

CITY OF PEARLAND FY21 ADOPTED BUDGET "RESILIENCE IN UNCERTAINTY"



City of Pearland

Fiscal Year 2020-2021

Budget Cover Page

This budget will raise less revenue from property taxes than last year's budget by an amount of -\$18,583,721, which is a -24.03 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 \$1,799,557.

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

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

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	Tax Year 2020	Tax Year 2019
Property Tax Rate:	0.720000	0.741212
No New Revenue Tax Rate:	0.737640	
No New Revenue Maintenance & Operations	0.306546	
Voter Approval Tax Rate:	0.732275	
Debt Rate:	0.415000	

Total Amount of Municipal Debt Obligations, issued as a public security, as defined by Section 1201.002 of the Government Code, secured by property taxes is \$436,246,280.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Pearland
Texas**

For the Fiscal Year Beginning

October 1, 2019

Christopher P. Morrill

Executive Director

Mayor & City Council



Adopted Budget Fiscal Year October 1, 2020—September 30, 2021



Tom Reid
Mayor



Luke Orlando
Position 1



Tony Carbone
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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30 July 2020

Mayor Reid and Honorable City Council members:

It is the responsibility of the City Manager to put forth a recommended budget, one that is balanced but also has the capability of delivering the quality essential services that are required of the City of Pearland.

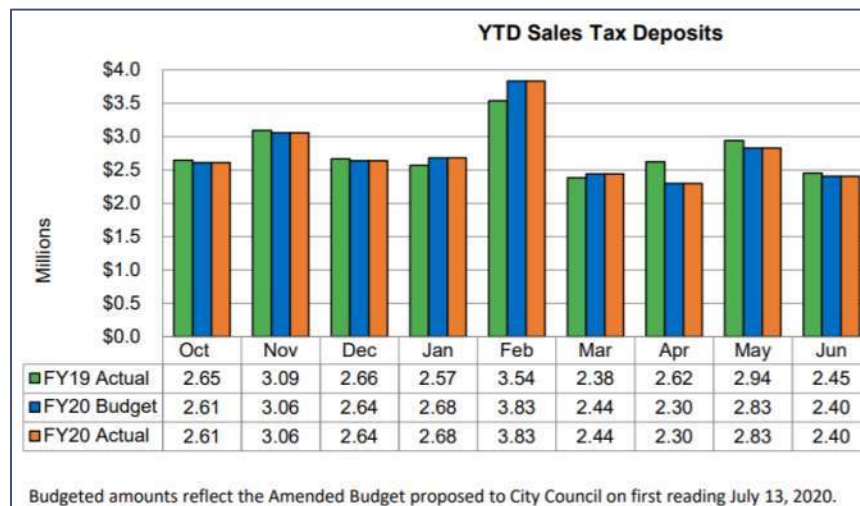
Background and Context

COVID-19 & an Oil Glut equals what Bloomberg news called a “[double black swan](#)” event for Texas. That reality **sets the stage for everything that comes after, whether we like it or not.** The contrast in our reality is that we have a still-growing city with ambitions and needs in a competitive environment. A resiliency exists and is critical to not only persevere through the swan events, but to emerge a stronger, better community when the clouds clear and community gatherings resume.

We at the City of Pearland build up our systems and our people to be resilient. In the current 2020 pandemic era, we have built in contingencies and are operating from a position requiring deferring expenditures for maximum flexibility. Opportunities to balance the immediate needs and keep investing in long-term benefit projects remain all around us. The context in which we are getting things done, though, remains decidedly different. An Economist article (April 30, 2020) described the pandemic-era ‘90% economy’ whereby activity is not only smaller, but differently “weird” and less predictable. It is with that reality that the City’s recommended budget for fiscal year beginning October 1, 2020 is presented.

We know that many families and businesses have been strained and set back dramatically. However, as a multi-faceted local government, the City of Pearland’s impact, as monitored and reported continuously, has *not* shown dire impact from effects of this pandemic. **The combination of early action, conservative budgeting, and continuous monitoring have kept City finances in good standing.**

Indeed, the elastic revenues of building permits and sales tax were reported in the Third Quarter financial report to be thus far only slightly off the prior year total. The sales tax receipts represent





not just our revenue but also act as a proxy for the impact of the economy and the cursed double-black swan upon Pearland:

- Ironically, there are newly appreciated strengths, from a financial basis for this pandemic, that are not always evident: Sales tax base big boxes in Pearland are **business to consumer transactions**. Large traditional general retailers as shown in the table above constitute near a quarter of the retail sales tax revenue for a month. Other cities have a larger business-to-business or tourism/travel component that hurt their revenues more.
- As properties are assessed by County appraisal districts for their value at one moment in time, on the first of the year, changes in market conditions through the year do not impact local governments except as measured at January 1 value of each year. Pearland's property tax base is supported by **stable residential uses** (fully 2/3 of the total with commercial uses the remaining 1/3). Current historically low interest rates seem at present to offset typical declines in values found in constricted economic conditions. Pearland housing indicators appear strong and would look to stay robust so long as recovery brings some normalization of the surrounding and supporting job market.

Top 10 Taxpayers			
Rank	Company	FYTD Collections	% Total
1	WAL-MART STORES TEXAS LLC		
2	HOME DEPOT U.S.A. INC.		
3	H-E-B LP		
4	COSTCO WHOLESALE CORPORATION		
5	LOWE'S HOME CENTERS LLC		
6	SAM'S EAST INC.		
7	TARGET CORPORATION		
8	ACADEMY LTD.		
9	BEST BUY STORES L.P.		
10	NEW CINGULAR WIRELESS PCS LLC		
Top 10 Companies		\$ 6,702,971	23.9%
11233	Other Large Companies	\$ 21,081,091	75.0%
	Small Companies/Other	\$ 299,386	1.1%
	Single Local Tax Rate (SLT)	\$ 18,878	0.1%
Total		\$ 28,102,325	100.0%

The City of Pearland through FY20 did not experience drastic revenue reductions. We acted to increase cash reserves which will give us flexibility in the form of additional fund balance. Throughout FY20, we maintained a mantra of working to maximize flexibility and reserves to deal with unknown change.

Even though there are local governments that do not have the financial stability we enjoy, we are still not presuming rapid growth in revenue streams. Therefore, we are **producing a budget here that meets the minimums, or just over, for most operations. The problem is that this is not a status quo community:**

- There are increased service level demands *and* volumes of service requests generally (plus population, plus business quantity, plus complexity of context in which we serve).
- There are large infrastructure and equipment needs of the City's responsibility that need reinvestment.

Given the uncertainties, there can be a year of increased deferred maintenance investment for our responsibilities, but we know it will require more when better certainty and conditions return.





Race, Equity and Justice

The spring and summer of 2020 was already stressed and jumbled across the world. Then, the Minneapolis in-custody death of George Floyd heightened and shifted attentions. Pearland was on a world stage for a brief afternoon as the processional for Mr. Floyd’s entombment came down our Cullen Boulevard. Both then and the days leading up to the entombment, the Pearland community experienced similar dismay at our country’s unaddressed and unresolved inequities and injustices. While Pearland, through long-standing partnership and listening with our community as a bedrock stood strong, we want to be a part of something better. The Pearland example for communication and professionalism from local law enforcement must become the norm.

Our community is proudly diverse. The biennial CDS benchmarking survey showed most recently how Pearland among even diverse peers maintains a mix of ethnicities, a measure of diversity, that has no single background in a majority. In fact, there is an even distribution.

