437	8,173,617	9,305,435
MATERIALS & SUPPLIES	7,356,954	8,225,748	8,800,930	7,577,134
BUILDING & GROUNDS	123,462	137,130	142,030	358,699
REPAIR & MAINTENANCE	2,787,924	4,251,379	4,008,257	3,551,567
MISCELLANEOUS SERVICES	5,348,457	6,245,948	6,280,564	5,982,950
INVENTORY	71,345	72,385	39,273	65,780
TRANSFERS/OTHER CHARGES	25,491,603	25,971,693	26,716,108	29,484,101
CAPITAL OUTLAY	421,035		786,068	250,000
WATER & SEWER FUND TOTAL	48,941,581	53,416,720	54,946,847	56,575,666

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

FINANCE UTILITY CUSTOMER SERVICE

OVERVIEW

Water Billing & Collection Services Division (WB&C) 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 collection of fees for the curbside residential solid waste collection contract. 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 interactions with the residential and business customers require that the division staff interact in ways that meet or exceed the Council community engagement and financial accountability goals. These interactions are to be in a respectful, transparent, and fiscally accountable manner.

Key Budget Items for FY 2020 Include:

- ◆ Billing Specialist

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 through continuous employee training.
- ◆ Update and maintain WB&C web information pertaining to all service operations.
- ◆ Identify delinquent customer waste accounts to pursue collection and resolution of outstanding balances.

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ Revamped WB&C website to include customer education, water conservation tips and AMI Project Updates
- ◆ Refreshed staff training of customer service through a refresher of “The Pearland Way” ideology.
- ◆ Developed process documentation of Standard Operating Procedures (SOPs).
- ◆ Attended three events geared at educating the residents on water conservation.
- ◆ Held a “Register for E-Bill” campaign to encourage customers to setup electronic bills.
- ◆ Implemented City-wide analytics reporting providing data for Public Works, Budget and Public Information Requests.
- ◆ Trained key staff to produce better business intelligence reports through Excel pivot table training.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Continue staff development through customer service training to exemplify “The Pearland Way”.
- ◆ Improve customer engagement through all contact channels.
- ◆ Use key call center data analytics for continuous process improvements.

**FINANCE
UTILITY CUSTOMER SERVICE**

- ◆ Continuous employee and customer education to provide service “The Pearland Way”.
- ◆ Transition to Automated Meter Infrastructure (AMI) meter reads.
- ◆ Verify all meters are installed and coded to the correct location.

PERFORMANCE MEASURES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
Annual meter reads	461,502	467,910	469,499	471,093
Percent of payments processed online	41%	54.24%	56.6%	59%
Number of cut-offs	896	1,987	1,980	1,973

PUBLIC WORKS - UTILITIES

OVERVIEW

The Public Works Department manages the Water & Sewer Fund, which oversees Lift Stations, Wastewater Treatment, Water Production, Distribution and Collection, Construction, Water Meter Services, Environmental Services and Right of Way Management. These divisions manage all utility facilities, including, seventy-seven (77) lift stations, five (5) Water Reclamation Facilities, eleven (11) Groundwater Production Facilities, two (2) Re-pressurization Stations, 456 miles of sanitary sewer and 551 miles of waterline.

In addition to managing the above, the Lift Stations staff oversees facility maintenance, pump repairs, and odor control. The Wastewater Treatment division provides effective process control, quality assurance sludge de-watering and disposal, maintains compliance with state and federal regulations, and general plant maintenance and repairs. Water Production maintains water plant operations, water system pressure and volume, monitors water quality as required for federal and state regulatory requirements for a superior Public Water System. Distribution and Collection staff conducts water and sewer repairs, sewer line inspections and preventive maintenance. The Construction staff 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 staff supervise the installation and deployment of the new meters as part of the Advanced Meter Infrastructure project and water meter inspections. The Environmental Services division oversees backflow prevention, cross connection prevention programs and pretreatment programs.

STRATEGIC COUNCIL PRIORITIES:

The Water/Sewer Fund provides Sustainable Infrastructure by providing the installation, maintenance and Capital Improvement of Water Production and Wastewater Treatment Facilities

Key Budget Items for FY 2020 Include:

- ◆ ROW Inspector
- ◆ Backflow Inspector
- ◆ Peterbuilt Haul Truck & Trail King Trailer
- ◆ 2 - Maintenance Supervisors
- ◆ Heavy Equipment Operator & Maintenance Worker

GOALS

- ◆ Provide distinguished customer service by quickly and courteously responding to citizen complaints or requests, including requests from City departments.
- ◆ Provide outreach to educate the community on the value of Public Works.
- ◆ Select and initiate an Asset Management program, including software, an updated work order system and begin the condition rating process of infrastructure.
- ◆ Cross training of Staff within the Utilities 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.

PUBLIC WORKS – UTILITIES

- ◆ Maintain wastewater treatment facilities to protect the health of the public and the environment through proper treatment of wastewater, while maintaining 100% compliance with state and federal agencies.
- ◆ Identify Lift Stations to be decommissioned and connected to gravity sanitary sewer system via the Capital Improvement Program.
- ◆ Installation of water quality analyzers at City of Houston water connection Re-pressurization locations.
- ◆ Create preventative maintenance programs for the 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 through waterline, valve and hydrant maintenance programs.
- ◆ Identify water and sanitary lines that have outlived their expected life or are likely to fail and identify the assets for replacement or repair via the Capital Improvement Program.
- ◆ Maintain utility facilities to reduce unplanned shutdowns and minimize maintenance costs.
- ◆ Continue to re-capitalize 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 through inspections and rehabilitation of manholes and sanitary sewer collection lines.
- ◆ Maintain and enhance the appearance of City water and wastewater facilities through regular landscape maintenance management practices.
- ◆ Protect the City's existing utility infrastructure by effective management of the Right of Way Utility permitting process, line locating process and field inspections.
- ◆ The Environmental Services Division was created in FY '19 and manages Pretreatment (protect sanitary sewer system from illicit discharges), Backflow (cross connection prevention) and Solid Waste (provide customer service and manages contract with external vendor).
- ◆ Prepare a plan to accept onsite sewage facility waste at Reflection Bay WRF.
- ◆ Maintain 100% EPA compliance.

FISCAL YEAR 2019 ACCOMPLISHMENTS

- ◆ Established Environmental Services Division, including six staff members and three major areas of responsibility; including Backflow Prevention, Pretreatment and Solid Waste.
- ◆ Initiated construction of an additional 5 MG of capacity at the Shadow Creek Water Facility.
- ◆ Completed lead and copper sampling for EPA compliance.
- ◆ Completed the expansion of the Reflection Bay Water Reclamation Facility, bringing the total treatment capacity to 6 MGD.
- ◆ Replaced component of tertiary treatment at Barry Rose WRF and provide redundancy.
- ◆ Continued to identify water and sanitary lines that have outlived their expected life or are likely to fail, and plan for the replacement or repair those lines as resources allow.
- ◆ Initiated new contract for manhole rehabilitation program.
- ◆ Provided certification for forklift and aerial lift operations in order to improve facility operations and maintenance.
- ◆ All certified operators have attended at least two (2) classes for training/renewal hours towards required licenses.

PUBLIC WORKS - UTILITIES

- ◆ Staff modified plant shut down protocol for emergency response. Completed staffing such as operational zoning and shift coverage 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.
- ◆ Continue to maintain optimized water treatment facilities by completing study of chlorine to ammonia ratio which assist 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.
- ◆ Implemented Nitrification Action Plan updated to maintain regulatory compliance.
- ◆ Implemented second shift schedule to ensure coverage until SCADA is implemented.
- ◆ Completed the installation of 4,100 ft. of waterline in the Willow Crest and Mimosa Acres neighborhoods to replace aging transite water line.
- ◆ Rehabilitation of 8.8 miles of sanitary sewer via trenchless methods to reduce failures and inflow and infiltration into the sanitary sewer system.
- ◆ Over 5 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 Canterbury Park and continuing in Westwood Village subdivision.
- ◆ Completed 13,218 utility locate requests.
- ◆ Received, reviewed and managed 355 Right of Way permits.
- ◆ Successfully renewed and expanded the water well, reclamation facility and lift station grounds maintenance contract providing turf management for utility properties.
- ◆ Successfully implemented a Hot Shot Crew which completed 438 work orders
- ◆ Provided 99.75% of the required grounds maintenance services for the Wastewater Treatment and Production facilities.
- ◆ Developed an internal user guide for activation of ROW permits in TRAKiT.
- ◆ Rehabilitated Park Village lift station, and decommissioned Springfield Lift Station.
- ◆ Fence repairs completed at Smith Ranch, Shadow Creek, Garden Road, Pine Hollow, Village Grove, Country Place and Miller Ranch for Homeland Security compliance.
- ◆ Initiated contracts for manhole rehabilitation program.
- ◆ Completed Pretreatment Industrial User Survey and provided results to TCEQ in order to verify if an approved program is required.
- ◆ Updated the Backflow Ordinance and prepared for program implementation
- ◆ Consultant selected for solid waste contract renewal.
- ◆ Completed of 960 Backflow inspections and 1060 Pretreatment inspections.
- ◆ Completed renovation of Barry Rose, Reflection Bay and Southdown WRF Administration Buildings.

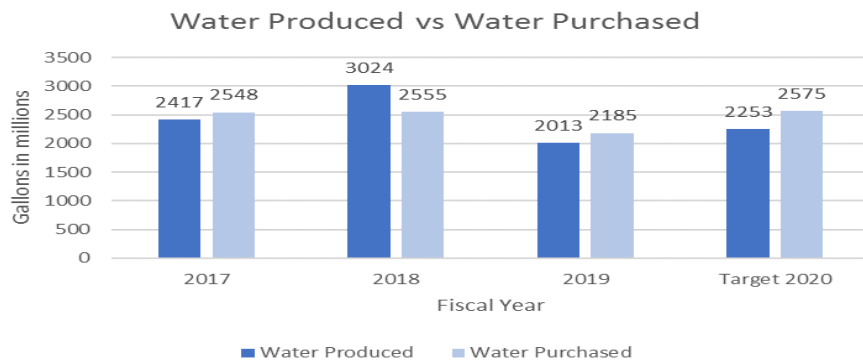
FISCAL YEAR 2020 OBJECTIVES

- ◆ Continue with the expansion of the John Hargrove and Barry Rose wastewater reclamation facilities.
- ◆ 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.
- ◆

PUBLIC WORKS - UTILITIES

- ◆ Begin implementation of SCADA system software, graphics and communication network beginning with Water Production facilities. Upgrade and rehabilitate three Water Production facilities including Bailey Road, Southdown and Shadow Creek Ranch.
- ◆ Complete design and initiate construction of Surface Water Plant.
- ◆ Adopt the revised Water Contingency Plan and Drought Contingency Plan.
- ◆ 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.
- ◆ 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.
- ◆ Complete the enhancement of aesthetics of one water plant property through the installation of landscape material/landscape renovation at the entrance to utility facility.
- ◆ Implement traffic control and lane closure permits into the ROW permitting process.
- ◆ Complete the change out of water meters citywide in support of the Advanced Meter Infrastructure (AMI) Program.
- ◆ Reduce percentage of water loss.
- ◆ Complete the rehabilitation of River Walk, Shadow Creek, Cullen and Royal Oaks lift stations.
- ◆ Eliminate East and West Barnett Lift Stations by placing on gravity flow within the sanitary collection system.
- ◆ Inspect residential and commercial facilities to identify health hazards in the water distribution system.
- ◆ Inspect commercial facilities to identify illicit and prohibited discharges in the collection system.
- ◆ Respond to environmental related issues in conjunction with Fire, Code Enforcement and Engineering.

PERFORMANCE MEASURES



	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
Wastewater gallons treated in billion gallons	3.513	3.513	3.832	3.600
Cost per gallon to treat wastewater	\$0.0016	\$0.0011	\$0.0031	\$0.0028
Water main installation (feet)	2,300	5,305	4,100	5,000
Sewer main installation (feet)	16,817	14,582	39,000	20,000
Cost per gallon of water purchased	\$0.0044	\$0.0042	\$0.0019	\$0.0022
Percent of time Waste Water Treatment Plant over capacity	0%	0%	44%	40%

**ENTERPRISE FUND DEBT MATURITY SCHEDULE
AS OF SEPTEMBER 30, 2019**

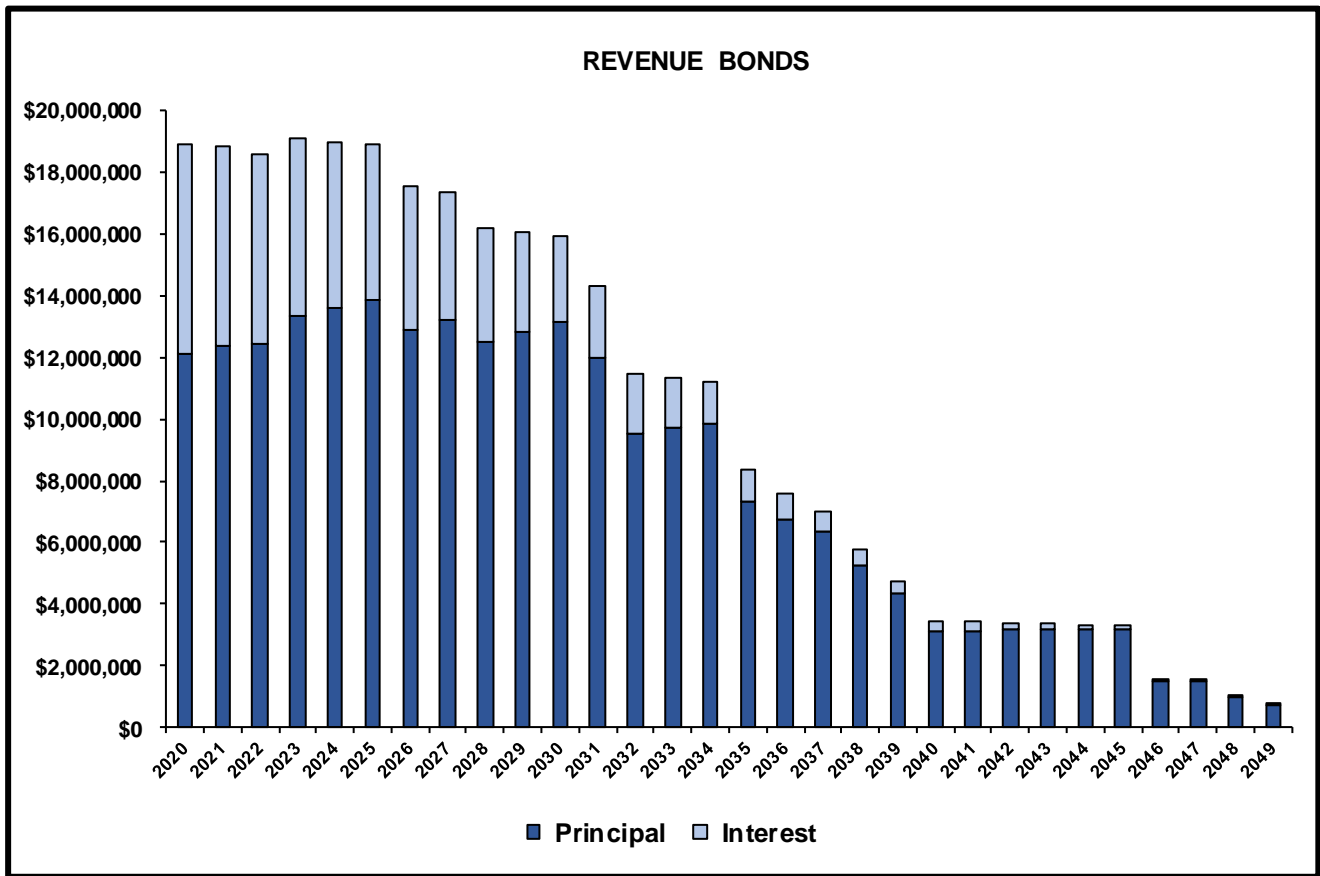
Fiscal Year	Principal	Interest	Total
2019 - 2020	12,140,000	6,743,457	18,883,457
2020 - 2021	12,355,000	6,456,118	18,811,118
2021 - 2022	12,460,000	6,138,290	18,598,290
2022 - 2023	13,310,000	5,804,934	19,114,934
2023 - 2024	13,590,000	5,402,627	18,992,627
2024 - 2025	13,865,000	5,019,984	18,884,984
2025 - 2026	12,880,000	4,637,707	17,517,707
2026 - 2027	13,200,000	4,180,706	17,380,706
2027 - 2028	12,470,000	3,708,034	16,178,034
2028 - 2029	12,810,000	3,238,968	16,048,968
2029 - 2030	13,140,000	2,780,073	15,920,073
2030 - 2031	11,975,000	2,335,816	14,310,816
2031 - 2032	9,520,000	1,918,967	11,438,967
2032 - 2033	9,685,000	1,619,617	11,304,617
2033 - 2034	9,855,000	1,323,683	11,178,683
2034 - 2035	7,320,000	1,048,333	8,368,333
2035 - 2036	6,730,000	853,134	7,583,134
2036 - 2037	6,345,000	680,667	7,025,667
2037 - 2038	5,260,000	518,819	5,778,819
2038 - 2039	4,350,000	397,894	4,747,894
2039 - 2040	3,130,000	312,878	3,442,878
2040 - 2041	3,145,000	273,794	3,418,794
2041 - 2042	3,150,000	233,896	3,383,896
2042 - 2043	3,165,000	193,426	3,358,426
2043 - 2044	3,175,000	152,277	3,327,277
2044 - 2045	3,190,000	110,604	3,300,604
2045 - 2046	1,490,000	68,350	1,558,350
2046 - 2047	1,500,000	44,924	1,544,924
2047 - 2048	990,000	21,139	1,011,139
2048 - 2049	700,000	7,980	707,980
TOTAL	\$236,895,000	\$66,227,092	\$303,122,092