Policing, law enforcement generally, and the justice system are at the forefront of the social justice discussions. Our Pearland Police Department training, leadership, and practices work to reflect the community and earn

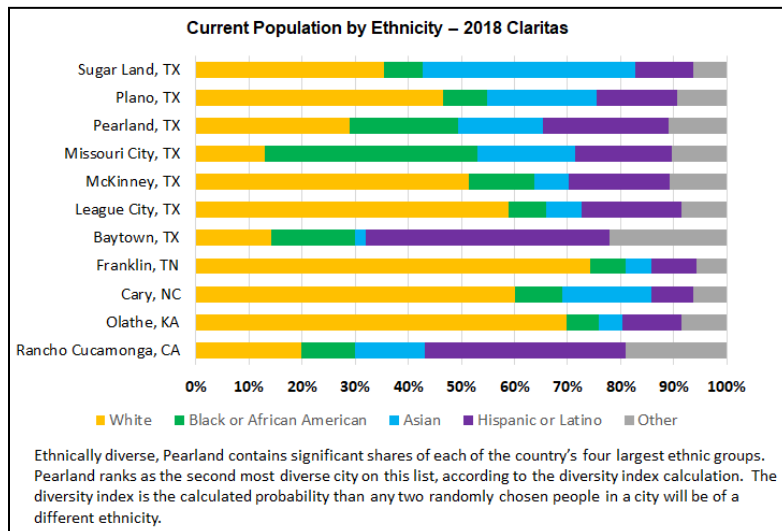
the support and confidence of those we serve. The dialogues and examinations continue. We [shared a 'Foundational Elements' communication hub](#) to explain and document rules and training requirements. Our use of force doctrine is reviewed regularly with a new section forthcoming in August. Officers are trained and will follow those rules.

Internally, we have a Diversity, Equity and Inclusion Taskforce built to ensure employees from across the City feel heard and included, and that they are part of a community that incorporates our team members of different backgrounds, lifestyles and perspectives.

Our investments in the budget and use of staff time to build community and opportunities for coming together are important. We can also lead by example by being a workplace that’s welcoming to people of all backgrounds and support that with time and budget. The following is the Diversity Statement and Tagline for the Diversity, Equity, and Inclusion Task Force that guides their work:

Diversity Statement:

At Pearland Parks & Recreation, we are building a vibrant and connected community. That goal can only be achieved when everyone is allowed to shine. Through programming, recruitment, events, partnerships, recreation, community spaces, and more, we are dedicated to creating an environment that celebrates and welcomes all. Everyone has a safe place here. Play, engage, and celebrate. You are Pearland Parks and Recreation.





COVID-19 virus – Ongoing Response and Recovery

Response

We teach and emphasize “all hazards” readiness. While weather is our usual hazard, the high-water rescue vehicles aren’t a useful tool for a global pandemic.

Proactive actions taken administratively started formally when we promptly activated our now longest serving Incident Management Team. Early steps that seem so long ago were strong work from our IT-GIS team members to lead developing a rhythm for a dashboard that’s been publicly facing and updated daily ever since origination in March 2020. At this writing, we are within our Incident Action Plan #24 and have issued Situation Report #36. No event in my career or within our team has had such extended operational periods.

As the saying goes, “the best time to repair the roof is when the sun is shining.” The commitment and planning of the staff team for emergency management has served us well. Over the last year there have been significant technology investments in the Emergency Operations Center. One example is the WebEx meeting software which has facilitated communication from the Emergency Operations Center disseminating information to the Incident Command Staff related to the COVID-19 pandemic, the George Floyd entombment, and inevitable tropical storm developments. Our staff team shifted us to take advantage of the city’s existing technology by leveraging a teleconferencing room kit in the EOC that seamlessly integrated into the current phone system.

From emergency preparedness generally, there’s increased focus, with budget to support, upon training for the rainy day, with position-specific training (topics of public information and planning). To heighten awareness, the budget reflects a reporting move of Emergency Management (two existing staff) from Fire Department into the City Manager’s Office. That makes sense as emergency management is a city-wide priority.

We were preparing for the acknowledged weather risks most visibly by acquiring high water rescue vehicles and training, the all-hazards mindset of emergency management gave us the ability to successfully manage three separate incidents commands *simultaneously* for a time in June – the ongoing COVID-19 pandemic, the George Floyd entombment, and the potential threat of Tropical Storm Cristobal.

City operations have continued to function at near-normal capacity, provided the workforce in some ways has shifted workloads and accelerated technology adoption to account for the new operational normalcy. Daily work activities leveraged the City’s advancement in technology by moving to a digital workplace, all of which were results of prior budget investments. The IT infrastructure supported the workforce transition instantly and provided the flexibility departments needed to allow continuity of services across the organization.

Benefits of the recent IT infrastructure enhancements have allowed the organization and staff to continue to work seamlessly from any device; anywhere. Specifically, the fiber network investments provide the communication backbone necessary to accomplish the work. This investment allows the staff flexibility to communicate and collaborate across the organization from any location while facilitating the “personal connection” needed in the workforce. Building on the infrastructure, Office 365 provided access to the Teams application which consolidated and organized the operational collaboration aspects into one holistic system removing the physical boundaries.

The WebEx acquisition for teleconferencing allowed public meetings (City Council, Planning and Zoning, etc.) to continue without impacting City business. This technology offers a platform to conduct virtual meetings anytime, anywhere and provides transparency for the public. The





teleconferencing was coupled with enhancements in the City Public Access Channel to deliver high quality meetings on several technology platforms, Channel 99 for U-Verse, Channel 16 for Comcast, and the City's YouTube Channel; all supported by the Public Education and Government Cable (PEG) Fund. None of these advancements were available to us a year ago.

For staff, the best opportunity for staying healthy sometimes meant staying safe at home. Remote work policies, leave banks, and

accommodations, helped ensure that city employees could remain safe while performing their duties and meeting the service needs of our residents. We, of course, maintain most City-provided essential public services – public works, park maintenance, police, and fire in the real world, not virtually. We have continued to respond to emergencies when called upon, but emergency volumes were generally down. Critically, employees who have need for direct contact with the public are trained and equipped with personal protective equipment (PPE). Training and policies have evolved and adapted as the weeks wore on, and knowledge and guidance changed. The result of proactive measures and management is that we have had low infection rates; most infection exposures are attributed to contacts *outside* of work.

Closures in higher risk areas including the Knapp Senior Activity Center and our recreation program offerings, were necessary. Periodic closings of our Recreation Center and Natatorium, City Hall, Public Safety Building, and Animal Shelter to the public were also required. At the Knapp Activity Center, the staff there has had the ability to sustain meal service (pickup and delivery) of over 15,000 meals and engage our aging population via technology to host virtual book clubs, coffee talk, and several art courses. These services were [recognized by the National Recreation and Parks Association](#) as an exemplary response to the pandemic for older adults.

Within services provided to the community, there is a common-sense approach that is operating with an awareness of waning discretionary dollars. At the Recreation Center & Natatorium, membership charges have been suspended and will resume as Phase II of the published plan is implemented. For citizens choosing to continue using home gyms, etc. an option to continue suspended charges (and use) is available for an undetermined time frame that will evolve with the pandemic recession.

Recovery

There are now the seeds of recovery even as the virus continues its community spread. Hurricane Harvey and "traditional" incidents are relatively 'quick' with an immediate impact followed by recovery & rebuilding physical infrastructure. With the ongoing pandemic, we are still in the thick of things, continuing to provide public services in this 'new normal' that will continue for the foreseeable future, but major uncertainties remain for safety and economy. Indicators contrary to each other abound -- sales tax, home values, private investment, jobs.

The incident Management Team closely monitors the evolution of COVID-19, specifically in Pearland, as a function of Public Health, as well as the successive implications of that relating to the sociological future, and those firmly rooted in a sound economic horizon.





To appropriately pursue, and receive, the types of funding to best serve the needs of the organization and community, in response to the current pandemic, the City has been allocated \$6,374,005 directly from the State of Texas for recovery efforts in the Brazoria County portion of the City, with an additional \$288,035 expected from Harris County for that portion of the City limits, and another \$56,155 from Fort Bend. Including the \$251,873 the City will receive from HUD for Coronavirus stimulus spending, \$40,503 from the U.S. Department of Justice, and another \$44,767 from the U.S. Department of Health and Human Services for Fire Department COVID-19 EMS transports, **the City has been awarded a total of \$7,055,338 in Coronavirus pandemic relief for disbursement to local unmet needs in Pearland.**

Success Factor: Practice, Training, and Attention (not luck)

Continued City of Pearland success rests upon maintaining our resiliency as an organization. This starts with financial resiliency resulting to, and affected by, this recommended budget. Our Moody's outlook was returned to 'stable' during the worst economy we've seen in our lifetime. The decisions made in the last two years to add more to fund balance beyond minimums for several years precipitated the change. The recommended FY21 balanced budget continues that trend while keeping variables in mind:

- Local sales tax continues to outperform state and nation.
- Smart decision and planning at the Capital Improvement Plan (CIP) presentation & Early Budget have given us tools to manage tax rate in the future while supporting critical improvements.
 - The multi-year nature of the CIP and necessity to plan and prepare largely independent of single quarter or even individual year changes.
 - Taking advantage of the City's benefit of investment and securing competitive pricing in many cases.
- Aggressive action by Staff to pursue external funding secure \$6+ million in CARES act funding.

Operational resiliency

Our City services continue, and the City is "Open", but in different ways since March and for the foreseeable future. The diligence and dedication of the City staff should not be underestimated nor go unrecognized. On top of the Incident Management Team and the associated response to the COVID-19 pandemic, much work was done to keep the Pearland community working, especially from our Parks and Recreation Department staff who have:

- Introduced rotational schedules and remote working options.; flexible leave time and other provisions where provided when possible
- Offered online programming and adapted on-site options
 - Nearly 100,000 attendees to virtual programs offered by the Delores Fenwick Nature Center
- Developed Group Fitness as a live stream
- Launched Community Scavenger Hunts via App
- Orchestrated Web-based 'Camp at Home' that has been attended by over 20,000 residents





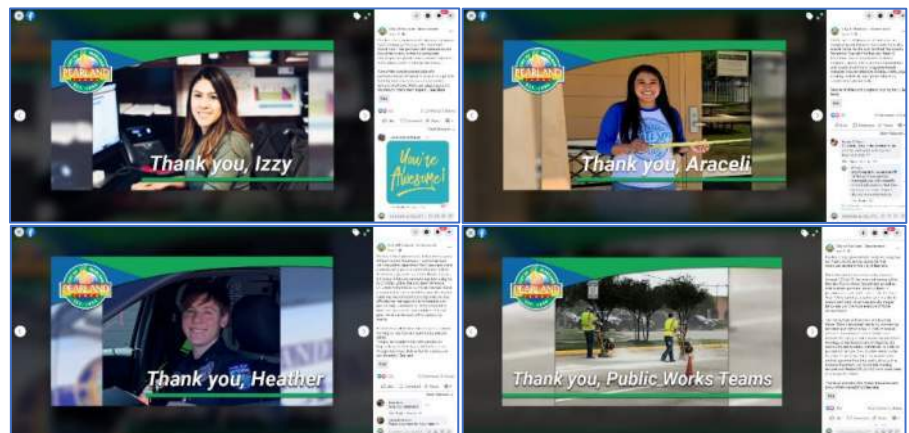
- Running Virtual Adaptive Programs for those living with Physical or Cognitive impairment to nearly 5,000 participants
- Launched a drive-in movie series: 'Sunset Cinema' observing social distancing requirements
- Produced Water Safety Videos, and Tips for Swimming safely at home
- On a dynamic reservation system, the Recreation Center and Natatorium, is opening (and closing) guided by the waiting period within Opening America plan, and has served over 1,000.
- Continued Senior Center meal delivery services through partnership with ActionS of Brazoria County.

Another example of operational resilience comes from our Community Development colleagues. To continue to assist development in moving forward in Pearland during these times, the Community Development Department assigned additional staff to assisting builders, contractors, and residents with filing all permit applications online. Additionally, an appointment system was created to allow those that need in-person assistance to sign up for a time to come in the office and visit with permitting staff. Pre-Development meetings, a useful tool which provides an applicant with the ability to meet with a wide variety of development review staff in the early stages of a project, moved online to ensure the provision of this important service.

The parallels between High Performance Organization (HPO) culture and Emergency Management actions are plentiful. Running three Incident Management Teams simultaneously with precision and success does not happen by accident. Experience, planning (HPO and IC training), putting the right people in the right place, after action/lessons learned, financial ability to keep the city services moving without a break in service and/or laying people off when finances show signs of strain. We prioritize keeping our people safe for their own good and their families as well as being able to continue service.

Thank you City of Pearland staff – Our Excellent Public employee servant leaders at all levels

We understand the value of acknowledging the hard work our dedicated staff commit to everyday, partly because of the work of HPO. We empower our people to be leaders at all levels, trust their judgement, and stand by them as they serve this great community. The outcome is a stronger workforce that operates at a higher level and provides more comprehensive professional satisfaction.





Continued Growth and Development

Sustained and managed growth and development of the City helps ensure the resiliency of Pearland itself. With the investment of private dollars through continued development of commercial parcels and residential subdivisions, Pearland ensures a steady and strengthened community that supports the property and sales tax bases essential to the provision of services. Though the effects of COVID-19 have impaired development this year, higher than expected permit valuations and fees received, the health of the existing housing market, and the continued interest shown in our city by the development community, highlight Pearland as a desirable city for the future.

FY20 Investments

State Highway 288 Toll Road Completion and Master Improvements

As the 288 managed lane project nears completion (toll lanes estimated to be open to traffic in late 2020), the City and Pearland Economic Development Corporation (PEDC), along with the Pearland Municipal Management District No. 2 (PMMD2) continue to work to complete the final phases of the SH 288 Master Improvements Plan. This project is a strategic investment to preserve and enhance the economic value that has been created in the 288 corridor. This investment speaks directly to the two community goals in our Pearland Prosperity Strategic Plan for economic growth and diversification through a holistic approach to economic development and to ensure we are providing quality features so that we continue to be a community of choice in Greater Houston.

These improvements will ensure a memorable corridor that will increase our community's competitiveness for talent, jobs and investment. The 288 corridor in the last 25 years has transformed from a rural area, to the commercial heart of our community, with millions of square feet of retail, office, two major hospitals, surrounded by high quality residential communities. The economic impact to our community of the 288 corridor cannot be overstated. The long-term sustainability and growth of these developments are vitally important to our sales and property tax base that the City depends on to generate the revenue to provide services to our residents.

The improvements include landscaping, irrigation, lighting, large water fountains, pear sculptures, and gateway signage, from Beltway 8 to Magnolia Parkway. The improvements are expected to be complete in 2022. Funding for Corridor maintenance and long-term improvements will be the primary responsibility of PMMD No. 2 via its taxing authority.



Economic Development

At the center of the Pearland Prosperity framework are two Community Goals that broadly identify the desired outcomes of Pearland’s holistic economic development effort.

These goals are:

1. Economic growth and diversification: Provide opportunities for residents to prosper and enhance Pearland’s fiscal sustainability through a holistic approach to economic development.
2. A community of choice in Greater Houston: Ensure Pearland’s quality of life and quality of place continue to attract and retain diverse individuals and families.