<u>Series Name</u>	<u>Principal Amount Outstanding</u>
Water & Sewer Revenue Bonds Series 1999	610,000
Water & Sewer Refunding Bonds Series 2010B	445,000
Permanent Improvement Refunding Bonds Series 2012*	4,480,000
Water & Sewer Revenue Bonds Series 2012	5,060,000
Water & Sewer Revenue Bonds Series 2014	8,205,000
Water & Sewer Revenue Bonds Series 2016	7,545,000
Water & Sewer Revenue Bonds Series 2016B (TWDB)	7,405,000
Water & Sewer Revenue Bonds Series 2016C (TWDB)	44,520,000
Water & Sewer Revenue Bonds Series 2017A (TWDB -DWSRF)	8,210,000
Water & Sewer Revenue Bonds Series 2017B (TWDB -DWSRF)	11,345,000
Water & Sewer Revenue & Refunding Bonds Series 2017C	57,025,000
Water & Sewer Revenue Bonds Series 2018A (TWDB -DWSRF)	8,360,000
Water & Sewer Revenue Bonds Series 2018B	18,095,000
Water & Sewer Revenue Bonds Series 2019A (TWDB -DWSRF)	21,000,000
Water & Sewer Revenue & Refunding Bonds Series 2019B	34,590,000
TOTAL	\$236,895,000

Does not include new debt anticipated to be issued.

* Excluding portion associated with General Fund

ENTERPRISE FUND DEBT TO MATURITY



Note: Does not include new debt anticipated to be issued in FY 2020.

SOLID WASTE FUND

OVERVIEW

The Solid Waste Enterprise Fund is used to account for residential and commercial solid waste collection and disposal. 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 2019 projection is based on a current rate of \$18.43 per household per month from October 2018 through September 2019 pursuant to quarterly fuel adjustments provided for in the Waste Management contract and includes reimbursement from FEMA for Hurricane Harvey debris collection.

The fiscal year 2020 budget is anticipated to see a slight increase to \$18.58 effective October 2019, based on CPI in April 2019, and includes growth in the customer base of 75 to 95 new units per month. No rate adjustments for fuel are included.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
SALES TAX DISCOUNT	\$ 2,702	\$ 2,800	\$ 3,230	\$ 3,300
CHARGES FOR SERVICES	7,871,402	7,700,000	7,716,000	7,850,000
MISCELLANEOUS		1,000	1,509,622	
INTEREST INCOME	15	15		
TOTAL	7,874,119	7,703,815	9,228,852	7,853,300
EXPENSES				
MISCELLANEOUS SERVICES	8,473,436	7,700,000	7,716,000	7,850,000
OTHER EXPENSES				
INTER-FUND TRANSFERS				
TOTAL	8,473,436	7,700,000	7,716,000	7,850,000
REVENUES OVER (UNDER) EXPENSES	(599,318)	3,815	1,512,852	3,300
BEGINNING CASH EQUIVALENTS	(147,931)	(1,154,332)	(747,249)	765,603
ENDING CASH EQUIVALENTS	\$(747,249)	\$(1,150,517)	\$765,603	\$768,903

SOLID WASTE

GOALS

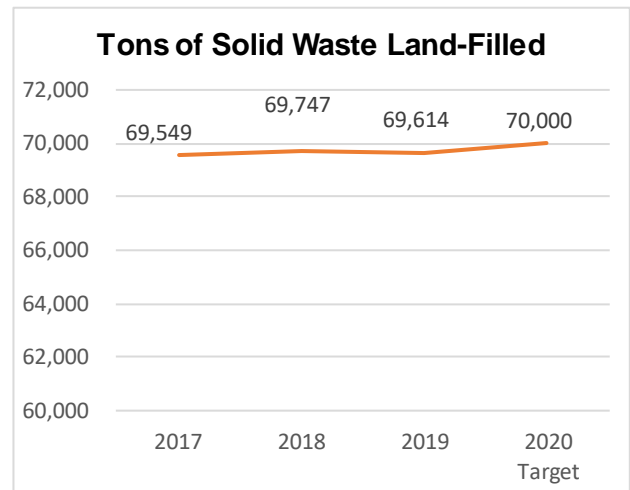
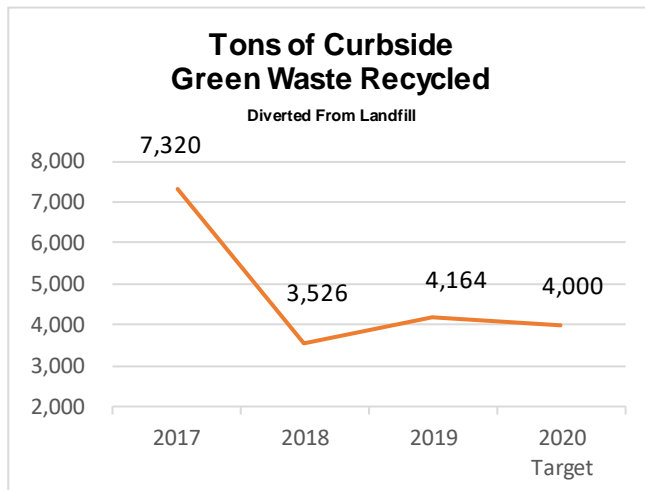
- ◆ Provide consistent, satisfying curbside service of solid, green waste, and recycle collection and disposal services to residents and commercial businesses within the City of Pearland.
- ◆ Provide public education and awareness to residents and businesses as necessary.
- ◆ Provide proactive client notification of changes that affect all customer services to City designee.
- ◆ Meet as needed to mitigate customer issues and to collaborate on common objectives 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 2019 ACCOMPLISHMENTS

- ◆ Transferred call intake and contract management to Public Works.
- ◆ Improved response time to customer issues regarding city-wide garbage collection and curbside recycling.

FISCAL YEAR 2020 OBJECTIVES

- ◆ Continue improvement of customer service performance to minimize complaints, which is conducted through the Water Customer Service, Public Works and WM Call Center.
- ◆ Increase community awareness of curbside services by providing frequently scheduled online information to residents and customers.
- ◆ Review bid candidates for solid waste contractors for FY21.



*Source: Waste Management Monthly Report to the City of Pearland, August 2019



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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 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 507 General Obligation Series 2020 – A fund set up to pay for non-water and sewer projects being funded by 2020 Series General Obligation bonds.

Fund 508 Certificates of Obligation Series 2020 – A fund set up to pay for non-water and sewer projects being funded by 2020 Series Certificates of Obligation.

Fund 509 General Obligation Series 2021 – A fund set up to pay for non-water and sewer projects being funded by 2021 Series General Obligation bonds.

Fund 511 PEDC Pay-As-You-Go – A fund to pay for PEDC capital projects in a pay-as-you-go (cash) basis.

Fund 512 Certificates of Obligation Series 2021 – A fund set up to pay for non-water and sewer projects being funded by 2020 Series Certificates of Obligation.

Fund 513 General Obligation Series 2022 – A fund set up to pay for non-water and sewer projects being funded by 2022 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 551 Water 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 552 Waste Water 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 impact fees collected and water and sewer projects from the development of property in the Shadow Creek Ranch area.

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

Fund 566 Revenue Bonds Series 2020 – A fund set up to pay for water and sewer projects being funded by 2020 Series Revenue Bonds.

Fund 567 Water Drinking Bonds Series 2020 – A fund set up to pay for water projects being funded by 2020 Series TWDB – Water Drinking Bonds.

Fund 568 Revenue Bonds Series 2021 – A fund set up to pay for water and sewer projects being funded by 2021 Series Revenue Bonds.

Fund 569 Revenue Bonds Series 2022 – A fund set up to pay for water and sewer projects being funded by 2022 Series 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.

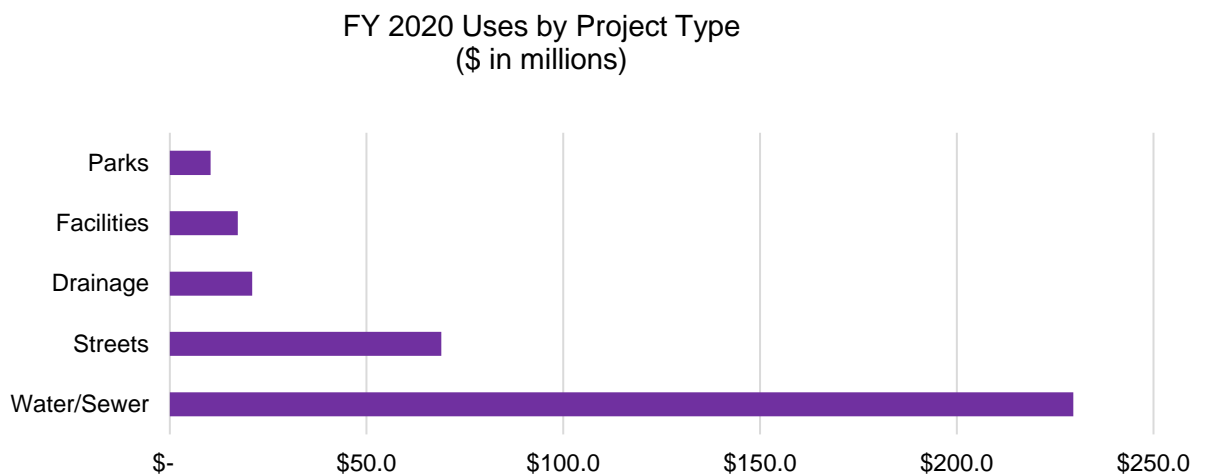
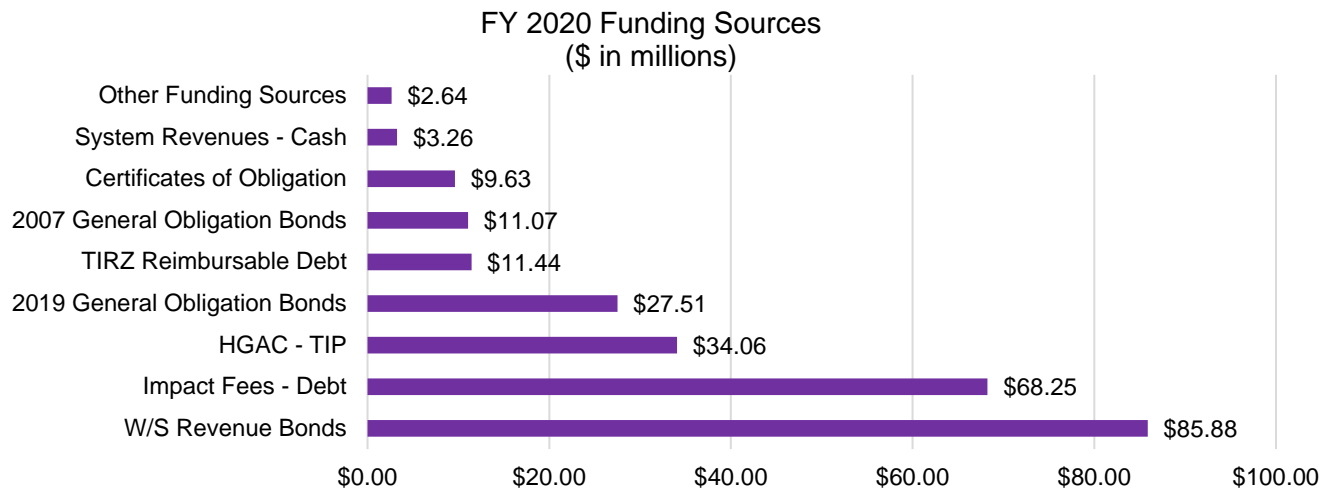
Fund 575 MUD 4 Capital Program – A fund created to pay for projects in the old MUD 4 area.

CAPITAL PROJECT FUNDS

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 and a \$80 million bond referendum that passed in May 2019, as well as a Five-Year CIP (2020 - 2024) totaling \$652.9 million. The Five-Year CIP completes the 2007 bond referendum in 2022, due to the letting of TIP projects. Projects identified in the 2020 - 2024 CIP exclude 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 2020 - 2024 total \$347,080,487 excluding transfers and bond issuance costs.



Water/Sewer projects total \$229.62 million, or 66.1%, of the capital improvement program. Major projects include rehabilitating failing sanitary collection system, construction of underground piping infrastructure at water production facilities, replacement of transite waterline pipe throughout the city, construction of 10 MGD surface water treatment plant, expansion of Barry Rose WRF from 3.8 MGD to 8.5 MGD, replacement of 140,000 gallon ground storage tank at Southdown Plant, Remove and replace existing discharge piping and install an odor control unit on the Miller Ranch regional lift station, and decommissioning of Longwood Water Reclamation Facility.

Street projects total \$68.96 million, or 19.9%, 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, construct a 3-lane concrete curb and gutter "urban" cross-section northbound frontage road from County Road 59 to FM 518 (Broadway), and installation of sidewalks, crosswalk enhancements/improvements and other traffic control improvements identified in the Safe Routes to School plan.

In addition, funding is included for street reconstruction, Pearland Parkway traffic improvements, Pearland Parkway traffic circle modifications, Shadow Creek Parkway landscaping, street Lighting and sidewalks, sidewalk extensions, and traffic signal upgrades. Mykawa Road, Hughes Ranch Road, McHard Road, Smith Ranch Road, and Safe Routes to School contain 80% construction funding through HGAC TIP.

Facilities total \$17.28 million, or 5.0%, and include construction for a new 21,000 square foot animal shelter on four acres. Also, the City will begin construction of a permanent county library facility on the west side, Shadow Creek Library; and design for a new operations and maintenance building at Orange Street Service Center Phase II. Funding is also available for design of the fire training burn building, a new roof at the city hall annex, and relocating a generator from Reflection Bay WRF to PSB. The city will also continue to extend the fiber network to reach all city facilities.

Drainage projects to be \$20.90 million, or 6.0%, 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, and West Lea Subdivision drainage improvements.

Parks projects total \$10.32 million, or 3.0%, of the total. Funds are included for park equipment replacement, a permanent stand-by generator that will operate the recreation center at full capacity to be able to provide full operational capacities in times 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 \$154.13 million to fund infrastructure improvements in the capital improvement program.

Of the remaining \$99.61 million, the City anticipates selling \$38.58 million in GO Bonds approved by the voters in 2007 and 2019 and selling Certificates of Obligation in the amount of \$21.07 million mainly for facility projects and TIRZ related facilities. A total of \$34.06 million will come from HGAC Transportation Improvement Program funds and developer contributions, mainly for street projects.