The two overarching goals can be pursued through strategic initiatives grouped into seven high-level focus areas:

Business Development

1. Business Development
2. Business Formation and Early Stage Growth
3. Site Development
4. Corridors
5. Infrastructure and Mobility
6. Quality of Life and Quality of Place
7. Workforce and Talent

Business Formation and Early Stage Growth

A major point to come out of the strategic plan was that Pearland must enhance its entrepreneurial ecosystem of individuals, organizations, institutions, and programs that encourage and support the formation and growth of new businesses. In 2020-21, PEDC will work with the city to create an “entrepreneurial ecosystem,” by engaging in a multi-step process to develop the Pearland program, consisting of research, public and partner input and program design. Once the analysis is complete, we can create a development plan that will have the desired programming, a physical hub and other needed resources to create an on-going effective program.

Corridors: State Highway 35 Redevelopment

With the SH 35 Entryway and Corridor Enhancements completed in 2020, the City and PEDC will continue efforts to optimize the development potential of State Highway 35, one of Pearland’s principal corridors. One of the five catalyst concepts in the SH 35 Redevelopment Strategy is Business Park North. The City and PEDC will continue to implement this strategy to better position the properties in the area for investment by completing the remaining improvements for the Rice Drier/Halik area. The second phase of these improvements – the reconstruction of Rice Drier – are currently underway. The third and final phase, which includes improvements to Halik Road, are beginning final engineering design and we expect to begin construction in late 2021.





Overall Expenditures Highlights

Historical

In our Comprehensive Annual Financial Report (CAFR), an unvarnished snapshot of City of Pearland's finances across dozens of funds as of the September 30 close of each fiscal year, we provide a table of spending and growth analysis. The table shows a long run of total City expenditures by category.

The numbers are helpful to reflect the priority for our primary operating investment and growth in **public safety**, fully 21% of the total across all funds for the fiscal year ending September 30, 2019.





An interesting reality check is the long-run analysis of per capita City government expenditures when properly indexing to the Consumer Price Index: Per capita expenditures are *less* in absolute terms, even less when adjusted for CPI for ten years ago.

CITY OF PEARLAND, TEXAS				
SPENDING AND GROWTH ANALYSIS				
<i>Last Ten Fiscal Years</i>				
<i>Amounts in (000's)</i>				
<i>(Modified Accrual Basis of Accounting)</i>				
Amounts in (000's)			Ten	Average
Expenditures	2010	2019	Year	Compounded
			% CHG	Growth Rate
General Gov't	\$ 8,538	\$ 11,300	32%	3%
Public Safety	23,784	41,273	74%	6%
Public Works	7,108	16,968	139%	10%
Community Services	3,839	4,313	12%	1%
Parks & recreation	6,305	5,959	-5%	-1%
Economic Development	15,426	29,195	89%	7%
Subtotal: Operating	\$ 65,000	\$ 109,008	68%	6%
Debt Service - principal	8,525	23,547	176%	12%
Debt service - interest	17,096	15,814	-7%	-1%
Capital outlay	64,563	43,474	-33%	-4%
Intergovernmental	4,234	7,168	69%	6%
Subtotal: Long-term/Non-recurring	\$ 94,418	\$ 90,003	-5%	-1%
Total	\$ 224,418	\$ 308,019	37%	4%
Distribution of Spending				
General Gov't	4%	4%		
Public Safety	11%	13%		
Public Works	3%	6%		
Community Services	2%	1%		
Parks & recreation	3%	2%		
Economic Development	7%	9%		
Debt Service - principal	4%	8%		
Debt service - interest	8%	5%		
Capital outlay	29%	14%		
Intergovernmental	2%	2%		
Total	71%	65%		
Per Capita Expenditures Adjusted for CPI				Average Compounded Growth Rate
POPULATION	94,100	127,500		3.43%
PER CAPITA	\$ 2,385	\$ 2,416		0.14%
CPI INDEX (NATIONAL)	218.06	256.76		1.83%
PER CAPITA ADJ TO 2019	\$ 2,808	\$ 2,416		-1.66%
PER CAPITA ADJ TO 2010	\$ 2,385	\$ 2,052		-1.66%





The FY21 Budget

Fiscal responsibility

The budget is presented below the current rate and below what the State formula calls no new revenue (aka Effective Tax Rate) That challenge, to be at the effective rate, was given us by the City Council at the February early budget input meeting, so that has been met. However, the Pearland community is not a *status quo* place, so there is also shared herein an option for the City Council to adopt to a different rate *and/or* to either preserve cash resources or allocate some of the General Fund unencumbered cash balance to City Council's additional priorities.

In a structurally balanced budget, revenues equal expenditures for recurring General Fund operations. In this budget that feat is not automatic and does not come without considerable work, scrutiny, and reductions - there are deferred expenditures and what we would like to put into the budget for employee wages is deficient. However, the constraints and uncertainties described many times exist for upcoming FY21 to make the budget reality here.

Water & Sewer (W&S) rates are recommended flat, even as labor, commodities and cost of production will rise slightly and significant capital improvements continue. There is a scenario option for minor decrease, but that would likely just expand the next years' rate increases. Actual performance of revenues and expenditures in the enterprise fund is not totally in our control – that's important. The fund performance results additional sales or not and lower than anticipated expenditures in FY20 and reductions to supplemental requests.

A "fix" of one problem two years ago, inconsistent billing cycles, led to a different problem last year - the gap between water meter reads and billing. That resulting gap grew to be extreme in 2019. That resulted then in a complex matter that we are working towards resolving and in many ways, will continue to shape our near-term way forward. We are rolling out the 32/30 plan right now with the first bills going out to customers in August. We've been able to partner with Raftelis to review our rate model and update FY20 projections and to review the revenue projections for the updated tier structure for the 32/30 plan. Strategic staff additions have bolstered the team going forward. We've seen tangible improvements in customer service and billing just over the last few months. This FY21 budget takes the critical next step of adding two more Billing Specialists to that strong team.

Compensation

Uncertain times ahead impact operations. As the situation evolves, so too will this budget and plan. **We have two months from presentation to adopt a budget** and changes can be made along the way, if needed. As described herein, we are going into the process with a significant unallocated General Fund's fund balance to provide flexibility and resources to deal with additional twists and turns. We will also amend the budget at least twice next year, but here are a few items to expect in the base budget:

- The standard Civil Service (Police) step pay increases and longevity are built into the base.
- A classification and compensation study is being solicited now for professional services.
- Zero increase to health care premiums for employees. This is a direct result of sound management of our Health Claims Fund, as we were able to utilize fund balance to offset the increase to employees, while remaining above policy minimum.





- Provision is included for the + 2.0% COLA across-the-board for employee salaries in October.

Capital Improvements

A significant portion of the Pearland story is investing in drainage, parks, facilities, streets, water and wastewater systems for the city we have now and are developing for the future. As stated on several occasions, Pearland has not had the luxury of growing gradually into its cosmopolitan suburban state. Maturation happened with a growth spurt over two decades – from 37,740 in 2000 to an estimated 130,000 in 2020. That's + 245% or 12%/year annualized. Put another way, the Pearland population addition over 20 years is almost equivalent to the population add of modern-day Missouri City and Alvin combined. So, it is no wonder there are a considerable number of projects to serve Pearland in 2020 and beyond.

The result is that building and serving that population has come in large capital improvement programs, facilitated first by the 2001 Bond issue that built many of the major stormwater detention basins and also Magnolia Parkway as a road improvement, then followed by the 2007 Bond issue items and then the 2019 Bond issue, plus many leveraged outside funding sources and certificates of obligation between.

The result is now an adopted 2021-2025 Capital Improvement Program with a half billion dollars of public improvement investments under our stewardship.