GOVERNMENTAL FUND

	FUND 500 PAY-AS- YOU-GO	FUND 501 CERTIFICATES OF OBLIGATION*	FUND 503 2006 CERTIFICATES OF OBLIGATION	FUND 506 GENERAL OBLIGATION	FUND 507 2020 GENERAL OBLIGATION*	FUND 508 2020 CERTIFICATES OF OBLIGATION*
REVENUES:						
Interest Income	50,000	275,000		300,000	223,000	100,000
Bond Proceeds					38,577,744	21,066,637
Impact Fees						
Miscellaneous						
Intergovernmental		1,500,000		31,504,828		2,553,600
Transfers In	394,875					
TOTAL REVENUES	444,875	1,775,000		31,804,828	38,800,744	23,720,237
EXPENDITURES:						
Drainage		(31,361)			7,061,000	
Parks		(5,116)			1,000,000	9,320,000
Facilities	789,750	49,043			5,880,000	3,788,000
Streets	150,000	966,077		31,669,316	17,886,744	10,512,237
Water						
Sewer						
TOTAL PROJECTS	939,750	978,643		31,669,316	31,827,744	23,620,237
Issuance Costs						
Other Non-Operating						
Transfers Out	196,691	408,132	2,046	492,646	222,654	71,532
TOTAL NON-OPERATING	196,691	408,132	2,046	492,646	222,654	71,532
TOTAL EXPENDITURES	1,136,441	1,386,775	2,046	32,161,962	32,050,398	23,691,769
REV OVER/(UNDER) EXP	(691,566)	388,225	(2,046)	(357,134)	6,750,346	28,468
BEGINNING BALANCE	977,200	(227,413)	13,173	688,206	(6,750,000)	
Ending Fund Balance ⁽¹⁾	\$ 285,634	\$ 160,812	\$ 11,127	\$ 331,072	\$ 346	\$ 28,468

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

*Beginning in FY 2020, all debt issuances will be isolated into their own unique fund. Negative fund balances are a result of appropriations needed to award contracts, but expenses will not be incurred until an intent to reimburse has been approved by council.

GOVERNMENTAL FUND

	FUND 509 2021 GENERAL OBLIGATION*	FUND 511 PEDC PAY-AS- YOU-GO	FUND 512 2021 CERTIFICATES OF OBLIGATION*	FUND 513 2022 GENERAL OBLIGATION*	TOTAL
REVENUES:					
Interest Income					948,000
Bond Proceeds					59,644,381
Impact Fees					
Miscellaneous					
Intergovernmental					35,558,428
Transfers In					394,875
TOTAL REVENUES					96,545,684
EXPENDITURES:					
Drainage	7,840,000			6,000,000	20,869,639
Parks					10,314,884
Facilities	5,750,000				16,256,793
Streets			7,405,928		68,590,302
Water					
Sewer					
TOTAL PROJECTS	13,590,000		7,405,928	6,000,000	116,031,618
Issuance Costs					
Other Non-Operating					
Transfers Out	8,609			8,609	1,410,919
TOTAL NON-OPERATING	8,609			8,609	1,410,919
TOTAL EXPENDITURES	13,598,609		7,405,928	6,008,609	117,442,537
REV OVER/(UNDER) EXP	(13,598,609)		(7,405,928)	(6,008,609)	(20,896,853)
BEGINNING BALANCE					(5,298,834)
Ending Fund Balance ⁽¹⁾	\$ (13,598,609)	\$ -	\$ (7,405,928)	\$ (6,008,609)	\$ (26,195,687)

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

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ENTERPRISE FUND

	FUND 550 UTILITY IMPACT FEE	FUND 551 WATER IMPACT FEE	FUND 552 WASTE WATER IMPACT FEE	FUND 555 SHADOW CREEK RANCH IMPACT FEE	FUND 565 REVENUE BONDS	FUND 566 2020 REVENUE BONDS
REVENUES:						
Interest Income	1,000,000	150,000	125,000	10,000	300,000	150,000
Bond Proceeds						46,527,000
Impact Fees		2,500,000	2,000,000			
Miscellaneous						
Intergovernmental						
Transfers In						
TOTAL REVENUES	1,000,000	2,650,000	2,125,000	10,000	300,000	46,677,000
EXPENDITURES:						
Drainage						
Parks						
Facilities						777,000
Streets						
Water	300,000					2,350,000
Sewer	521,293					43,205,000
TOTAL PROJECTS	821,293					46,332,000
Issuance Costs						
Other Non-Operating						
Transfers Out	5,221,232			667,023	309,166	43,223
TOTAL NON-OPERATING	5,221,232			667,023	309,166	43,223
TOTAL EXPENDITURES	6,042,525			667,023	309,166	46,375,223
REV OVER/(UNDER) EXP	(5,042,525)	2,650,000	2,125,000	(657,023)	(9,166)	301,777
BEGINNING BALANCE	16,117,325			657,023	184,056	(195,000)
ENDING BALANCE	\$ 11,074,800	\$ 2,650,000	\$ 2,125,000	\$ 0	\$ 174,890	\$ 106,777

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

*Beginning in FY 2020, all debt issuances will be isolated into their own unique fund. Negative fund balances are a result of appropriations needed to award contracts, but expenses will not be incurred until an intent to reimburse has been approved by council.

ENTERPRISE FUND

	FUND 567 2020 WATER DRINKING BONDS	FUND 568 2021 REVENUE BONDS*	FUND 569 2022 REVENUE BONDS*	FUND 570 PAY-AS-YOU- GO	FUND 575 MUD 4 CAPITAL PROGRAM	TOTAL
REVENUES:						
Interest Income	500,000			75,000		2,310,000
Bond Proceeds	107,600,000					154,127,000
Impact Fees						4,500,000
Miscellaneous						
Intergovernmental						
Transfers In				2,865,000		2,865,000
TOTAL REVENUES	108,100,000			2,940,000		163,802,000
EXPENDITURES:						
Drainage						
Parks						
Facilities						
Streets						
Water	106,000,000		30,725,000	1,890,000		141,265,000
Sewer		45,770,000		975,000		90,471,293
TOTAL PROJECTS	106,000,000	45,770,000	30,725,000	2,865,000		231,736,293
Issuance Costs						-
Other Non-Operating						
Transfers Out	9,402	23,144	13,396	245,596		6,532,182
TOTAL NON-OPERATING	9,402	23,144	13,396	245,596		6,532,182
TOTAL EXPENDITURES	106,009,402	45,793,144	30,738,396	3,110,596		238,68,475
REV OVER/(UNDER) EXP	2,090,598	(45,793,144)	(30,738,396)	(170,596)		(75,243,475)
BEGINNING BALANCE	(1,600,000)			194,513	0	15,357,917
ENDING BALANCE	\$ 490,598	\$(45,793,144)	\$(30,738,396)	\$ 23,917	\$ 0	\$(59,885,558)

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

*Beginning in FY 2020, all debt issuances will be isolated into their own unique fund. Negative fund balances are a result of appropriations needed to award contracts, but expenses will not be incurred until an intent to reimburse has been approved by council.

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description
DR1904	West Lea Subdivision Drainage Improvements	The project area, located in West Lea Subdivision, is bounded by Manvel Road, Bailey Road, BDD4 Ditch, and Mary's Creek. Drainage improvements will require removal and replacement of driveway culverts, upsizing of culverts, widening and re-grading of bar ditches. The project will also include an asphalt overlay of the intersections to repair damage due to the drainage improvements. The project will also require the re-grading of the ditch along Manvel Road all the way to Mary's Creek outfall and deepening the area drainage ditch along the eastern perimeter to Mary's Creek.

Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$5,492,000	\$4,660,000	\$0	\$0	\$0	\$0	\$0

Drainage Total Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$24,259,000	\$20,901,000	\$0	\$3,165	\$3,165	\$3,165	\$3,165

SUMMARY OF CAPITAL PROJECTS

Project # Project Name Project Description

Parks Projects						
PK1902	Park Equipment Recapitalization Program	An active parks replacement program intended to maximize the lifespan of park system amenity offerings. This program will seek to minimize deferred maintenance & provide high-quality recreation assets to the citizens of the Parks system inventory. This recapitalization will utilize a capital replacement program that is regularly updated, to provide updates, & replacement of equipment or facilities, such as water play features & structures, playground equipment, & dog park amenities as necessary. These items serve as examples of components with safe & useful lifespans that are monitored for replacement to ensure & enhance the user experience & provide a safe environment that is within reach to the greatest number of citizens. Initial locations include Southdown Park, Centennial Park, Independence Park, Creekside Park, Aaron Pasternak Memorial Park, Corrigan, Zychlinski Park, Woody Street Park, and Additional Needs Identified from 2020 Master Plan.				
Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$2,500,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0

PK2001	Shadow Creek Ranch Park Phase II	Phase II of the Sports Complex at Shadow Creek Ranch will include the addition of two cricket fields (which can also serve the needs of Rugby groups), a multipurpose 'Miracle Field' (adaptive multi-use field) area (a sports surface designed to accommodate special needs athletes), additional field lighting, approximately 250 parking spaces, and expanded restrooms and concession offerings.				
Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$9,720,000	\$9,070,000	\$0	\$0	\$12,809	\$273,587	\$396,929

PK2003	Shadow Creek Trail Phase II - Along Clear Creek Relief Ditch & Library Trail	Construct approximately 1,600 foot of 10-foot-wide hike and bike trail along the along the Clear Creek Relief channel and include a pedestrian bridge over the channel. The trail will connect the new trail along Clear Creek to the trail that is located along the Clear Creek Relief Channel. Additionally, a 500-foot trail will be installed to connect the proposed SCR Library to the SCR Trail.				
Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$1,575,000	\$250,000	\$0	\$0	\$0	\$5,000	\$5,000

Parks Total Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$13,795,000	\$10,320,000	\$0	\$0	\$12,809	\$278,587	\$401,929

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description				
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. The building will include locker rooms and showers, a training room, break room, and kitchen.				
Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$25,350,000	\$1,745,000	\$0	\$0	\$398,462	\$454,885	\$475,745

FA2003	Fire Training Burn Building Phase 1	Construction of a two-story live fire training burn building and concrete pad on the existing Pearland Fire Department Fire Training Field east of the David L. Smith Fire Administration Building. To properly educate and prepare Pearland's firefighters to respond to the complex hazards that they will face in residential or commercial fires, the fire department needs to have appropriate facilities to train, acquire and enhance the skills needed.				
Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$1,300,000	\$130,000	\$0	\$196	\$391	\$391	\$391

FA2004	Fiber Backbone	To extend and build out the fiber network to reach all city facilities (buildings, lift stations, parks, traffic signals, and water facilities) and supports the SCADA network. Funds in 2020 will bring fiber along John Lizer/Magnolia from Harkey to Pearland Parkway. Funds in 2021 will bring fiber along Magnolia from Harkey Rd to Cullen Parkway. Funds in 2022 will bring fiber along Cullen Parkway from Magnolia to the Public Safety Building. Funds in 2023 will bring fiber along Cullen Parkway from Public Safety Building to McHard. Funds in 2024 will bring fiber along Magnolia from Cullen to Smith Ranch Rd. Funds in 2025 will bring fiber along Magnolia from Smith Ranch Rd to Kirby Water Plant.				
Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$3,043,000	\$789,750	\$0	\$0	\$0	\$0	\$0

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description				
FA2005	City Hall Annex Roof	This project will be to remove the existing roof to the concrete substrate on the building, provide a new sealant membrane on the deck, add new insulation block and then apply modified bitumen membrane with mechanical fasteners spaced to create a 140 mph/3 second gusts roof. This will correct for structure deflection due to age and provide a new 30-year warranty roof constructed for the City's standard windstorm specifications.				
		O & M Impact				
		2020	2021	2022	2023	2024
Project Budget	2020 Budget	\$0	\$0	\$0	\$0	\$0
\$945,000	\$945,000	\$0	\$0	\$0	\$0	\$0

FA2006	PSB Back-Up Power Redundancy for Critical Facility	This project will also include the design of the concrete slab foundation and visual screening. This project will also include the refurbishment of the existing generator that is located at the Reflection Bay WRF that was part of the original plant. This is a 1500kW generator that will be refurbished, to meet Tier II requirements, and relocated to the Public Services Building (PSB) to augment the existing generator to provide full-service capabilities at the PSB. This will also include the evaluation of the electrical service entrance to determine how to best connect this generator.				
		O & M Impact				
		2020	2021	2022	2023	2024
Project Budget	2020 Budget	\$0	\$0	\$0	\$0	\$0
\$875,000	\$875,000	\$0	\$0	\$0	\$0	\$0

		O & M Impact				
		2020	2021	2022	2023	2024
Facility Total Budget	2020 Budget	\$0	\$196	\$445,258	\$1,104,068	\$1,160,828
\$68,350,000	\$17,284,750	\$0	\$196	\$445,258	\$1,104,068	\$1,160,828

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description
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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	2020 Budget	O & M Impact										
\$15,568,303	\$2,904,000	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 16.6%;">2020</th> <th style="width: 16.6%;">2021</th> <th style="width: 16.6%;">2022</th> <th style="width: 16.6%;">2023</th> <th style="width: 16.6%;">2024</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$89,560</td> <td style="text-align: center;">\$89,560</td> <td style="text-align: center;">\$89,560</td> </tr> </tbody> </table>	2020	2021	2022	2023	2024	\$0	\$0	\$89,560	\$89,560	\$89,560
2020	2021	2022	2023	2024								
\$0	\$0	\$89,560	\$89,560	\$89,560								

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	2020 Budget	O & M Impact										
\$51,984,500	\$41,854,500	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 16.6%;">2020</th> <th style="width: 16.6%;">2021</th> <th style="width: 16.6%;">2022</th> <th style="width: 16.6%;">2023</th> <th style="width: 16.6%;">2024</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$190,478</td> <td style="text-align: center;">\$193,478</td> <td style="text-align: center;">\$193,478</td> </tr> </tbody> </table>	2020	2021	2022	2023	2024	\$0	\$0	\$190,478	\$193,478	\$193,478
2020	2021	2022	2023	2024								
\$0	\$0	\$190,478	\$193,478	\$193,478								

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. 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.										
Project Budget	2020 Budget	O & M Impact										
\$8,290,500	\$5,225,000	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 16.6%;">2020</th> <th style="width: 16.6%;">2021</th> <th style="width: 16.6%;">2022</th> <th style="width: 16.6%;">2023</th> <th style="width: 16.6%;">2024</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$14,308</td> <td style="text-align: center;">\$30,047</td> <td style="text-align: center;">\$34,857</td> <td style="text-align: center;">\$36,599</td> <td style="text-align: center;">\$38,429</td> </tr> </tbody> </table>	2020	2021	2022	2023	2024	\$14,308	\$30,047	\$34,857	\$36,599	\$38,429
2020	2021	2022	2023	2024								
\$14,308	\$30,047	\$34,857	\$36,599	\$38,429								

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description				
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 H.C. Carleston Elementary, Barbara Cockrell Elementary and Junior High South. Challenger Elementary was identified but will be done with Hughes Ranch Rd project.				
Project Budget	2020 Budget	O & M Impact				
\$3,762,000	\$3,342,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$2,000	\$2,000

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.				
Project Budget	2020 Budget	O & M Impact				
\$8,710,000	\$7,100,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$2,000	\$2,000

TR1901	Street Reconstruction	This project consists of the reconstruction of concrete neighborhood streets throughout the City. The reconstruction projects are based on priorities derived from the Right-of-Way Assessment and resulting Pavement Condition Index (PCI). The streets or neighborhoods identified include: FY 19 Linwood Oak and Orange Circle, FY 20 - 21 Sleepy Hollow subdivision and FY 22 - 23 Sherwood subdivision. The performance of the drainage system in these areas will be reviewed and any identified drainage improvements will be included. Additionally, the utilities will be reviewed and upgraded as necessary in advance of the roadway reconstruction. The projects will replace existing concrete pavement with new concrete pavement in of the identified neighborhoods.				
Project Budget	2020 Budget	O & M Impact				
\$10,875,000	\$2,850,000	2020	2021	2022	2023	2024
		\$3,500	\$3,500	\$3,500	\$3,500	\$3,500

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description				
TR1902	Pearland Parkway Traffic Improvements	This project consists of the installation of a traffic signal and intersection improvements at the intersection of Pearland Parkway and Forest Park Lane/Summit Springs Lane. Directional pedestrian ramps and crosswalks across Pearland Parkway will be included. Left turn bays on the minor-street approaches will be striped. A fiber optic line will be installed from Old Alvin Road to Barry Rose along Pearland Parkway to connect the new signal and the signal at Barry Rose to the Traffic Management System.				

Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$1,124,000	\$979,000	\$0	\$0	\$0	\$0	\$0

TR1903	Pearland Parkway Traffic Circle Modifications	Design and construct improvements to the existing rotary traffic circle at the intersection of Pearland Parkway and McHard to provide a more conventional geometry with a two-lane roundabout with an outside bypass lane designed for higher speeds for the right-turn movements. The project will also install sidewalks to connect existing gaps and provide pedestrian connectivity.				
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Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$3,272,000	\$2,760,000	\$0	\$0	\$4,000	\$4,000	\$4,000

TR1904	Bailey Road Expansion (Veterans Dr to Main)	This project consists of widening the current two-lane roadway to a four-lane boulevard section to match the existing roadway cross-section to the east and west. The project will include the addition of a new above grade crossing over the railroad to achieve the desired ultimate width as required in the Thoroughfare Plan. The widening will also include drainage improvements to address the road widening. This will be to provide improved vehicular mobility in the east/west corridors by having a four-lane boulevard from HWY 35 to SH288. The project has been submitted to H-GAC for TIP Funding.				
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Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$19,545,000	\$225,000	\$0	\$6,400	\$6,400	\$10,400	\$10,400

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description				
TR1905	Shadow Creek Parkway Landscaping, Street Lighting & Sidewalks	This project will provide enhanced landscaping, street lighting and continuous sidewalks along the Shadow Creek Parkway Corridor from SH288 to FM521. This will provide safe travel to vehicular traffic and pedestrians that will travel from the residential areas to the commercial areas.				
Project Budget	2020 Budget	O & M Impact				
\$7,140,000	\$915,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0

TR2003	Shadow Creek Ranch Sidewalk Extensions	The project is to increase connectivity of sidewalks along thoroughfares and collector roads within the Shadow Creek Development by adding approximately 19,500 feet of 6-foot-wide sidewalk.				
Project Budget	2020 Budget	O & M Impact				
\$1,137,701	\$205,237	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$1,500

TR2104	Major Thoroughfare Update	The update to the thoroughfare plan will include the redevelopment of a local and regional travel demand model capitalizing on the population data from the 2020 census. The travel demand model will then be used to analyze and refine the City's existing thoroughfare plan to identify areas of need.				
Project Budget	2020 Budget	O & M Impact				
\$550,000	\$150,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description
TR2105	Traffic Signal Upgrades Program	The Traffic Signal update will include replacement of the existing outdated signal equipment to conform to the City of Pearland specifications. Budget for each intersection includes upgrading the traffic detection, traffic controller and conflict monitor, and the labor required for installation.

Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$2,250,000	\$450,000	\$0	\$0	\$0	\$0	\$0

Streets Total Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$134,209,004	\$68,959,737	\$17,808	\$39,947	\$328,794	\$341,537	\$344,867

SUMMARY OF CAPITAL PROJECTS

project #	Project Name	Project Description				
Water Projects						
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 began in FY2018 and will be 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	2020 Budget	O & M Impact				
\$178,400,000	\$135,125,000	2020	2021	2022	2023	2024
		\$0	\$208,087	\$189,566	\$1,003,926	\$3,340,545
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 up to 500,000-gallon welded steel tank and generator.				
Project Budget	2020 Budget	O & M Impact				
\$2,700,000	\$2,350,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0
WA2001	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 2020 Garden and Southeast Water Facilities in 2021 McLean and Alice Water Facilities, in 2022 Liberty Water Facilities, in 2023 Kirby Water Facilities, and in 2024 Shadow Creek Water Facilities.				
Project Budget	2020 Budget	O & M Impact				
\$1,250,000	\$250,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description				
WA2002	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, Somersetshire, Country Place, Green Tee, Westminster, Brookside Acres, Shadycrest, Creek View, Parkview, Wood Creek, Heritage Green, and Southdown subdivisions. FY20: Corrigan North, FY21: Country Place, FY22 & FY23: Southdown, FY 24 & FY 25: Wood Creek.				
Project Budget	2020 Budget	O & M Impact				
\$21,000,000	\$1,000,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0

WA2003	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 within the following neighborhoods: Town Lake Estates, Westwood Village, West Oaks, West Oaks Village, Lakes of Edgewater Estates and Southgate.				
Project Budget	2020 Budget	O & M Impact				
\$3,980,000	\$580,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0

WA2004	Sleepy Hollow Dr / Washington Irving / Rip Van Winkle Dr Water Line Replacement	This project includes the replacement of 3,200 LF of 2" & 6" water lines due to their location in relation to the street pavement located Northwest of Yost Boulevard and adjacent to Clear Creek. This project will be completed in conjunction with the Street Reconstruction program.				
Project Budget	2020 Budget	O & M Impact				
\$480,000	\$60,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0

Water Total Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$207,810,000	\$139,365,000	\$0	\$208,087	\$189,566	\$1,003,926	\$3,340,545

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description
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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.
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Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$5,400,000	\$300,000	\$0	\$0	\$0	\$0	\$0

WW1502	Barry Rose WRF Expansion	In 2016 a Preliminary Engineering Report began to determine the specific design parameters required for the plant expansion, including volume and biological loading. This project will include a new, separate plant to be run in parallel with the existing plant. A 4.7 MGD expansion to the existing 3.8 MGD water reclamation facility will increase the treatment capacity to 8.5 MGD facility.
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Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$72,083,209	\$64,790,000	\$0	\$431,441	\$431,441	\$431,441	\$431,441

WW1905	Willowcrest Subdivision Sanitary Sewer	This project will be to rehabilitate the sanitary sewer collection system located within the subdivision. The sanitary sewer collection system is located in the backyards of the residents and makes it difficult to maintain and make repairs. There is approximately 12,500 LF of pipe and 40 plus manholes. This project schedule is coordinated with the drainage project.
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Project Budget	2020 Budget	O & M Impact				
		2020	2021	2022	2023	2024
\$1,540,000	\$1,300,000	\$0	\$0	\$0	\$0	\$0

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description				
WW1906	Longwood Water Reclamation Facility Decommissioning	Decommission the Longwood Water Reclamation Facility (LWRF) and transfer the flow to the expanded Barry Rose Water Reclamation Facility (BRWRF) via a new Longwood Transfer Lift Station and Force Main. The Longwood Force Main anticipated length is approximately 20,000 linear feet.				
Project Budget	2020 Budget	O & M Impact				
\$18,880,000	\$18,880,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0

WW1907	Hughes Ranch Gravity Trunk Sewer	Design and install the Hughes Ranch Road segment of the gravity sewer collection system from Cullen Parkway to Bryant Court. This segment will begin with a manhole located within the Cullen right of way extending west within the median approximately 5,000 feet to be installed prior to construction of Hughes Ranch Road.				
Project Budget	2020 Budget	O & M Impact				
\$1,755,000	\$1,560,000	2020	2021	2022	2023	2024
		(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)

WW2001	Miller Ranch 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 interior and exterior needs to be replaced. As part of the rehabilitation and meeting TCEQ requirements for a regional lift station this site will require a permanent generator with automatic transfer switch.				
Project Budget	2020 Budget	O & M Impact				
\$945,000	\$945,000	2020	2021	2022	2023	2024
		\$0	\$20,000	\$20,000	\$20,000	\$20,000

SUMMARY OF CAPITAL PROJECTS

Project #	Project Name	Project Description				
WW2002	Royal Oaks Lift Station	This project consists of a major rehabilitation of the existing Royal Oaks lift stations, now 30 plus years into their 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 and a manual transfer switch for generator hookup.				
Project Budget	2020 Budget	O & M Impact				
\$560,000	\$560,000	2020	2021	2022	2023	2024
		\$0	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)
WW2003	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, Somersetshire, Country Place, Green Tee, Brookside Acres, Shadycrest, Creek View, Parkview, Woodcreek, Heritage Green, Clear Creek Estates, and Twin Creek Woods.				
Project Budget	2020 Budget	O & M Impact				
\$17,500,000	\$1,500,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0
WW2004	Shadow Creek Regional Lift Station Generator	Shadow Creek Regional Lift Station will require a permanent generator with automatic transfer switch. As part of the rehabilitation and meeting TCEQ requirements for a regional lift station this site will require a permanent generator with automatic transfer switch.				
Project Budget	2020 Budget	O & M Impact				
\$375,000	\$375,000	2020	2021	2022	2023	2024
		\$0	\$0	\$0	\$0	\$0

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 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 SUMMARY
CONVENTION & VISITORS' BUREAU**

OVERVIEW

The Hotel/Motel Occupancy Tax Fund is used to account for revenues realized from hotel occupancy taxes. The City of Pearland's Hotel Occupancy Tax rate is 7%. This is in addition to the 6% Hotel Occupancy Tax imposed by the State of Texas. 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 twelve hotels, total 968 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, Springhill Suites and newly opened Home2 Suites by Hilton.

Fiscal year 2020 revenue is anticipated to be \$1,460,800 with occupancy tax revenue of \$1,450,000 and total expenditures of \$1,101,346. The CVB budget continues to support the mission of marketing, selling and promoting Pearland as a destination. Strategic planning includes advertising, sales, partnerships, media outreach, hosting writers and planners, and co-sponsorship of annual events, such as, Pearland Arts & Crafts on the Pavilion and Opry on the Square. The budget also includes the cost of office rental space at Pearland Town Center, which acts as a Visitor Center. In fiscal year 2019, the CVB planned a \$500,000 contribution to the restoration of the Gulf, Colorado, & Santa Fe Railroad Depot in collaboration with the Pearland Historical Society and Citizens Depot Committee once fundraising goals have been met.

Fund balance at September 30, 2020 is estimated to be \$4,904,028.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Hotel/Motel Occupancy Tax	1,597,258	1,450,000	1,450,000	1,450,000
Investment Earnings	70,762	10,800	10,800	10,800
Miscellaneous	36,611			
TOTAL REVENUES	1,704,631	1,460,800	1,460,800	1,460,800
EXPENDITURES				
Salaries & Wages	287,932	295,643	289,401	295,798
Materials & Supplies	89,003	119,000	132,500	127,250
Miscellaneous Services	652,074	614,917	654,942	677,633
Transfers	617,890	665	665	665
Inventory				
Capital Outlay		500,000	500,000	
TOTAL EXPENDITURES	1,646,899	1,530,225	1,577,508	1,101,346
REV OVER/(UNDER) EXP	57,732	(69,425)	(116,708)	359,454
BEGINNING FUND BALANCE	4,603,550	4,587,786	4,661,282	4,544,574
ENDING FUND BALANCE	\$4,661,282	\$4,518,361	\$4,544,574	\$4,904,028

COURT BUILDING SECURITY FUND SUMMARY

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, in addition to operating costs.

The fund balance at September 30, 2020 is estimated to be \$48,708.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Fines & Forfeitures	41,035	43,500	49,800	48,000
Investment Earnings	416	200	800	700
	41,451	43,700	50,600	48,700
EXPENDITURES				
Salaries & Wages	38,507	40,127	29,552	22,448
Materials & Supplies	3,326	3,529	1,608	3,529
Repair & Maintenance		5,500	8,371	8,000
Miscellaneous Services	2,080	1,850	900	1,850
Inventory	6,345			
	50,258	51,006	40,431	35,827
REV OVER/(UNDER) EXP	(8,807)	(7,306)	10,169	12,873
BEGINNING FUND BALANCE	34,473	14,332	25,666	35,835
ENDING FUND BALANCE	\$25,666	\$7,026	\$35,835	\$48,708

CITYWIDE DONATION FUND SUMMARY

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 2019 expenditures included a new vehicle for the Fire Marshal's Office, partial funding of the Mobile Command Post, and veterinary services, kennel repairs and other miscellaneous expenses for the Animal Shelter. Planned expenditures for FY20 include veterinary expenses for Animal Services.

The total fund balance estimated is \$54,669 on September 30, 2020.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Investment Earnings	1,336	1,000	1,000	1,000
Miscellaneous Donations	31,680	29,967	95,602	29,967
TOTAL REVENUES	33,016	30,967	96,602	30,967
EXPENDITURES				
Materials & Supplies	1,423	13,646	13,646	8,700
Buildings & Grounds	3,705	755	755	
Repair & Maintenance	4,000			
Miscellaneous Services		25,272	25,272	24,800
Inventory				
Capital Outlay			98,328	
TOTAL EXPENDITURES	9,128	39,673	138,001	33,500
REV OVER/(UNDER) EXP	23,889	(8,706)	(41,399)	(2,533)
BEGINNING FUND BALANCE	74,712	26,683	98,601	57,202
ENDING FUND BALANCE	\$98,601	\$17,977	\$57,202	\$54,669

COURT TECHNOLOGY FUND SUMMARY

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. Fund Balance at September 30, 2020 is estimated to be \$13,955.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Fines & Forfeitures	44,138	50,000	56,000	55,000
Investment Earnings	9	3	225	300
TOTAL REVENUES	44,147	50,003	56,225	55,300
EXPENDITURES				
Materials & Supplies		3,894	3,894	7,494
Repair & Maintenance	32,410	25,000	25,000	40,000
Miscellaneous Services	7,793	9,277	12,000	14,097
Inventory				
TOTAL EXPENDITURES	40,202	38,171	40,894	61,591
REV OVER/(UNDER) EXP	3,945	11,832	15,331	(6,291)
FUND BALANCE - BEGINNING	971	(584)	4,915	20,246
FUND BALANCE - ENDING	\$4,915	\$11,248	\$20,246	\$13,955

STREET ASSESSMENT FUND SUMMARY

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 \$1,199,981 in assessments, leaving a balance at September 30, 2020 of \$1,284,935 due, excluding interest.

Since the City does not know when the sale or the development of the property might occur, the FY 2020 budget reflects no activity.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Investment Earnings				
Street Assessments				
TOTAL REVENUES				
EXPENDITURES				
Interfund Transfer				
TOTAL EXPENDITURES				
REV OVER/(UNDER) EXP				
BEGINNING FUND BALANCE				
ENDING FUND BALANCE	\$	\$	\$	\$

PARK DONATIONS FUND SUMMARY

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 2019 and 2020 expenses are for special events across the Parks programs. Fund balance at September 30, 2020 is estimated to be \$70,368.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Investment Earnings	1,344	2,000		2,000
Donations	242	1,000	255	1,000
Sponsorships	99,136	125,000	105,350	125,000
TOTAL REVENUES	100,721	128,000	105,605	128,000
EXPENDITURES				
Administration	15,254	16,000	13,332	16,000
Recreation	1,680		1,849	
Athletics				
Senior Center Events	997	1,500	1,500	1,500
Special Events	117,789	105,000	93,702	105,000
Parks			10,000	
Recreation Operations	3,632			
TOTAL EXPENDITURES	139,352	122,500	120,383	122,500
REV OVER/(UNDER) EXP	(38,632)	5,500	(14,778)	5,500
BEGINNING FUND BALANCE	118,278	58,378	79,646	64,868
ENDING FUND BALANCE	\$79,646	\$63,878	\$64,868	\$70,368

TREE TRUST FUND SUMMARY

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 must mitigate. Funds can be used to plant and replace trees in City rights-of-way and in City parks.

Fiscal year 2019 and 2020 expenditures include planting of trees, tree trimming, and a tree grant program. Fund balance at September 30, 2020 is estimated to be \$276,590.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Tree Trust	290,615		135,408	
Investment Earnings	6,465	7,800	7,800	7,800
TOTAL REVENUES	297,080	7,800	143,208	7,800
EXPENDITURES				
Buildings & Grounds		50,750	60,750	50,750
Inventory	4,100			
Capital Outlay				200,000
TOTAL EXPENDITURES	4,100	50,750	60,750	250,750
 REV OVER/(UNDER) EXP	 292,980	 (42,950)	 82,458	 (242,950)
 BEGINNING FUND BALANCE	 144,102	 413,217	 437,082	 519,540
 ENDING FUND BALANCE	 \$437,082	 \$370,267	 \$519,540	 \$276,590

POLICE STATE SEIZURE FUND SUMMARY

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 2019, funds were utilized to purchase undercover vehicles and the cost of informants. Additional funds were used for part of the Mobile Command Post. In fiscal year 2020 planned expenses are for undercover vehicles and the cost of informants. Fund balance at September 30, 2020 is estimated to be \$10,175.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Investment Earnings	3,642	4,000	2,800	4,000
Seizure Funds	37,283		31,400	
Miscellaneous				
TOTAL REVENUES	40,925	4,000	34,200	4,000
EXPENDITURES				
Materials & Supplies	1,600	16,200	16,200	16,200
Repair & Maintenance				
Miscellaneous	16,200	21,000	21,000	21,000
Capital Outlay			198,764	
TOTAL EXPENDITURES	17,800	37,200	235,964	37,200
REV OVER/(UNDER) EXP	23,125	(33,200)	(201,764)	(33,200)
BEGINNING FUND BALANCE	222,014	225,097	245,139	43,375
ENDING FUND BALANCE	\$245,139	\$191,897	\$43,375	\$10,175

FEDERAL POLICE FUND SUMMARY

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 2019 funds were used to contribute to the purchase of a Mobile Command Post. There are no planned expenses for fiscal year 2020. Fund balance at September 30, 2020 is estimated to be \$25,100.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Police Drug Revenue	78,593	75,000	21,900	
Investment Earnings	1,299	1,200	2,000	1,200
TOTAL REVENUES	79,892	76,200	23,900	1,200
EXPENDITURES				
Capital Outlay			129,470	
TOTAL EXPENDITURES			129,470	
REV OVER/(UNDER) EXP	79,892	76,200	(105,570)	1,200
BEGINNING FUND BALANCE	49,577	83,657	129,470	23,900
ENDING FUND BALANCE	\$129,470	\$159,857	\$23,900	\$25,100

PARK DEVELOPMENT FUND SUMMARY

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 2019 major expenditures included community parks that benefit all residents. Those projects included 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. \$207,154 is also budgeted from reimbursement from Pearland Independent School District for repairs to the Natatorium. In fiscal year 2020 the projects include replacement of a bridge at Independence Park. Estimated fund balance as of September 30, 2020 is \$408,462.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Parkland Fees/Donations	964,060	120,000	250,000	120,000
Investment Earnings	17,075	18,000	18,000	18,000
Miscellaneous Reimbursements			207,154	
TOTAL REVENUES	981,135	138,000	475,154	138,000
EXPENDITURES				
Buildings & Grounds		28,240	39,343	
Miscellaneous			6,802	
Capitals	134,494	720,914	758,372	250,000
Transfers	555,000		162,000	
TOTAL EXPENDITURES	689,494	749,154	966,517	250,000
REV OVER/(UNDER) EXP	291,641	(611,154)	(491,363)	(112,000)
BEGINNING FUND BALANCE	720,184	894,248	1,011,825	520,462
ENDING FUND BALANCE	\$1,011,825	\$283,094	\$520,462	\$408,462

SIDEWALK FUND SUMMARY

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.