Highlights of the improvements around us, thanks to our excellent Engineering staff, include on the traffic and road network, the most obvious constriction and sometimes aggravation for residents and business:

- McHard Road extension from Mykawa Road to Cullen Parkway
- Mykawa Road Expansion from beltway 8 south to Broadway/FM 518
- Smith Ranch Road Expansion from Hughes Ranch Road to Broadway
- Pearland Parkway Traffic Circle
- Broadway Expansion from SH 288 to SH 35
- SH 288 northbound frontage road from CR 59 to FM 518/Broadway

Storm resiliency is on the top of our minds as we mark time before the pandemic in framing of which hurricane or tropical storm inundated the area. We are fortunate to have a strong ongoing partner with the Brazoria Drainage District No. 4. That's complemented now with the Harris County Flood Control District that is leading the Clear Creek drainage project, 50+ years in the making. Through Harvey and prior weather events, structures in the City of Pearland, particularly the new areas held to modern standards, have weathered well. The City has known the importance and invested for decades. Currently, projects include Willowcrest and West Lea subdivisions. There is a huge potential project for Hickory Slough drainage improvements that we are seeking a grant to fund with the State of Texas' Government Land Office.

Water is the essence of life. Providing fresh water and taking away and treating wastewater is one of our daily functions, but there are capital projects that require many years to plan, procure, build, and begin operation. Such capital projects for upgrades and modernization on the utility side include:

- Surface Water Treatment Plant to move towards our own supply of up to 10 million gallons per day





- Improvements to the Bailey well water plant
- Replacement of water pipe in the south Corrigan and Green Tee neighborhoods
- Expansion to the Barry Rose water reclamation facility
- Expansion and upgrades to the John Hargove Environmental Center water reclamation plant
- Replacement of sanitary sewer in the Old Town area
- Decommissioning the Longwood Water Reclamation Facility that's in a recurring flood hazard location

Parks are the energy of a city, appreciated now more than ever as people get out and distance in wide open spaces whenever able. Parks improvements include the new Green Tee Terrace section of the Clear Creek Trail, funded substantially by HGAC through a grant. Also, the Shadow Creek Trail along the Clear Creek Relief drainage area that will tie into our new public library area. City facilities to do the work we value are necessary. Near term construction projects include:

City facilities to do the work we value are necessary. Near term construction projects include:

- Animal shelter and adoption center to replace obsolete and undersized space
- State-of-the-art public library on Shadow Creek Parkway, to be operated by the Brazoria County Library System
- Public works service center on Orange Street that will withstand winds and rains while those staff operate in all emergencies
- Fire Station No. 4 on Freedom Drive, east of Cullen Parkway next to the Public Safety Building

Not in this budget

The supplemental requests from departments are listed here and the few able to be funded are highlighted. Most items from staff, which we encourage them to continue bringing forward for awareness and decision making, remain for another day.

Items include the fleet replacements, streets and sidewalks, and the numerous departmental supplemental requests. More mundane but important requests not included in the budget include upgrades to City Secretary document software, staffing in City Secretary as well as Engineering, Finance, Fire Information Technology, Parks, Court security, and Police.





General Fund Revenue Overview

Our City's General Fund provides the bulk of day-to-day services. Our work is primarily funded by the local 1% sales tax and our local property tax. The TIRZ #2 Administrative fee, the City's portion of what the TIRZ captures and sends back to the City for services, is accounted for in Charges for Services

Annual Budget by Account Classification Report

Fund: 100 General Fund	2018 Actual		2019 Actual		2020 Amended		2021 Proposed	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Property Taxes	\$20,383,959	26%	\$23,098,213	28%	\$26,801,576	31%	\$28,420,428	32%
Sales & Use Taxes	\$22,662,007	29%	\$22,427,733	27%	\$21,505,963	25%	\$22,334,033	25%
Franchise Fees	\$7,097,568	9%	\$7,244,496	9%	\$7,139,532	8%	\$7,022,658	8%
Licenses & Permits	\$4,145,496	5%	\$4,198,563	5%	\$3,661,452	4%	\$3,902,640	4%
Fines & Forfeitures	\$2,322,398	3%	\$2,528,927	3%	\$1,603,446	2%	\$2,392,706	3%
Charges for Services	\$16,051,689	21%	\$17,150,321	21%	\$16,906,119	20%	\$19,423,383	22%
Investment Earnings	\$193,334	0%	\$750,827	1%	\$453,898	1%	\$456,568	1%
Intergovernmental	\$0	0%	\$0	0%	\$700,037	1%	\$190,000	0%
Miscellaneous	\$1,302,233	2%	\$1,167,935	1%	\$2,491,873	3%	\$564,433	1%
Transfers In	\$3,816,116	5%	\$4,674,460	6%	\$4,949,456	6%	\$5,226,770	6%
Revenue Totals:	\$77,974,800		\$83,241,475		\$86,213,352		\$89,933,619	

Property Tax Base

After exemptions for non-taxable, homestead exemptions, and the like, local property tax is composed of two components, the value and the rate. For the base value, growth overall for values from the three counties, our analysis of information from the three Central Appraisal Districts is that 30% of homestead properties had an increase in AV between 0% and 5%, with another 63% realizing a one-year change 5% or more. Finally, 7% assessed with no change or a decrease.

For tax year 2020 driving FY21, value of new improvements and new personal property is \$250 million onto the three rolls, compared to \$247 million in Tax Year 2019 for FY20.

The base values provided by CADs are the starting point in the City's calculations. From that base, the taxable amount upon which we apply our rate gets whittled down. For one, TIRZ #2 is removed for both operating and debt service. Then, the amount from tax ceilings per the State worksheet is removed, leaving a smaller base.





Property Tax Rate

While individual valuations change from the CADs for each of the thousands of parcels of property, the City sets its own single rate applied to each valuation. The rate has two components, Operations/Maintenance and Debt Service. The debt service is a required amount, whatever is necessary to legally repay the next year's obligations for public investment projects. The operations portion funds public services of police, fire, public works, parks, community development, and all the associated support.

The City of Pearland's strong credit rating is reaffirmed each time we go to the long-term credit market is bolstered by our ability to repay, strong management, and track record of performance.

- The ability to repay ratio of outstanding obligations to assess valuation has *improved*, decreasing on that ratio of 4.71 % in FY13 to currently 2.85% for upcoming FY22.
- The debt service rate of the City was as high as .4900 for three consecutive fiscal years starting in FY13 through FY15. It is recommended to be *down* to .04150 for FY21.
- Debt as a portion of the total was as high as 69.5% in FY13 and FY14. It is recommended to be *down* to 57.6% for FY21.

The recommended FY21 budget is based upon the City adopting a rate that is *below* the State of Texas benchmark Calculation for 'No New Revenue'.

There is room to go up 1.2 cents for operations to still be below the "No New Revenue" rate and below the current rate. For reference only, that would provide \$1.2 million more in revenue resources to shore up operations and invest more. The "Voter-Approval Rate" is actually below the "No New Revenue Rate" due to the State of Texas math formula.

The rate for the City Council's consideration is lower than the prior year in absolute terms, is a tax revenue *reduction* according to the State calculations (see below explanation of "No New Revenue"), significantly below conservative estimates for the debt service side when voters approved the May 2019 bond election, and significantly below conservative estimates in prior multi-year budgeting.

The calculation for 'No New Revenue' is designed from Senate Bill 2 that was passed, [according to the State Comptroller Office](#), "enables the public to evaluate the relationship between taxes for the prior year and for the current year, based on a tax rate that would produce the same amount of taxes if applied to the same properties taxed in both years." The *former* language for this type of calculation was the 'Effective Tax Rate'.

There is a new maximum rate that exceeding would require voter approval (formally would have required a petition), now called the "Voter-Approval Rate", formally akin to the Rollback Rate. In addition to the new terminology, the new "Voter-Approval Rate" is designed to give a benchmark of + 3.5% more than the No New Revenue Rate plus debt service rate. The former Rollback Rate allowed + 8% in revenue growth.