Expenditures in FY 2019 are \$4,220 to be used for the Mykawa Road construction. Fund balance at September 30, 2020 is estimated to be \$17,646.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Investment Earnings	97	5	200	200
Sidewalk Revenue	86	5,000	10,000	5,000
TOTAL REVENUES	183	5,005	10,200	5,200
EXPENDITURES				
Interfund Transfers		4,220	4,220	
Other Expenses				
TOTAL EXPENDITURES		4,220	4,220	
REV OVER/(UNDER) EXP	183	785	5,980	5,200
BEGINNING FUND BALANCE	6,283	6,388	6,466	12,446
ENDING FUND BALANCE	\$6,466	\$7,173	\$12,446	\$17,646

GRANT FUND SUMMARY

OVERVIEW

The FY 2019 Grant Fund expenditures totaled \$270,765. These included \$134,014 from the second of a two-year Victims of Crime Act (VOCA) grant from the Office of the Governor - Criminal Justice Division (CJD) and two years of funding from the U.S. Department of Justice totaling \$26,300 for police equipment. Additional expenditures include \$46,641 in personnel costs from FEMA's Emergency Management Performance Grant (EMPG) program, administered by the Texas Division of Emergency Management, and \$11,000 in training and professional development grant funds provided through the Texas Commission on Law Enforcement (TCOLE). The Fire Department has been advanced \$40,000 from the National Development Research Association (NDRA) for professional development expenditures, in exchange for its participation in various vocational studies on firefighters. Expenditures of \$12,150 include police overtime for work involving Pearland's participation in high-intensity drug trafficking area programs. An unfunded expense of \$660 is incurred for administrative costs involving the City's Grants & Special Projects Administrator. Revenues for FY 2019 total \$270,180, which include the \$270,105 in grant-funded awards, plus \$75 in interest income.

The budget includes \$293,094 in expenditures for two (2) years of funding, for two (2) Crime Victim Liaisons in the Police Department (CVL), funded by the continuation of a Victims of Crime Act (VOCA) grant award provided by the Office of the Governor - Criminal Justice Division (CJD), as well as the anticipated continuation of \$46,641 in Emergency Management Performance Grant (EMPG) funds through the Texas Division of Emergency Management. The City will also receive \$11,000 in training funds from the Texas Commission on Law Enforcement (TCOLE). Including a small administrative expense of \$660, the expenditures for FY 2020 total \$351,395. Revenue for FY 2020's Grant Fund totals \$350,810, which includes grant-funding and \$75 in interest income for the year.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Grant Revenue	295,928	58,791	520,744	350,735
Investment Earnings	2,393	75	1,877	75
TOTAL REVENUES	298,321	58,866	522,621	350,810
EXPENDITURES				
Salaries & Wages	164,816	58,791	192,805	339,735
Materials & Supplies	99,000		3,135	
Miscellaneous Services	23,922		51,660	11,660
Transfers	200,000			
Inventory				
Capital Outlay	27,639		26,300	
TOTAL EXPENDITURES	515,377	58,791	273,900	351,395
REV OVER/(UNDER) EXP	(217,056)	75	248,721	(585)
BEGINNING FUND BALANCE	143,777	147,692	(73,279)	175,442
ENDING FUND BALANCE	\$(73,279)	\$147,767	\$175,442	\$174,857

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND SUMMARY

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 2019 CDBG expenditures totaled \$785,617, and included housing rehabilitation, code enforcement activities, improvements involving the replacement of waterline utility infrastructure and construction of a new facility at a local social service agency. Some of the specific highlights include \$23,500 for emergency rental and utility assistance in the form of a subaward to the Pearland Neighborhood Center, and a \$35,000 allocation to Counseling Connections for Change for mental health counseling and a collaborative student services initiative with Pearland Independent School District (PISD). A total of \$109,828 was spent to provide materials for replacement of Transite waterlines in the City's Old Townsite, with an additional \$118,250 awarded to the Forgotten Angels Foundation to construct a 4,000 square foot vocational training facility at its Day Hab Center. Program administration expenditures totaled \$78,000 and unprogrammed/unspent funding for infrastructure improvements pending completion will be carried over for use in fiscal year 2020.

The 2020 fiscal year allocation of CDBG funding totals \$429,719. Of that amount, the City's available allocation for general program administration is \$85,943, which is 20% of the CDBG annual allocation for fiscal year 2020, and the public services capped allocation totals \$64,457 (15% of the total allocation). The remainder of funding will be spent on code enforcement activities, and several local public facility improvements involving City-owned property and various social service agencies.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Grant Revenue	243,356	390,001	784,677	429,719
TOTAL REVENUES	243,356	390,001	784,677	429,719
EXPENDITURES				
Salaries & Wages	36,210	54,405	55,685	83,243
Materials & Supplies	10	100	110,100	
Repair & Maintenance				
Miscellaneous Services	79,275	105,200	105,200	82,157
Capital Outlay	78,858	230,296	514,632	264,319
TOTAL EXPENDITURES	194,353	390,001	785,617	429,719
REV OVER/(UNDER) EXP	49,003		(940)	
BEGINNING FUND BALANCE		49,003	49,003	48,063
ENDING FUND BALANCE	\$49,003	\$49,003	\$48,063	\$48,063

TRAFFIC IMPROVEMENT FUND SUMMARY

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 specific projects can be incorporated into a City project.

Anticipated fiscal year 2019 revenues total \$11,200 and expenditures of \$1,141 to be used for Mykawa Road Extension. Fiscal year 2020 revenues total \$11,000. The fund balance at September 30, 2020 is estimated to be \$619,247 of which, \$214,920 is for future expansion of County Road 58 with the balance of the fund balance obligated for a few other miscellaneous projects.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Miscellaneous				
Investment Earnings	8,460	7,500	11,200	11,000
TOTAL REVENUES	8,460	7,500	11,200	11,000
EXPENDITURES				
Miscellaneous Services	93,548			
Transfers		1,141	1,141	
TOTAL EXPENDITURES	93,548	1,141	1,141	
 REV OVER/(UNDER) EXP	 (85,088)	 6,359	 10,059	 11,000
 BEGINNING FUND BALANCE	 683,277	 597,929	 598,188	 608,247
 ENDING FUND BALANCE	 \$598,188	 \$604,288	 \$608,247	 \$619,247

COURT JUVENILE MANAGEMENT FUND SUMMARY

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, 2020 is estimated to be \$51,142.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Fines & Forfeitures	60,315	62,000	80,000	72,500
Investment Earnings	409	200	1,100	1,000
TOTAL REVENUES	60,724	62,200	81,100	73,500
EXPENDITURES				
Salaries & Wages	52,036	56,354	57,883	61,870
Materials & Supplies	709	1,530	2,328	1,460
Miscellaneous Services	884	3,560	3,569	3,955
TOTAL EXPENDITURES	53,628	61,444	63,780	67,285
REV OVER/(UNDER) EXP	7,096	756	17,320	6,215
BEGINNING FUND BALANCE	20,511	21,101	27,607	44,927
ENDING FUND BALANCE	\$27,607	\$21,857	\$44,927	\$51,142

MUNICIPAL CHANNEL (PEG) FUND SUMMARY

OVERVIEW

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

Fiscal year 2019 expenditures include office furniture, 360 video camera, DSLR camera, drone, servers, and encoder. Expenditures for fiscal year 2020 include studio furniture, studio lighting, AV maintenance, digital signage, TV production van, video editing work station, and complete council chambers AV room. Fund balance at September 30, 2020 is anticipated to be \$824,318.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Franchise Fees	260,430	275,000	265,000	265,000
Investment Earnings	12,193	10,000	20,000	20,000
Miscellaneous				
TOTAL REVENUES	272,623	285,000	285,000	285,000
EXPENDITURES				
Materials & Supplies	13,649	21,600	17,600	21,600
Repair & Maintenance	13,543	24,300	20,800	27,500
Miscellaneous Services	2,229	10,000	10,000	10,000
Inventory	35,339	57,500	65,000	45,000
Capital Outlay		45,000	85,232	200,000
Transfers Out	51,531			
TOTAL EXPENDITURES	116,291	158,400	198,632	304,100
 REV OVER/(UNDER) EXP	 156,332	 126,600	 86,368	 (19,100)
 BEGINNING FUND BALANCE	 600,718	 669,187	 757,050	 843,418
 ENDING FUND BALANCE	 \$757,050	 \$795,787	 \$843,418	 \$824,318

REGIONAL DETENTION FUND SUMMARY

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 \$148,891 was transferred in fiscal year 2018 and \$29,715 in 2019 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 2020.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Charges for Services	148,289		26,502	
Investment Earnings	607		49	
TOTAL REVENUES	148,897		26,551	
EXPENDITURES				
Transfers	148,891		29,715	
TOTAL EXPENDITURES	148,891		29,715	
REV OVER/(UNDER) EXP	6		(3,164)	
BEGINNING FUND BALANCE	3,158		3,164	
ENDING FUND BALANCE	\$3,164	\$	\$	\$

LOWER KIRBY URBAN CENTER FUND SUMMARY

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. Financing by District, life to date, 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			
LK Beltway 8 Water Line (R2018-185)	240,000			
LK Beltway 8 Water Line (R2018-185)		<u>32,097</u>		
	\$10,842,0009	\$2,320,346		
	FY 2018	FY 2019	FY 2019	FY 2020
	ACTUAL	ORIGINAL	YEAR END	ADOPTED
		BUDGET	AMENDED	BUDGET
REVENUES				
Investment Earnings			1,033	
Intergovernmental	3,829,496		441,518	
TOTAL REVENUES	3,829,496		442,551	
EXPENDITURES				
Intergovernmental	3,577,346		189,368	
Transfers			1,033	
TOTAL EXPENDITURES	3,577,346		190,401	
REV OVER/(UNDER) EXP	252,150		252,151	
BEGINNING FUND BALANCE	(252,150)	(252,291)	(0)	252,150
ENDING FUND BALANCE	\$	\$(252,291)	\$252,150	\$252,150



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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 three 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

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 accounts for the annual premiums and accounts for insurance recovery funds on eligible claims.

Premiums for fiscal year 2020 total \$1,443,460 which amounts to a \$70,848 increase from FY19 projected premiums. The FY20 Budget also includes \$20,000 for an assessment of the City's Schedule of Values, which is used to calculate premiums. Fund balance at September 30, 2020 is estimated to be \$73,718.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Transfers	665,000	1,333,275	1,160,000	1,503,381
Insurance Recovery	548,612	100,050	120,000	175,000
Interest	7,689	100	7,000	3,000
TOTAL REVENUES	1,221,301	1,433,425	1,287,000	1,681,381
EXPENSES				
Salaries & Benefits	42,765	54,897	52,755	60,273
Materials & Supplies	4,366	5,050	4,950	4,300
Insurance Premiums	1,135,017	1,281,262	1,372,612	1,443,460
Claims	184,793	100,050	175,000	183,750
Miscellaneous Services				20,000
Capital Outlay			28,858	
Transfer Out				38
TOTAL EXPENDITURES	1,366,940	1,441,259	1,634,175	1,711,821
REV OVER/(UNDER) EXP	(145,639)	(7,834)	(347,175)	(30,440)
BEGINNING NET ASSETS	596,973	150,437	451,333	104,158
ENDING NET ASSETS	\$451,333	\$142,603	\$104,158	\$73,718

MEDICAL SELF-INSURANCE FUND SUMMARY

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.

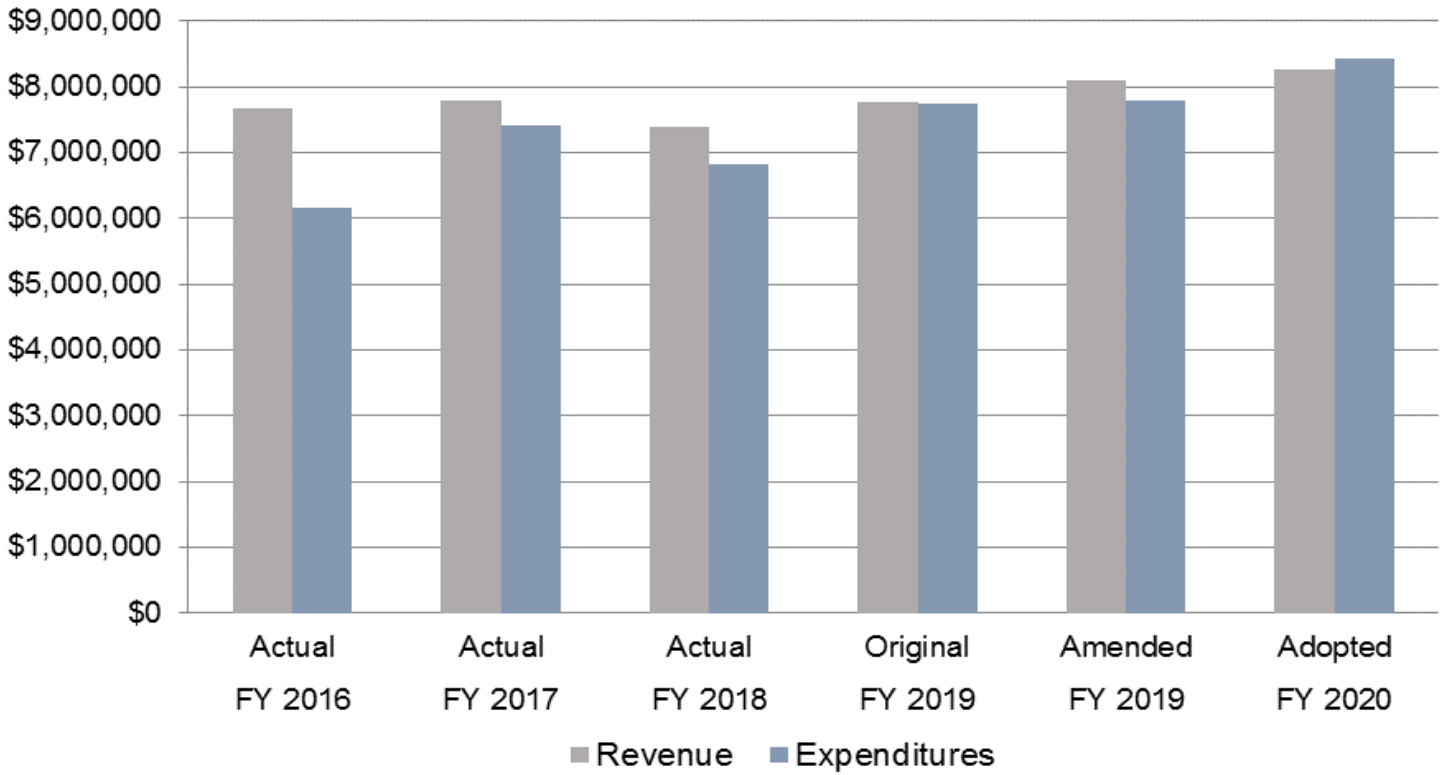
Effective October 2018, the city adopted unblended retiree medical rate and subsidizes based on age and years of service at retirement. For FY20 the City is budgeting for an increase in claims based on the total number of full-time eligible employees, including vacant positions. This fund is projected to operate to use \$163,023 of fund balance in FY20. **As in previous years, \$25,000 has been budgeted for the Wellness Program.** The estimated fund balance as of September 30, 2020 is \$3,163,345, or 38% of total expenditures.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Interest Income	41,123	20,000	74,528	74,528
Contributions - Employee	1,116,256	1,249,775	1,309,752	1,384,793
Contributions - City	6,053,301	6,224,073	6,478,787	6,581,860
Retiree and Cobra Contributions	44,766	60,000	60,000	60,000
Miscellaneous	132,325	211,432	166,973	166,849
TOTAL REVENUES	7,387,771	7,765,280	8,090,040	8,268,030
EXPENSES				
Administrative Fees	1,012,622	1,045,962	1,018,149	1,221,536
Claims	5,732,762	6,589,708	6,666,377	7,154,517
Miscellaneous	81,058	111,609	112,518	55,000
TOTAL EXPENDITURES	6,826,442	7,747,279	7,797,044	8,431,053
REV OVER/(UNDER) EXP	561,330	18,001	292,996	(163,023)
BEGINNING NET ASSETS	2,472,042	3,033,372	3,033,372	3,326,368
ENDING NET ASSETS	\$3,033,372	\$3,051,373	\$3,326,368	\$3,163,345
NET ASSETS AS % OF EXPENSES	41%	39%	41%	38%

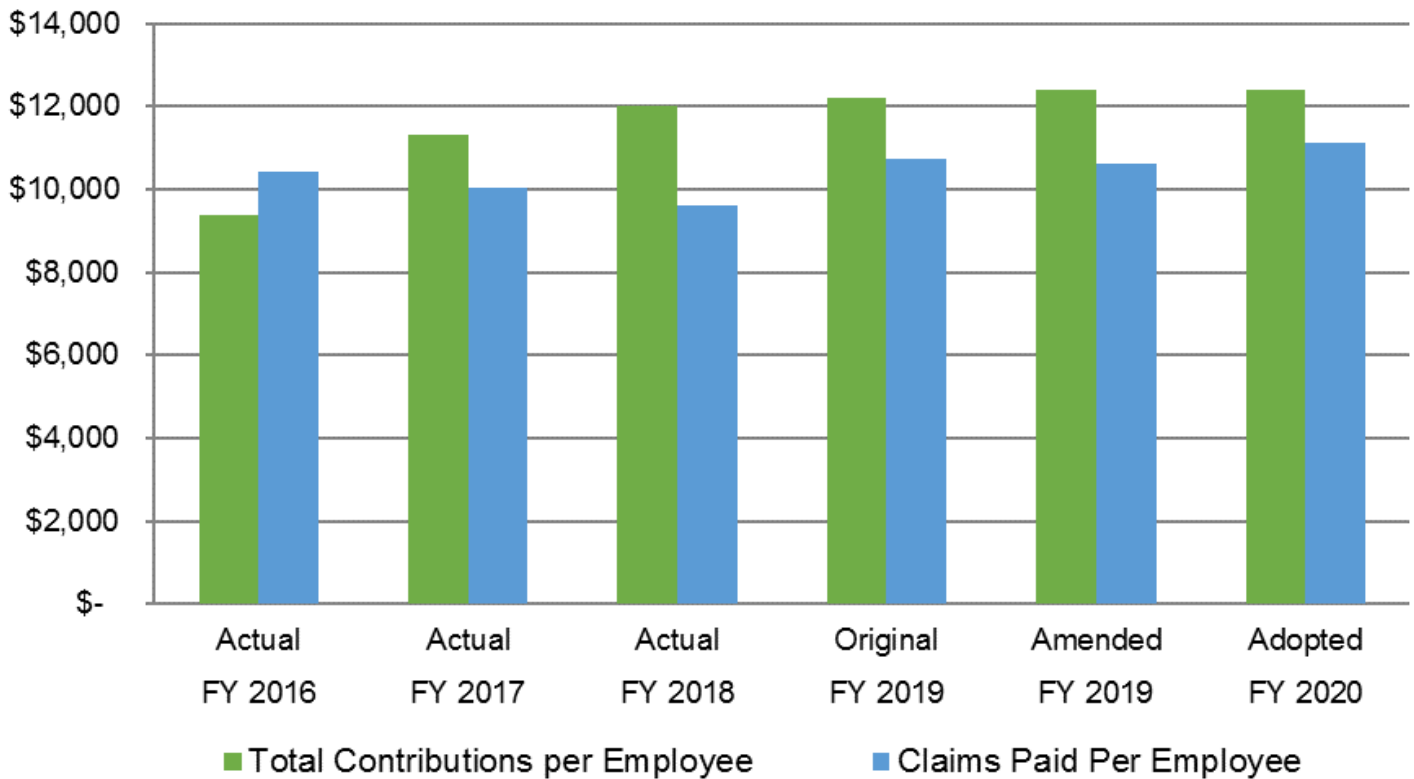
	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
Number of Employees on Medical Insurance:	596	613	628	643
City-Paid Contributions per Employee:	\$ 1,873	\$ 2,039	\$ 2,086	\$ 2,154
Employee-Paid Contributions:	\$ 10,157	\$ 10,153	\$ 10,317	\$ 10,236
Total Contributions per Employee:	\$ 12,029	\$ 12,192	\$ 12,402	\$ 12,390
Claims Paid per Employee:	\$ 9,619	\$ 10,750	\$ 10,615	\$ 11,127

MEDICAL SELF INSURANCE FUND SUMMARY

Revenues vs Expenditures



Contributions vs Claims Per Employee



MOTOR POOL FUND SUMMARY

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. Lease fees for any vehicle replaced in FY19 will begin in FY20, which totals \$450,755. Estimated fund balance as of September 30, 2020 is \$602,439.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Investment Earnings			25,000	40,000
Sale of Property		20,000	44,258	50,000
Transfer in Repair & Maintenance		2,162,484	2,170,684	1,556,626
Transfer in Lease Payments		1,536,756	2,645,564	2,640,048
TOTAL REVENUES		3,719,240	4,885,506	4,286,674
EXPENDITURES				
Salaries & Wages		436,651	430,788	450,430
Materials & Supplies		39,500	37,500	36,924
Buildings & Grounds		36,000	36,000	22,000
Repair & Maintenance		1,640,833	1,640,833	949,413
Miscellaneous Services		9,500	17,700	28,200
Capital Outlay Special Equipment		715,815	1,285,911	291,818
Capital Outlay Construction Equipment		90,000		350,000
Capital Outlay Vehicles		730,941	1,374,749	1,617,475
TOTAL EXPENDITURES		3,699,240	4,823,481	3,746,260
REV OVER/(UNDER) EXP		20,000	62,025	540,414
BEGINNING NET ASSETS				62,025
ENDING NET ASSETS	\$	\$20,000	\$62,025	\$602,439



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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 CORPORATION FUND SUMMARY

OVERVIEW

The Pearland Economic Development Corporation (PEDC) is a non-profit Type B Corporation under the Texas Development Corporation Act. The Corporation was approved by the voters in 1995 and is primarily funded by a half-cent sales tax. The seven-member Board of Directors is appointed by and serve two-year terms at the pleasure of the Pearland City Council. City Council approval is required for annual budgets and bonded debt issuances.

The mission of PEDC is to enhance our community's economic vitality through the attraction, retention and expansion of primary employers. PEDC operates under State requirements for pursuit of those primary jobs. PEDC works to ensure our business climate and built environment strongly support these efforts by focusing on aesthetics, infrastructure, quality of life, image, workforce and quality development and redevelopment of key Pearland districts and corridors.

Outstanding debt was substantially defeased in FY 2019. Many multi-year projects such as, SH 288 and SH 35 corridor enhancements take years to develop and complete. Fund balance at September 30, 2020 is estimated to be \$6,747,037.

	FY 2018 ACTUAL	FY 2019 ORIGINAL BUDGET	FY 2019 YEAR END AMENDED	FY 2020 ADOPTED BUDGET
REVENUES				
Sales Tax	11,177,690	11,131,486	11,131,486	11,354,116
Interest Income	304,643	86,895	460,000	250,000
Intergovernmental	3,589,346	12,000	636,517	571,000
Miscellaneous	532,710	500,000	472,000	568,000
TOTAL REVENUES	15,604,389	11,730,381	12,700,003	12,743,116
EXPENSES				
Operating	1,724,532	2,919,606	2,411,298	2,712,617
Bond Payments	1,229,500	13,616,503	11,307,132	291,300
Inventory		5,000	5,000	5,000
Capital Outlay	552,659	746,000	765,000	95,000
Transfers Out	4,918,673	9,133,742	10,133,459	14,448,979
Incentives	586,526	1,336,890	1,245,230	2,408,890
TOTAL EXPENDITURES	9,011,890	27,757,741	25,867,119	19,961,786
REV OVER/(UNDER) EXP	6,592,499	(16,027,360)	(13,167,116)	(7,218,670)
BEGINNING FUND BALANCE	20,540,324	22,933,932	27,132,823	13,965,707
ENDING FUND BALANCE	\$27,132,823	\$6,906,572	\$13,965,707	\$6,747,037

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 2019 ACCOMPLISHMENTS

- ◆ Opened 28 business attraction projects and conducted 26 visits with potential primary employers. Endress+Hauser, a leader in the field of measurement technology for industrial process engineering, broke ground on its Gulf Coast Regional Headquarters in 2019. The project will employ 100 workers and is expected to bring approximately \$32 million in investment to the community. In addition, CAT Energy Rental Solutions began construction on its new facility on Rice Drier. The new 40,000 square foot headquarter and warehouse and repair facility in Pearland will employ 55.
- ◆ Opened 11 business retention and expansion projects and conducted 100 visits with existing employers. Announcements included Dover Energy's addition of a new 12,000 square foot innovation lab at its facility. Lonza also expanded operations by constructing a 12,000 square-foot laboratory space in its existing building and is also preparing to add an additional parking lot. Wilmar Oleo North America announced that it will be expanding its presence in Pearland and have renewed its lease in the Pearland Town Center. PEDC is also working with CSI to expand their parking lot by 30 spaces to accommodate job growth at their facility. Merit Medical is also increasing its parking lot to accommodate more job growth at their facility.
- ◆ Opened 11 new development/redevelopment projects, including the development of a new business park on Main Street. The Modern Green Ivy District project continues to move forward and has constructed Promenade, South Spectrum streets and the internal streets and utilities in the development. Modern Green has completed the design and bid 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 and will begin construction soon.

- ◆ Continued the implementation of City Gateway Beautification Strategy. Construction has been completed on the entryway monument at the east end of Broadway/FM518.
- ◆ The SH 35 Redevelopment Strategy & Streetscape project continues to move forward. The contractor is nearing substantial completion on the streetscaping project. All landscaping has been completed, along with the installation of pavers, tree grates and the 24" entryway signs at Beltway 8. All that remains are the 18' Pearland signs to be installed at the 518 intersection and the stone to be placed on the seat walls. The project is projected to be complete at the end of 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 installation of sculpture foundations for the new sculpture design and the procurement of plant material for the project. In addition, we worked to add the planting and irrigation work for the center median to the Harris County section of the project.
- ◆ 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 drainage 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 (LKPMMD) and Pearland Municipal Management District #1 (PMMD#1). Engineers continue to have discussions with Harris County Flood Control.
- ◆ Began the development of a new economic development strategic plan for Pearland, including convening a steering committee of public, private and non-profit leaders to guide the process. The research and input phase for the new plan took place in June and included focus groups, individual interviews and an online public survey that garnered more than 2,300 responses. We have also completed a Community Assessment, along with an Implementation Assessment of the Pearland 20/20 Community Strategic Plan. The new economic development strategic plan is scheduled to be completed by the end of 2019.

FISCAL YEAR 2020 OBJECTIVES

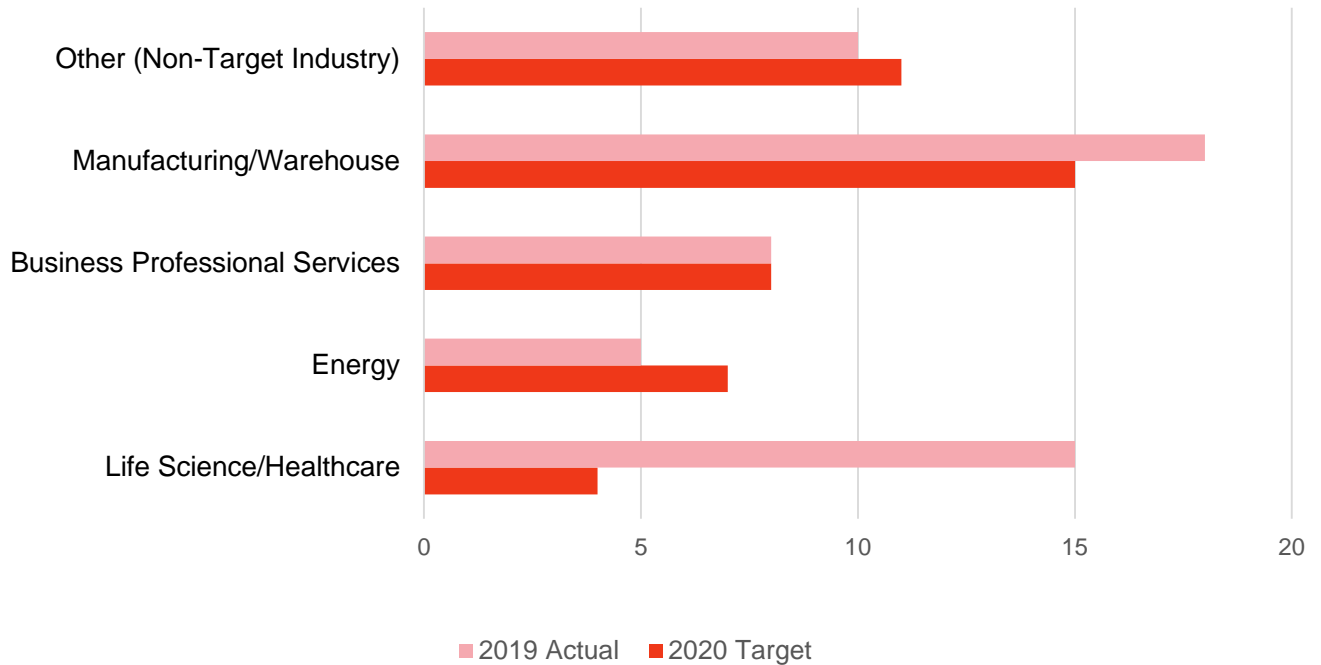
- ◆ Recruit new primary employers to the community.
- ◆ Reach out to existing targeted primary employers to help, including expansion assistance, access to local and state resources and regulatory compliance.
- ◆ Aid developers looking to make investments in our community.
- ◆ Continue to assist developers and prospective investors such as Ivy District in the Lower Kirby Area.
- ◆ Work with Management Districts on the design and construction of South Spectrum Boulevard to complete a four-lane boulevard roadway connection from SH288 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.
- ◆ Continue implementation of the SH 35 Redevelopment Strategy Catalyst #2, Business Park North, by completing design and bidding of the Rice Drier Road Reconstruction project and working with developers on other projects in the corridor.
- ◆ Complete the Broadway development master plan. Initiate and complete the master plan, including communication plan, and stakeholder, public input, and agency coordination meetings, with an emphasis of the plan on mitigating the impact on the corridor of TXDOTs proposed reconstruction

project

- ◆ 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.
- ◆ Coordinate the development of a new economic development strategic plan for the community, including the completion of a community assessment, an implementation assessment of the Pearland 20/20 strategic plan, the new strategic plan and implementation guidelines for the plan.
- ◆ Continue implementation of the community marketing campaign to increase awareness and promotion of Pearland and its assets, including the promotion of the digital brand hub using both existing communication channels and a paid digital media campaign.
- ◆ Continue exploring the concept of developing an indoor amateur sports facility.
- ◆ Continue exploring potential private partner opportunities for the development of a hotel+ conference center.