To add even more complexity and confusion, the new formulas introduce factors of past years' collection rates. The formula now too factors in attorney fees and other costs in collection, which the City does not even receive.

Comparison of Potential Property Tax Rate and Revenue				
General Fund and Debt Service Property Tax Rates	FY2020 Actual Rates & Amended Budget	Fiscal Year 2021*		
		(1) Proposed Tax Rate	(2) No New Revenue Rate (formerly Effective Tax Rate)	(3) Voter Approval Rate (formerly Rollback Tax Rate)
O&M	0.306778	0.3050	0.32264	0.317275
Debt Service	0.434434	0.4150	0.415000	0.415000
Total	0.741212	0.7200	0.73764	0.732275
G.F. Property Tax Revenue + TIRZ Admin Fee (in millions)	\$26.3 + \$11.1 = \$37.4	\$28.1 + \$12.5 = \$40.6	\$29.8 + \$12.5 = \$42.3	\$29.3 + \$12.5 = \$41.8

*For Fiscal Year 2021, the proposed rate in **green** is used in the recommended budget revenue.

The TIRZ Admin Fee is being reviewed. There will be adjustment, perhaps a material amount, to the \$12.5 million projected.

Property Tax examples

Because of different valuation cases, individual property tax bills will have varying actual experiences. We have used the same sample set of properties each year unless there has been





an ownership transfer affecting the homestead exemption. Even with generally appreciating values, the actual tax bills are modest increases or decreases for the City portion of the bill.

Summary of Homestead Property Tax Bills Projected for 2020 Tax Year (for FY 2021 Budget Cycle)													
		Zero Growth		Homestead Example 1		Homestead Example 2		Homestead Example 3		Homestead Example 4		Homestead Example 5	
TY19 Actual COP Tax Bill		\$ 1,349		\$ 1,967		\$ 1,123		\$ 1,191		\$ 1,893		\$ 1,021	
TY19 Taxable Value		\$ 187,000		\$ 272,210		\$ 156,490		\$ 165,640		\$ 262,000		\$ 142,720	
% Increase		0.0%		-1.3%		16.1%		14.1%		1.1%		27.6%	
TY20 Taxable Value		\$ 187,000		\$ 268,800		\$ 181,640		\$ 188,950		\$ 265,000		\$ 182,060	
Scenario	City Rate	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual
Proposed TR	0.7200	\$ 1,310	\$ (39)	\$ 1,887	\$ (80)	\$ 1,203	\$ 81	\$ 1,276	\$ 85	\$ 1,860	\$ (33)	\$ 1,094	\$ 74
Monthly Change		\$ (3)		\$ (7)		\$ 7		\$ 7		\$ (3)		\$ 6	

		Homestead Example 6		Homestead Example 7		Homestead Example 8		Homestead Example 9		Homestead Example 10		Senior Example	
TY19 Actual COP Tax Bill		\$ 1,547		\$ 2,273		\$ 3,251		\$ 1,556		\$ 2,426		\$ 206	
TY19 Taxable Value		\$ 214,080		\$ 314,502		\$ 449,910		\$ 275,700		\$ 335,760		\$ 173,850	
% Increase (Decrease)		4.1%		1.0%		5.0%		6.3%		1.6%		3.7%	
TY20 Taxable Value		\$ 222,910		\$ 317,595		\$ 472,490		\$ 293,000		\$ 341,070		\$ 180,260	
Scenario	City Rate	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual	TY 2020 Amount	Change from Prior Year Actual
Proposed TR	0.7200	\$ 1,565	\$ 18	\$ 2,230	\$ (43)	\$ 3,317	\$ 65	\$ 1,556	\$ -	\$ 2,394	\$ (32)	\$ 206	\$ -
Monthly Change		\$ 1		\$ (4)		\$ 5		\$ -		\$ (3)		\$ -	

Other Revenues

The other major General Fund revenue source supporting operations is the 1% local sales tax. While the Pearland experience for retail sales tax activity has been relatively solid, as noted at the outset of this letter, the uncertainty remains for FY21. Sales tax revenue is budgeted conservatively for FY21 at \$22.0 million, basically equal to the FY19 actual and close to the FY20 Projection of \$21.3 million.

Another category, fines and forfeitures, have a larger variation when compared to last year, but that was running below budget for the entire year, before COVID-19 hit.

General Fund Expenditure Overview

General Fund expenditures include salary wages and benefits, most expenditure at nearly three-quarters of the total. We have included a + 2.0% COLA for implementing in October.

The budget highlights section elsewhere in this document provides items we have included, such as two additional police officers, the additional firefighter positions for completing Fire Station No. 8 staffing, streets and sidewalks replacement/reconstruction, and modest fleet replacements (currently essentially funded from the 'home' department until the Fleet internal service fund is fully established).





The FY21 expenditures for our growing city, still building up our full-time Fire Department, two new police officers, and adding other associated professionals upon which our city relies, are budgeted up +3.8% over the amended FY20 amount.

Annual Budget by Account Classification Report

Fund: 100 General Fund	2018 Actual		2019 Actual		2020 Amended		2021 Proposed	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Expenditures								
Salaries & Wages	\$53,952,551	69%	\$57,385,939	72%	\$59,975,094	71%	\$64,639,179	72%
Materials & Supplies	\$2,264,965	3%	\$2,122,257	3%	\$2,525,575	3%	\$2,670,056	3%
Building & Grounds	\$3,063,638	4%	\$2,284,962	3%	\$1,512,729	2%	\$1,457,188	2%
Repair & Maintenance	\$3,117,319	4%	\$1,975,550	2%	\$2,936,762	3%	\$3,003,981	3%
Miscellaneous Services	\$11,220,714	14%	\$10,430,403	13%	\$10,611,438	13%	\$10,891,838	12%
Other	\$19,180	0%	\$20,471	0%	\$93,286	0%	\$222,700	0%
Inventory	\$779,349	1%	\$516,478	1%	\$314,721	0%	\$646,180	1%
Capital Outlay	\$2,334,476	3%	\$753,529	1%	\$433,936	1%	\$223,590	0%
Principal Payment	\$556,677	1%	\$528,212	1%	\$367,691	0%	\$206,760	0%
Interest Expense	\$34,922	0%	\$14,638	0%	\$11,925	0%	\$6,047	0%
Transfers Out	\$1,009,451	1%	\$3,994,725	5%	\$5,470,657	6%	\$5,615,272	6%
Expenditure Totals	\$78,353,242		\$80,027,164		\$84,253,814		\$89,582,791	

The work of the City of Pearland government is focused upon our community's health and safety, as reflected in prioritization of resources to public safety (police and fire). Public safety category expenditures are up +4.7% for FY21 over the amended FY20 amount.

Annual Budget by Function Report

Fund: 100 General Fund	2018 Actual		2019 Actual		2020 Amended		2021 Proposed	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Expenditures								
General Government	\$11,936,500	15%	\$12,241,075	15%	\$13,936,290	17%	\$15,685,098	18%
Public Safety	\$42,277,271	54%	\$44,823,444	56%	\$47,760,111	57%	\$50,550,727	56%
Public Works	\$13,997,803	18%	\$12,826,943	16%	\$12,572,668	15%	\$12,461,168	14%
Community Services	\$4,050,477	5%	\$3,915,720	5%	\$3,983,589	5%	\$4,205,312	5%
Parks & Recreation	\$6,091,191	8%	\$6,219,982	8%	\$6,001,156	7%	\$6,680,486	7%
Expenditure Totals	\$78,353,241		\$80,027,164		\$84,253,814		\$89,582,791	





General Fund Unallocated Fund Balance

With the pullback of expenditures in FY20 including keeping budgeted positions open (firefighters pending the SAFER grant and others) plus the fact that other expenditures expected were not available or took less priority in FY20, we enter FY21 with a strong cash balance. That is recommended to be further enhanced even more with the budget here to preserve cash and maximize flexibility to meet needs.