PEARLAND ECONOMIC DEVELOPMENT CORPORATION FUND

PEDC New Projects By Industry



PERFORMANCE MEASURES

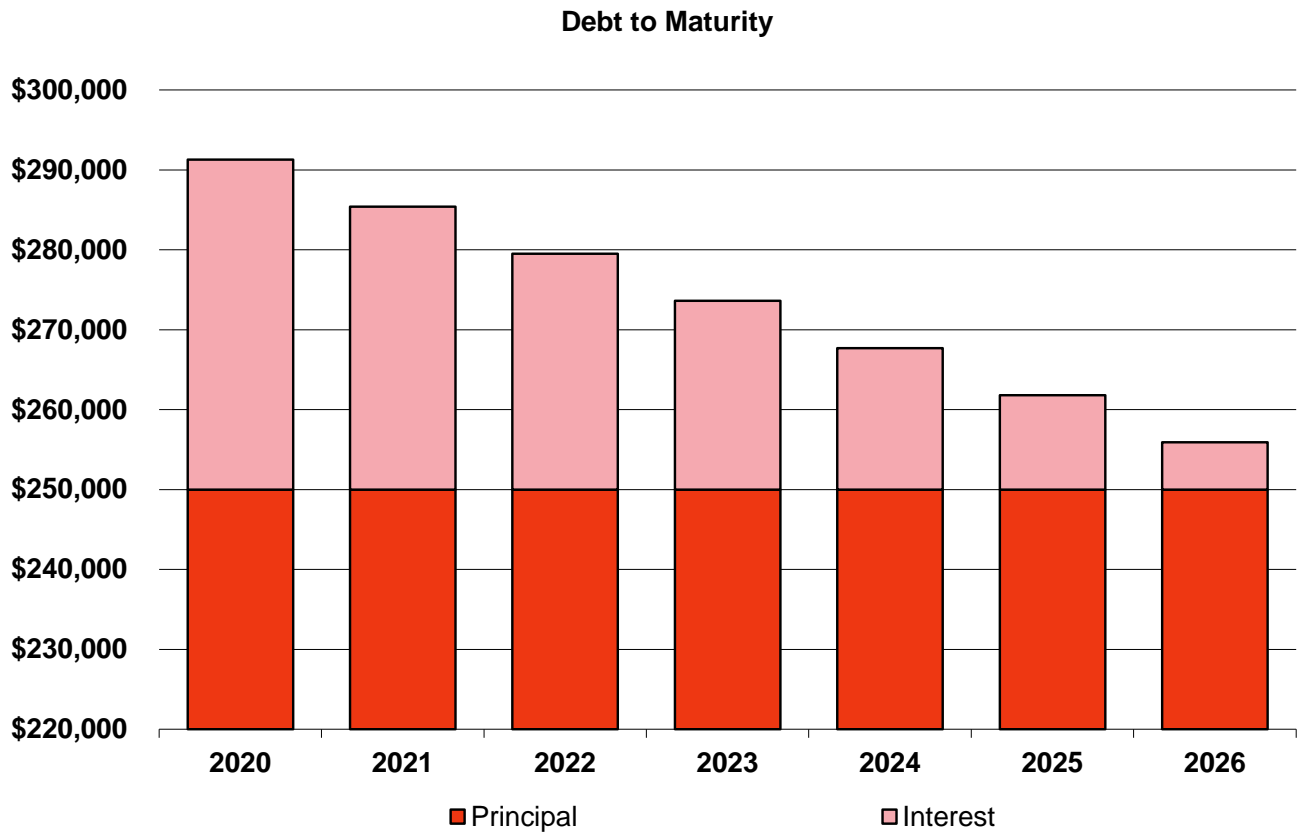
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target
Number of announced projects	10	5	7	10
Number of new projects	55	52	56	50
Number of visits	164	149	149	170

PEARLAND ECONOMIC DEVELOPMENT CORPORATION FUND

DEBT TO MATURITY

Year	Principal	Interest	Total
2020	250,000	41,300	291,300
2021	250,000	35,400	285,400
2022	250,000	29,500	279,500
2023	250,000	23,600	273,600
2024	250,000	17,700	267,700
2025	250,000	11,800	261,800
2026	250,000	5,900	255,900
TOTAL	\$1,750,000	\$165,200	\$1,915,200

Series	Principal Amount Outstanding
Series 2016	1,750,000
TOTAL	\$1,750,000





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CITY OF PEARLAND, TEXAS
COMPREHENSIVE FINANCIAL MANAGEMENT POLICY STATEMENTS

ADOPTED SEPTEMBER 2011
REVISED NOVEMBER 2018

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, maintain transparency, and good stewardship of public resources. The individual statements contained herein serve as guidelines for both the financial planning and internal financial management of the City.

These Policy Statements are subject to State law and the City Charter. 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 interim financial reports, including official statements accompanying debt issues, Comprehensive Annual Financial Reports and continuing disclosures statements will meet these standards.

B. *Financial and Management Reporting*

1. Interim Financial Reports will be provided monthly and/or quarterly to management and City Council that explain key economic and fiscal developments and note significant deviations from the budget. These reports will be distributed by the end of each month for the prior month.
2. 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 Director of Finance, or one member of Council. 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 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 approved by City Council and/or the City Manager.

II.

BUDGET AND LONG RANGE FINANCIAL PLANNING

A. *Balanced Budget*

The City shall annually adopt a balanced budget where annual revenues plus other means of financing such as fund balance are equal to, or exceed, operating expenditures. Any increase in expenses, decrease in revenues, or combination of the two that would result in a budget imbalance will require budget revision, rather than spending unappropriated surpluses or designated reserves to support ongoing operations. All budget revisions will require the vote and approval of City Council before any additional spending of City funds. Any year end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy and the balance will be available for capital projects and/or "non-recurring" expenditures.

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. *Property Tax Rate*

The City Manager will recommend a property 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*

To ensure that the City does not become overly reliant on sales tax revenue for operating needs, a transfer from General Fund sales tax to fund pay-as-you-go capital projects will be budgeted with a target of 10% of the annual General Fund budgeted sales tax, when it is financially feasible or 25% of the over policy dollars. The long-term goal is to adequately fund rehabilitation through ongoing maintenance versus debt financing.

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 changes.
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 salary increases such as performance, merit pool, police step increase and cost of living adjustment. This amount will be calculated for each fund, based on budgeted salaries for the year. 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. 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 salary 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 multi-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 Comprehensive 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 annually and adjusted as deemed necessary in order 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 multi-year Financial Plan (rate model) and proposed operating budget shall serve as the basis for rate change considerations.
4. When necessary, the multi-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 for 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 interim 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. Initial contract terms shall be limited to three (3) year. Renewal terms shall be limited to two (2) one-year renewals following the original term, with a maximum contract of five (5) years in duration. Upon the expiration of the term of a contract (including renewal terms), the City shall obtain competitive

pricing for the goods and services in accordance with its Purchasing policies. Contracts exceeding five (5) years in duration may be warranted for certain unique goods, services or commodities; however any contract exceeding five (5) years in duration shall require approval by a super-majority of City Council.

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 2-3 months of the total operating expenditures of the General Fund. If the fund balance exceeds this amount, funding non-recurring expenditures or funding Pay-as-You-Go capital projects 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 3 months (25%) of the current year's budget appropriation for total operating expenses.

The cash operating reserve is derived by dividing the total cash equivalents balance by total 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 1.4 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 Appropriation*

Pursuant to the City Charter, a provision shall be made within the annual budget for a contingency account in an amount not more than one percent of the General Fund expenditures to be used in case of unforeseen items of expenditures.

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, , 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. 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. Financial Reports 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 project balances.

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 (i.e., 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 20 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 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.

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.
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*

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 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.

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. 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. 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. 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. 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.1583

An Ordinance adopting a tax rate of \$0.741212 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 2019.

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 2019 upon all property, real, personal, and mixed within the corporate limits of said City subject to taxation, a tax of \$0.741212 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 \$0.306778 on each \$100 valuation of property, and
- (2) For the Interest and Sinking Fund, the sum of \$0.434434.

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.1583

PASSED and APPROVED ON FIRST READING this the 16th day of September, A.D.,
2019.



TOM REID
MAYOR

ATTEST:

MARIA RODRIGUEZ
INTERIM CITY SECRETARY

PASSED and APPROVED ON SECOND and FINAL READING this the 23rd day of
September, A. D., 2019.



TOM REID
MAYOR

ATTEST:

MARIA RODRIGUEZ
INTERIM CITY SECRETARY

APPROVED AS TO FORM:

DARRIN M. COKER
CITY ATTORNEY

ORDINANCE NO.1584

An appropriation Ordinance adopting a budget for the fiscal year beginning October 1, 2019, and ending September 30, 2020, and pay plans for fiscal year 2020.

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

Section 1. That the City Manager's proposed 2019-2020 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 2019-2020 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 2019-2020 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.

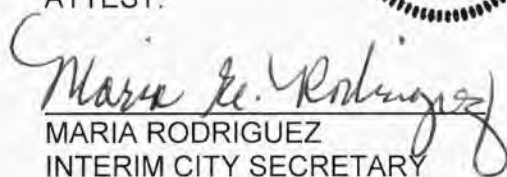
PASSED and APPROVED ON FIRST READING this the 16th day of September, A. D., 2019.





TOM REID
MAYOR

ATTEST:



MARIA RODRIGUEZ
INTERIM CITY SECRETARY

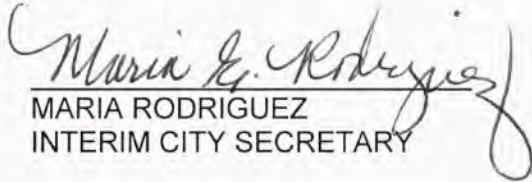
ORDINANCE NO.1584

PASSED and APPROVED ON SECOND and FINAL READING this the 23rd day of September,
A. D., 2019.



TOM REID
MAYOR

ATTEST:



MARIA RODRIGUEZ
INTERIM CITY SECRETARY

APPROVED AS TO FORM:



DARRIN M. COKER
CITY ATTORNEY

EXHIBIT A
City of Pearland
Fiscal Year 2019-2020 Budget

<u>Fund Description</u>	<u>Revenues</u>		<u>Expenses</u>	
	<u>Adopted Budget</u>	<u>Ord No. 1584</u>	<u>Adopted Budget</u>	<u>Ord No. 1584</u>
OPERATIONS				
100 General		86,934,676		86,211,511
200 Debt Service-General		39,458,628		40,009,589
900 PEDC		12,743,116		19,961,786
<u>Special Revenue Funds</u>				
305 Hotel/Motel		1,460,800		1,101,346
310 Municipal Court Security		48,700		35,827
315 Citywide Donation		30,967		33,500
320 Court Technology		55,300		61,591
330 Parks Donations		128,000		122,500
331 Tree Trust		7,800		250,750
335 Police State Seizure		4,000		37,200
336 Federal Police		1,200		-
340 Park & Recreation Development		138,000		250,000
345 Sidewalk		5,200		-
350 Grant		350,810		351,395
351 Community Development		429,719		429,719
360 Traffic Impact Improvement		11,000		-
365 Court Juvenile Management		73,500		67,285
370 Municipal Channel		285,000		304,100
380 Regional Detention		-		-
510 Lower Kirby		-		-
<u>Internal Service Fund</u>				
700 Property/Liability Insurance		1,681,381		1,711,820
702 Medical Self-Insurance		8,268,030		8,431,053
703 Motor Pool		4,286,674		3,746,260
<u>Proprietary Funds</u>				
600 Water and Sewer		60,547,396		56,575,666
610 Solid Waste		7,853,300		7,850,000
SUB TOTAL - OPERATIONS		224,803,197		227,542,898
CAPITAL IMPROVEMENT PROGRAM				
<u>Water/Sewer Capital Projects Funds</u>				
550 Utility Impact Fee		1,000,000		6,042,525
551 Water Impact Fee		2,650,000		
552 Sewer Impact Fee		2,125,000		
555 Shadow Creek Impact Fee		10,000		667,023
565 1999 W & S Revenue Bonds		300,000		309,166
566 W & S Revenue Bonds 2020		46,677,000		46,375,223
567 Water Drinking Bonds 2020		108,100,000		106,009,402
568 W & S Revenue Bonds 2021				45,793,144
569 W & S Revenue Bonds 2022				30,738,396
570 Water/Sewer Pay As You Go		2,940,000		3,110,596
575 MUD 4 Capital Program				
<u>Capital Projects Funds</u>				
500 Capital Projects		444,875		1,136,441
501 Capital Projects-CO 2001		1,775,000		1,386,775
503 Capital Projects-CO 2006				2,046
506 Capital Projects-GO 2009		31,804,828		32,161,962
507 Capital Projects-GO 2020		38,800,744		32,050,398
508 Capital Projects-CO 2020		23,720,237		23,691,769
509 Capital Projects-GO 2021				13,598,609
512 Capital Projects-CO 2021				7,405,928
513 Capital Projects-GO 2022				6,008,609
SUB TOTAL - CIP		260,347,684		356,488,012
GRAND TOTAL:		485,150,881		584,030,910

FY20 COP PAY PLAN-10/01/2019

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
103	\$20,415.13	\$24,497.55	\$30,622.19	LIFEGUARD
	\$9.81	\$11.78	\$14.72	
104	\$21,435.23	\$25,722.68	\$32,153.35	HEAD LIFEGUARD
	\$10.31	\$12.37	\$15.46	
106	\$23,631.98	\$28,358.78	\$35,448.98	INTERN
	\$11.36	\$13.63	\$17.04	RECREATION ATTENDANT
				SUMMER CAMP COUNSELOR
				WATER SAFETY INSTRUCTOR
107	\$24,813.68	\$29,776.82	\$37,221.53	CUSTODIAN
	\$11.93	\$14.32	\$17.89	
108	\$26,054.97	\$31,265.56	\$39,081.95	FACILITY ATTENDANT
	\$12.53	\$15.03	\$18.79	
110	\$28,725.41	\$34,470.29	\$43,088.62	CAMP COORDINATOR
	\$13.81	\$16.57	\$20.72	OFFICE ASSISTANT
				POLICE RECORDS CLERK
111	\$30,161.63	\$36,194.36	\$45,242.95	ANIMAL SHELTER ATTENDANT
	\$14.50	\$17.40	\$21.75	CUSTOMER SERVICE REPRESENTATIVE I
				DEPUTY COURT CLERK
				PARK MAINTENANCE WORKER
				PERMIT CLERK
				SIGN TECHNICIAN
112	\$31,669.56	\$38,003.27	\$47,504.34	CUSTODIAL CREW LEADER
	\$15.23	\$18.27	\$22.84	CUSTOMER SERVICE REPRESENTATIVE II
				RECORDS & INFORMATION COORDINATOR
113	\$33,253.24	\$39,904.09	\$49,879.86	ACCOUNTS PAYABLE CLERK
	\$15.99	\$19.18	\$23.98	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	\$34,915.70	\$41,898.84	\$52,373.55	ADMINISTRATIVE ASSISTANT
	\$16.79	\$20.14	\$25.18	EQUIPMENT OPERATOR
				JAILER
				LEGAL SECRETARY
115	\$36,661.99	\$43,993.58	\$54,992.48	HEAVY EQUIPMENT OPERATOR
	\$17.63	\$21.15	\$26.44	LEAD COURT SECURITY OFFICER
				QUARTERMASTER

FY20 COP PAY PLAN-10/01/2019

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
116	\$38,495.14	\$46,193.36	\$57,742.71	ANIMAL CONTROL OFFICER
	\$18.51	\$22.21	\$27.76	BACKFLOW COMPLIANCE INSPECTOR
				BUILDING MAINTENANCE TECHNICIAN
				CCTV TECHNICIAN
				CHIEF COURT CLERK
				CODE ENFORCEMENT / HEALTH OFFICER
				EXECUTIVE ASSISTANT
				HR COORDINATOR
				LEAD BILLING SPECIALIST
				JUVENILE CASE MANAGER
				MECHANIC
				PARK MAINTENANCE CREW LEADER
				PARK NATURALIST
				PRE-TREATMENT TECHNICIAN
				RECREATION SPECIALIST
				TREATMENT PLANT OPERATOR I
				UTILITY MAINTENANCE TECHNICIAN
				YOUTH DEVELOPMENT COORDINATOR
117	\$40,419.19	\$48,503.23	\$60,629.29	ANIMAL SHELTER SUPERVISOR
	\$19.43	\$23.32	\$29.15	COMMUNICATIONS SPECIALIST
				CRIME VICTIM LIAISON
				DEPUTY CITY SECRETARY
				IT SUPPORT SPECIALIST
				PAYROLL SPECIALIST
				PD - POLICE CADET
				ROW INSPECTOR
				TELECOMMUNICATIONS OPERATOR
				TRAFFIC SIGNAL TECHNICIAN
118	\$40,419.19	\$48,503.23	\$60,629.29	ACCOUNTS PAYABLE SUPERVISOR
	\$19.43	\$23.32	\$29.15	ADAPTIVE RECREATION SPECIALIST
				BUILDING INSPECTOR
				GIS TECHNICIAN
				HR SPECIALIST
				LEAD JAILER
				MAINTENANCE CREW LEADER
				PLANNING TECHNICIAN
				TREATMENT PLANT OPERATOR II
				URBAN FORESTER
				UTILITY FIELD SERVICE TECHNICIAN, LEAD
				UTILITY MAINTENANCE TECHNICIAN, SENIOR
				VOLUNTEER COORDINATOR
119	\$44,562.21	\$53,475.46	\$66,843.82	AQUATICS SUPERVISOR
	\$21.42	\$25.71	\$32.14	BUYER
				COMMUNITY OUTREACH COORDINATOR
				CONSTRUCTION INSPECTOR
				CRIME SCENE TECHNICIAN
				CUSTOMER SERVICE SUPERVISOR
				FACILITY SUPERVISOR
				ANIMAL CONTROL SUPERVISOR
				PLANNER I
				PLANS EXAMINER
				PW INFRASTRUCTURE LIAISON
				TELECOMMUNICATIONS TEAM LEADER