At the same time, the environment and data has changed much in the last hours of preparing this recommended budget. Much of it has improved and benefited from the work started months ago when there was even more uncertainty and we had to be very conservative in the required early work of building a complex budget. If the City Council desires to provide resources for additional priorities to start in the FY21 budget, that flexibility is here. There is also a goal to move up the minimum unencumbered cash balance over time.

	FY20 Amended	FY 21 Proposed Budget
Beginning Fund Balance	17,201,848	19,161,386
Revenue	86,213,352	89,933,619
Expenditures	84,253,814	89,582,791
Net	\$ 1,959,538	\$ 350,828
Ending Balance	\$ 19,161,386	\$ 19,512,214
Policy Minimum (16.6%)	\$ 14,042,302	\$ 14,930,465
Over (Under) Policy	\$ 5,119,084	\$ 4,581,749

Enterprise Fund (Water and Wastewater) Overview

The City's self-sustaining enterprise fund, a business unit of the city, for water and wastewater production and delivery every day, is an essential service. We are encouraged to wash our hands. There must be steady clean supply of water upon demand -- Which we provide.

Despite the growth and upgrades underway, **the water and wastewater operation is able to provide no change, 0% increase, in rates for the upcoming FY21.** The fund is balanced and meeting its obligations for maintenance and operations, plus significant capital expenditures and repayment of long-term capital project investments.





The water and wastewater system is managed and administered daily by professionals that are too often not fully appreciated. Our Public Works Department umbrella consists of the drainage, roads, facilities, and fleet and the highly regulated and complex system for drawing from the ground or from the City of Houston raw water, treating that, and distributing that through hundreds of miles of pipes to homes every day.

Our billing system for all of that has been scrutinized as it has been expanded and upgraded with new meters and the technology to read them upon demand.

Apart from the hard infrastructure improvements, there is process and management work ongoing. Consulting services for a complete Utility Billing process and system review will begin in September of this year and carry on with the first quarter of FY21. Again, as part of our necessity to upgrade and modernize, there's been work internally to change practices that have been in place for years, if not decades. Practices currently under review include:

- Proration of base rates when requests are made to voluntarily close accounts
- Easier transfers of existing accounts within the city
- Winter Quarter Average calculation adjustments to provide the lesser of usage or the fixed amount
- New customers realizing for winter quarter average the less of actual usage versus a fixed applied amount

Supplements included in this budget, expanded upon in the highlights section, include:

- Utility inspector to serve developer/builder requests for utility locates to avoid hits to our infrastructure which results in outages
- Public works administrative assistant for payroll, public information requests, procurement, and customer service.
- CCTV line inspection system replacement
- Utility billing team staffing

Window that will open

I am asked on occasion whether the City of Pearland will ever be in a state where we are maintaining and supporting the existing as much as we are catching-up and building the new? The answer is yes. The hard work and commitment of past and current staff and elected leaders lays the foundation for a resilient, competitive, excellent place.

In real world terms, there are several large positive items that may seem far off, but really not in terms of timeframe of a city:





- TIRZ #2 valuation back to general usage as opposed to being excluded from calculations and support for debt service and directly for operations. Thereby, in 2029 as we've shown in annual debt sales presentations, assisted too by the City Council's policy decision to allow level structured principal for future issues, could see general obligation debt rates go as low as 27 cents in tax year 2030
- TIRZ Reimbursement for debt service is anticipated and continues to perform to projections. Continued strong growth in TIRZ #2 (Shadow Creek Ranch planned development) could mean calling those bonds early and removing that debt from the interim financing requirement we now have
- TIRZ Reimbursement for Broadway Avenue improvements already completed are now projected for FY22. Just a few years ago, there was no expectation of being reimbursed at all. That will bring \$8 million back to the city which is recommended to primarily capitalize the City internal service fund for fleet and put our ongoing future investments of fleet on a firm platform

Conclusion

Resiliency means recovering and growing out of adversity. That term for the City of Pearland speaks aptly to the budget and our finances which remain solid, but more importantly, for now remain flexible. Our foundations rest not depending upon a spot price of a barrel of oil, but a mix of uses and sectors. Resiliency also comes to the cultural and social shifts as we navigate towards a better, more equitable society that is closer to the ideals we hold.

We have taken a huge punch from COVID-19 virus and many other smaller ones. While the grind is ongoing through uncertainty, Pearland remains standing strong as a great place to live, work, and play.

Respectfully submitted,

Clay J. Pearson

City Manager

September 30, 2020 Postscript: The budget was adopted essentially as recommended with two exceptions. First, Street and Sidewalk maintenance allocations were increased to total \$1,000,000. Second, Professional Development accounts in the General Fund were reduced 10% due to COVID-19, per the City Council's request.



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.

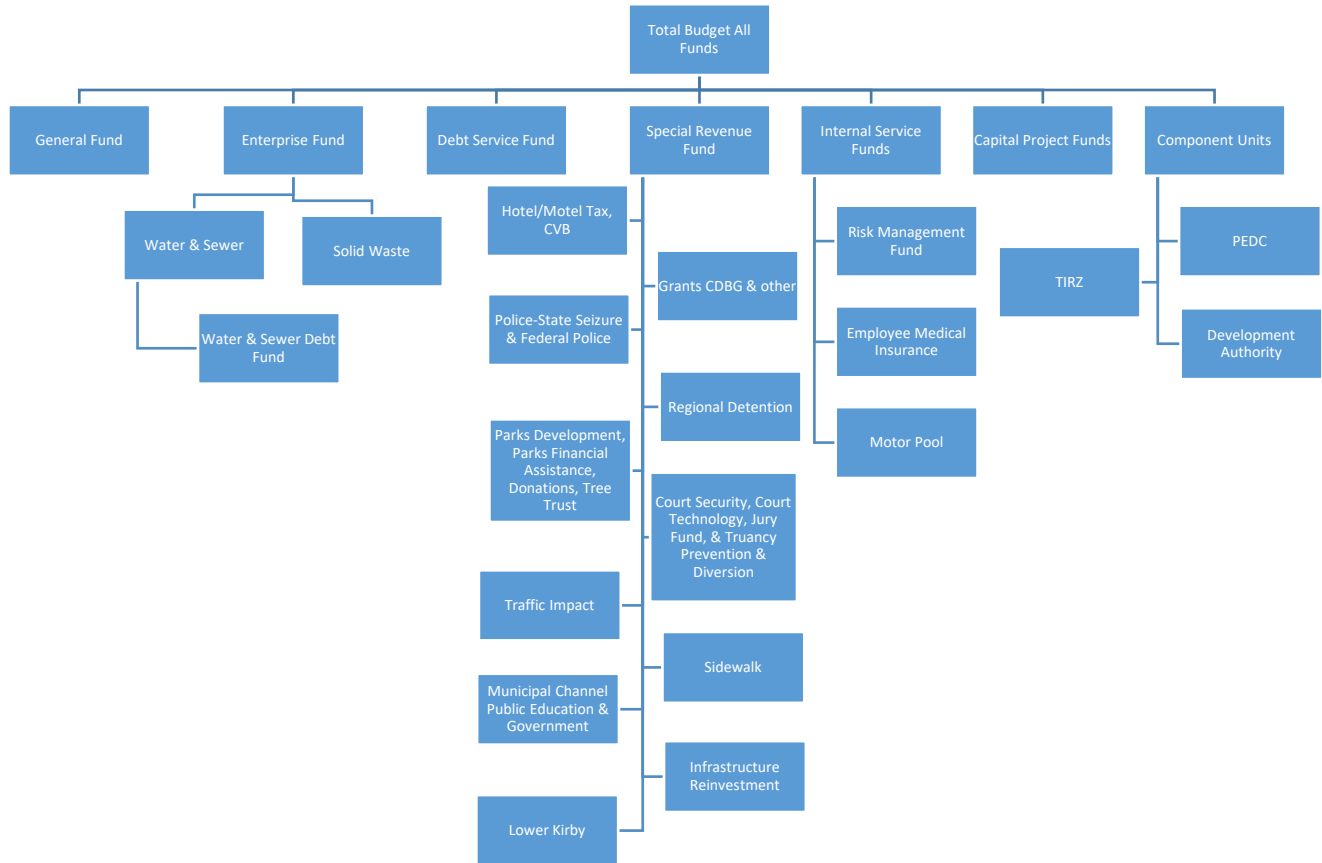
Component Units section includes a description of Component Units, an organization chart, an overview of the Pearland Economic Development Corporation (PEDC), a revenue and expenditure summary with fund balance with staffing summary, accomplishments, goals and objectives for this Fiscal Year and performance 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
Water & Sewer Debt Fund		X				
Solid Waste Fund		X				
Special Revenue Funds						
Hotel/Motel Occupancy Tax				X		
Court Security					X	
City Wide Donation Fund	X				X	
Court Technology					X	
Street Assessment		X				
Park Donations			X			
Tree Trust Fund			X			
Parks Financial Assistance Donations			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
CDBG Disaster Recovery Fund						X
Hazard Mitigation Fund						X
Coronavirus Relief Fund						X
Traffic Impact Improvement		X				
Truancy Prevention & Diversion					X	
Municipal Jury Fund				X		
Municipal Channel (Peg)						X
Regional Detention Fund		X				