FY20 COP PAY PLAN-10/01/2019

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
120	\$46,790.27	\$56,148.93	\$70,185.91	ADDRESSING COORDINATOR
	\$22.50	\$26.99	\$33.74	BACKFLOW COMPLIANCE PROGRAM COORDINATOR
				CIP COORDINATOR
				EMERGENCY MANAGEMENT PLANNER
				ENGINEERING TECHNICIAN
				EXECUTIVE ASSISTANT, SENIOR
				PRETREATMENT COORDINATOR
				PROJECT COORDINATOR
				STAFF ACCOUNTANT
121	\$49,130.44	\$58,956.73	\$73,695.66	ASSISTANT MANAGER, PERMITS & INSP
	\$23.62	\$28.34	\$35.43	ELECTRICIAN
				PARK SUPERVISOR
				PLANNER II
				CHIEF INSPECTOR
				VIDEOGRAPHER/EDITOR
122	\$51,586.76	\$61,903.91	\$77,380.14	BUDGET ANALYST
	\$24.80	\$29.76	\$37.20	BUSINESS ADMINISTRATOR
				CONTRACT ADMINISTRATOR
				CRIME ANALYST
				GIS SPECIALIST
				MARKETING MANAGER
				NATURAL RESOURCE MANAGER
				OPERATIONS MANAGER
				RESOURCE DEVELOPMENT COORDINATOR
				SALES AND EVENT MANAGER
				SENIOR ACCOUNTANT
				SPECIAL EVENTS COORDINATOR
				STORMWATER COORDINATOR
				COMMUNICATIONS SUPERVISOR
				TREASURY ANALYST
				TREATMENT PLANT SUPERVISOR
123	\$54,166.30	\$64,999.56	\$81,249.45	HR BUSINESS PARTNER
	\$26.04	\$31.25	\$39.06	MAINTENANCE SUPERVISOR
				SAFETY OFFICER
				SENIOR PLANNER
				RECREATION PROGRAM MANAGER
				WATER B&C ASSISTANT MANAGER
123 F	\$54,166.30	\$64,999.56	\$81,249.45	FIREFIGHTER*
	\$19.65	\$23.58	\$29.48	
124	\$56,874.11	\$68,249.74	\$85,311.67	ATHLETICS AND AQUATICS MANAGER
	\$27.34	\$32.81	\$41.02	BUILDING MAINTENANCE SUPERVISOR
				DEVELOPMENT COORDINATOR
				FIRE INSPECTOR/INVESTIGATOR
				SENIOR BUDGET ANALYST
				HEALTH & ENVIRONMENTAL SERVICES SUPERVISOR
				QUARTERMASTER SUPERVISOR
125	\$59,718.27	\$71,661.52	\$89,576.90	ASSOCIATE ENGINEER
	\$28.71	\$34.45	\$43.07	ACQUISITION MANAGER
				DEVELOPMENT SERVICES MANAGER

FY20 COP PAY PLAN-10/01/2019

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
				JAIL MANAGER
				MUNICIPAL COURT ADMINISTRATOR
				COMMUNICATIONS AND RECORDS MANAGER
				PARKS DEVELOPMENT & OPERATIONS SUPERINTENDENT
125 F	\$59,718.27	\$71,661.52	\$89,576.90	DRIVER/OPERATOR*
	\$21.67	\$26.00	\$32.50	FIRE FIELD TRAINING OFFICER*
126	\$62,703.83	\$75,245.00	\$94,056.25	ANIMAL SERVICES MANAGER
	\$30.15	\$36.18	\$45.22	CHIEF CONSTRUCTION INSPECTOR
				CONSTRUCTION MANAGER
				DATABASE ADMINISTRATOR
				GRANTS/SPECIAL PROJECTS ADMINISTRATOR
				IT INFRASTRUCTURE ARCHITECT
				MANAGEMENT ASSISTANT
				PROJECT MANAGER
				PUBLIC WORKS SUPERINTENDENT
				RECREATION SUPERINTENDENT
127	\$65,838.87	\$79,007.25	\$98,758.81	MARKETING DIRECTOR (EDC)
	\$31.65	\$37.98	\$47.48	WATER BILLING & COLLECTION MANAGER
				MUNICIPAL COURT PROSECUTOR
127 F	\$65,838.87	\$79,007.25	\$98,758.81	FIRE LIEUTENANT*
	\$23.89	\$28.67	\$35.83	
128	\$69,131.47	\$82,957.36	\$103,696.70	PLANNING MANAGER
	\$33.24	\$39.88	\$49.85	DEVELOPMENT MANAGER (EDC)
				FACILITIES SERVICE MANAGER
129	\$72,587.69	\$87,105.43	\$108,882.04	BUILDING OFFICIAL
	\$34.90	\$41.88	\$52.35	EMERGENCY MANAGEMENT COORDINATOR
				GIS MANAGER
				INFORMATION TECHNOLOGY MANAGER
				SENIOR DEVELOPMENT MANAGER (EDC)
				SENIOR PROJECT MANAGER
130	\$76,216.62	\$91,460.55	\$114,325.94	ASSISTANT CITY ENGINEER
	\$36.64	\$43.97	\$54.96	CLINICAL MANAGER
				FIRE CAPTAIN (Training)
				RISK MANAGER
				VICE PRESIDENT - EDC
130 F	\$76,216.62	\$91,460.55	\$114,325.94	FIRE CAPTAIN*
	\$27.65	\$33.19	\$41.48	
131	\$80,028.36	\$96,033.83	\$120,041.53	ASSISTANT CITY ATTORNEY
	\$38.48	\$46.17	\$57.71	CONTROLLER
				ASSISTANT DIRECTOR, HUMAN RESOURCES

FY20 COP PAY PLAN-10/01/2019

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
132	\$84,028.97	\$100,835.37	\$126,043.96	ASSISTANT DIRECTOR, P&R
	\$40.40	\$48.48	\$60.60	ASSISTANT DIRECTOR, PUB WORKS
				BATTALION CHIEF (Logistics)
				BUDGET AND PROCUREMENT MANAGER
				FIRE MARSHAL
132 F	\$84,028.97	\$100,835.37	\$126,043.96	BATTALION CHIEF*
	\$30.49	\$36.59	\$45.73	
133	\$88,230.57	\$105,877.29	\$132,346.36	ASSISTANT DIRECTOR, CAP PROJ
	\$42.42	\$50.90	\$63.63	ASSISTANT DIRECTOR, ENGINEERING
				ASSISTANT DIRECTOR, FINANCE
134	\$92,642.25	\$111,170.70	\$138,963.88	ASSISTANT FIRE CHIEF
	\$44.54	\$53.45	\$66.81	
135	\$97,274.11	\$116,729.74	\$145,911.67	DEPUTY CITY ATTORNEY
	\$46.77	\$56.12	\$70.15	
136	\$102,138.27	\$122,565.52	\$153,206.90	ASSISTANT POLICE CHIEF
	\$49.10	\$58.93	\$73.66	
DEPARTMENT DIRECTORS AND ABOVE ARE NOT LISTED ON THE PAY PLAN				

CITY OF PEARLAND
CIVIL SERVICE PAY PLAN
FY 2020

	1	2	3	4	5	6	7	8	9	10	11	12
Police Officer 142*	\$28.14 \$58,522.50	\$28.99 \$60,308.87	\$29.88 \$62,149.33	\$30.79 \$64,047.02	\$31.73 \$66,001.94	\$32.70 \$68,016.15	\$33.70 \$70,092.79	\$34.73 \$72,231.85	\$35.79 \$74,436.46	\$36.88 \$76,708.69	\$38.01 \$79,050.63	\$39.17 \$81,463.32

	1st year	2nd year	3rd year	4th year	5th year	6th year
Sergeant 20*	\$40.03 \$83,259.05	\$41.26 \$85,826.76	\$42.53 \$88,472.49	\$43.85 \$91,201.46	\$45.20 \$94,013.67	\$46.59 \$96,913.26
Lieutenant 5*	\$48.03 \$99,910.65	\$49.45 \$102,861.23	\$50.91 \$105,899.19	\$52.42 \$109,027.68		
Captain 4*	\$53.96 \$112,242.51	\$55.58 \$115,599.88	\$57.24 \$119,056.17			

*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

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

CLUSTER PLANS

A. 0 to less than 5 acres	\$1,800
B. 5 to less than 25 acres	\$2,000
C. 25 to less than 50 acres	\$2,400
D. 50 to less than 75 acres	\$3,000
E. 75 to less than 100 acres	\$3,800
F. 100 acres and over	\$4,600

P & Z SUBDIVISION VARIANCE

- A. \$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	\$200.00
(After 5:00pm Monday-Thursday; after 4:00pm on Friday, and on weekends)	

POLICE

Accident Report	\$ 6.00
(As may be amended from time to time by State Statute)	
Notarized Accident Report	\$ 8.00
(As may be amended from time to time by State Statute)	
Clearance Letter	\$ 5.00
(As may be amended from time to time by State Statute)	
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/Installation	
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-Effective 10/01/2019

<i>Base (Single Unit by Meter Size)</i>	<i>Water</i>	<i>Sewer</i>
<i>Residential</i>		
5/8"	\$15.78	\$22.74
3/4"	\$15.78	\$22.74
1"	\$26.30	\$37.89
1 1/2"	\$52.60	\$75.79
2"	\$84.16	\$121.26
3"	\$157.79	\$227.37
4"	\$262.99	\$378.95
6"	\$525.97	\$757.90
8"	\$841.56	\$1,212.63
10"	\$1,209.74	\$1,743.16
<i>Commercial</i>		
5/8"	\$15.78	\$22.74
3/4"	\$23.68	\$34.11
1"	\$39.46	\$56.85
1 1/2"	\$78.92	\$113.70
2"	\$126.27	\$181.92
3"	\$236.75	\$341.10
4"	\$394.59	\$568.50
6"	\$789.17	\$1,137.00
8"	\$1,262.68	\$1,819.20
10"	\$1,815.10	\$2,615.10
Multi-Unit (per unit)	\$15.78	\$22.74
<i>Residential Volumetric</i>		
0 - 2,000 gallons	In base	In base
2,001 - 6,000 gallons	\$4.06	\$5.00
6,001 - 15,000 gallons	\$5.09	\$5.00
15,001 - 25,000 gallons	\$6.11	\$5.00
25,001+ gallons	\$8.14	\$5.00
<i>Commercial/Multi-Unit Volumetric</i>		

0 - 2,000 gallons	In base	In base
2,001+ gallons	\$5.09	\$5.00
<i>Irrigation Volumetric</i>		
0 - 2,000 gallons	In base	
2,001+ gallons	\$6.11	

Water and Sewer Rates-Residential and Commercial Effective 1/1/2020

<i>Base (Single Unit by Meter Size)</i>	<i>Water</i>	<i>Sewer</i>
5/8"	\$15.78	\$22.74
3/4"	\$23.68	\$34.11
1"	\$39.46	\$56.85
1 1/2"	\$78.92	\$113.70
2"	\$126.27	\$181.92
3"	\$236.75	\$341.10
4"	\$394.59	\$568.50
6"	\$789.17	\$1,137.00
8"	\$1,262.68	\$1,819.20
10"	\$1,815.10	\$2,615.10
Multi-Unit (per unit)	\$15.78	\$22.74
<i>Residential Volumetric</i>		
0 - 2,000 gallons	In base	In base
2,001 - 6,000 gallons	\$4.06	\$5.00
6,001 - 15,000 gallons	\$5.09	\$5.00
15,001 - 25,000 gallons	\$6.11	\$5.00
25,001+ gallons	\$8.14	\$5.00
<i>Commercial/Multi-Unit Volumetric</i>		
0 - 2,000 gallons	In base	In base
2,001+ gallons	\$5.09	\$5.00
<i>Irrigation Volumetric</i>		
0 - 2,000 gallons	In base	
2,001+ gallons	\$6.11	

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.

5/8" and ¾" Short Tap	\$1,300
5/8" and ¾" Long Tap	\$1,700
¾" U-branch Assy w/2 nd ¾ meter	\$800.00 + added cost if needed
1" Short Tap	\$1,400
1" Long Tap	\$1,700
2" Short Tap	\$3,200.00
2" Long Tap	\$3,400.00

Gravity Sewer Tap Fee's

4" Short Tap	\$1,100
4" Long Tap	\$1,500

Force Main Tap Fee's

2" Short Tap	\$1,400
2" Long Tap	\$1,800

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 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 In City \$ 5.00 round trip Outside City
Special Event Permit Fee	\$ \$100.00

Deposits

Centennial Park Pavilions	\$ 50.00
Southdown Park Pavilion	\$ 50.00
Southdown Stage and Lawn	\$140.00
Independence Park Large Pavilion	\$200.00
Independence Park Stage and Lawn	\$300.00
Independence Park Lawn A	\$ 50.00
Independence Park Lawn B	\$ 50.00
Independence Park Full Park*	\$500.00
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

*Full Park only includes rentable amenities; park closure requests must be processed via special event permits.

Indoor rental cleaning Fee	\$180.00
Administrative fee for rental cancellations	\$ 25.00

Rental Fees

Outdoor

<i>Facility</i>	<i>1/2 Day</i>			<i>Full Day</i>		
	<i>Resident</i>	<i>Non-Resident</i>	<i>Non-Profit</i>	<i>Resident</i>	<i>Non-Resident</i>	<i>Non-Profit</i>
Centennial Park Pavilion	\$60.00	\$90.00		\$120.00	\$180.00	
Southdown Park Pavilion	\$60.00	\$90.00		\$120.00	\$180.00	
Southdown Park Stage & Lawn	\$180.00	\$270.00	\$90	\$360.00	\$540.00	\$180.00
Independence Park Large Pavilion	\$180.00	\$270.00	\$90	\$270.00	\$405.00	\$135
Independence Park Stage & Lawn	N/A	N/A	N/A	\$450.00	\$675.00	\$225
Independence Park Lawn A	\$60.00	\$90.00	\$30.00	\$90.00	\$135.00	\$45.00
Independence Park Lawn B	\$60.00	\$90.00	\$30.00	\$90.00	\$135.00	\$45.00
Independence Park Full Park*	N/A	N/A	N/A	\$1,200.00	\$1,800.00	\$600.00
Gazebo at City Hall				\$30.00	\$60.00	

*Full Park only includes rentable amenities; park closure requests must be processed via special events permit.

Events that are open to the public and that include the sale of anything (e.g., ticket sales, merchandise, food and beverages, alcohol, etc.) will be charged the base area rental fee and 5% of net revenues.

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	\$18.00
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	Up to 2 adults and 3 children.

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

\$150.00.00/per court

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
Additional Lifeguard Supervision			\$10 per hour per Lifeguard
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			\$300.00

Special Note: 2 parking lot attendants are required for all events with an anticipated 500+ total attendance. .Parking lot attendants are \$15.00 an hour and this fee will be assessed with other rental fees.

* 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 per day will be assessed.

Delores Fenwick Nature Center Fee Schedule		
Category	Non-Profit	Organization
Field Trip	\$8.00/guest	\$8.00/guest
Classroom Rental	\$25.00/hr	\$50.00/hr
Miscellaneous branded merchandise will be sold in accordance to the adopted cost-recovery model.		

Health

Fees for Health Certificates and Re-inspection on Food Related Establishments

	Full Service	Limited Preparation
1 - 4 employees	\$150.00	\$125.00
5 - 9 employees	\$200.00	\$150.00
10 - 25 employees	\$350.00	\$200.00
26 - 50 employees	\$500.00	\$225.00
51 - 100 employees	\$600.00	\$250.00
101 or more employees	\$750.00	\$250.00

Foster homes	\$50.00
Prepackaged Only	\$150.00
Mobile Units	\$225.00
Additional units	\$225.00
Produce Vendor	\$100.00
Schools / Daycares	\$125.00
Temporary fees for Special Events	\$50.00
Pre-opening inspection fee	\$100.00
Re-inspection Fee for failing initial inspection	\$75.00



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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

PFIA – 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

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.



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