FUND STRUCTURE

Governmental Funds

100 General Fund

200 Debt Service Fund

Capital Projects Funds

- 500 Capital Projects - Pay as You Go
- 501 Certificates of Obligation
- 502 General Obligation 2001
- 503 Certificates of Obligation 2006
- 504 Certificates of Obligation 2007
- 505 General Obligation 2008
- 506 General Obligation
- 507 General Obligation 2020
- 508 Certificates of Obligation 2020
- 509 General Obligation 2021
- 510 Lower Kirby Urban Center
- 511 PEDC Capital Projects
- 512 Certificates of Obligation 2021 TIRZ
- 513 General Obligation 2022
- 515 Certificates of Obligation 2020 TIRZ
- 516 Certificates of Obligation 2021 TIRZ
- 517 Certificates of Obligation 2022
- 518 Certificates of Obligation 2022 TIRZ

Special Revenue Funds

- 305 Hotel/Motel Occupancy Tax
- 310 Municipal Court Security
- 315 City Wide Donation Fund
- 320 Court Technology
- 325 Street Assessment
- 330 Park Donations
- 331 Tree Trust Fund
- 332 Parks Financial Assistance
- 335 Police State Seizure Fund
- 336 Federal Police Fund
- 340 Park & Rec Development Fund
- 345 Sidewalk Fund
- 350 Grant Fund
- 351 Community Development Block Grant (CDBG)
- 352 CDBG - Disaster Recovery
- 354 Hazard Mitigation
- 355 Coronavirus Relief Fund
- 360 Traffic Impact Improvement
- 365 Court Juvenile Management Fund
- 366 Municipal Jury Fund
- 370 Municipal Channel (Peg)
- 380 Regional Detention Fund
- 510 Lower Kirby Urban Center
- 514 Infrastructure Reinvestment

Enterprise Funds

- 600 Water Sewer Fund
- 601 Water Sewer Debt Fund
- 610 Solid Waste Fund

Capital Projects Funds

- 550 W/S Impact Fee Fund
- 551 Water Impact Fee Fund
- 552 Waste Water Impact Fee Fund
- 555 Shadow Creek Impact Fee
- 560 Certificates of Obligation 1998
- 565 Revenue Bonds - 1999 & 2003
- 566 Revenue Bonds Series 2020
- 567 Water Drinking Bonds Series 2020
- 568 Revenue Bonds Series 2021
- 569 Revenue Bonds Series 2022
- 570 Water/Sewer Pay As You Go
- 571 TWDB Revenue Bonds 2021
- 572 TWDB Revenue Bonds 2022
- 573 TWDB Revenue Bonds 2023
- 575 MUD 4 Capital Program

Internal Service Funds

- 700 Risk Management Fund
- 702 Medical Self Insurance Fund
- 703 Motor Pool Fund

Component Units

- 900 Economic Development Fund (PEDC)
- 920 Development Authority Fund (DAP)
- 930 TIRZ #2 Shadow Creek

Fixed Assets & Long-Term Liabilities

- 800 Long Term Debt
- 810-812 Fixed Assets
- 820-830 Long Term Debt - DAP & PEDC

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 make adjustments where needed.

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

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

FY21 BUDGET AT A GLANCE

1

Investment in public safety continues to be a top priority with the addition of new fire fighters for Fire Station No. 8, two new police officers, replacement police vehicles, and training in cyber security.

2

Continued Investment in infrastructure used every day by residents. Significant road improvements such as continuing McHard Road and street rehab will see an increase of 16% in funding, an 14% increase in sidewalk funding, and redevelopment of Rice Drier Road and Halik Street (funded by PEDC).

3

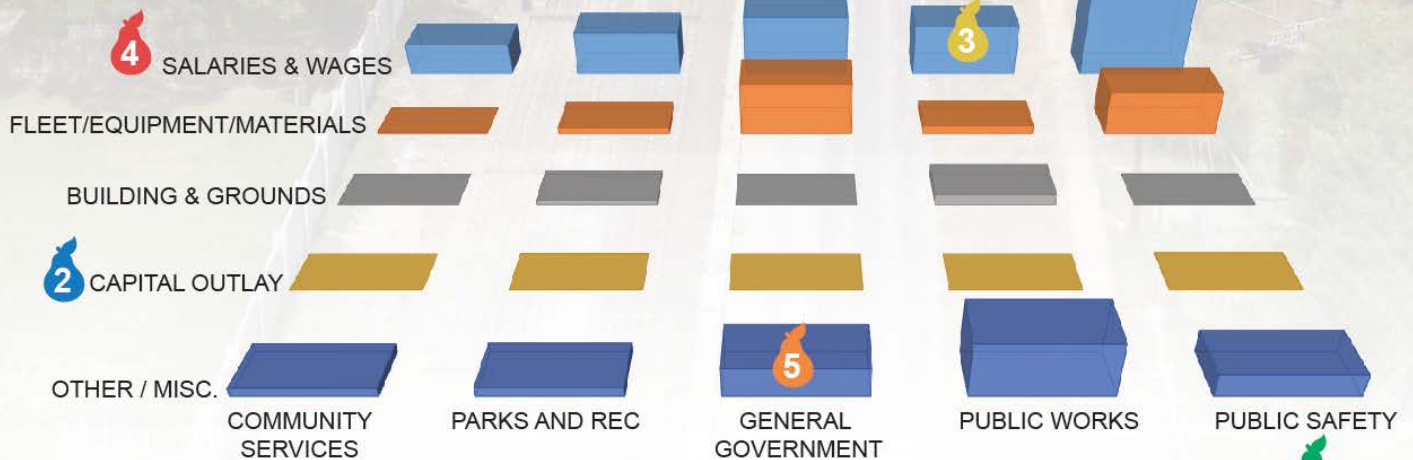
There is no rate increase recommended. Work ongoing to expand and modernize the system with water and wastewater plants. Continue to revamp Water and Sewer billing new positions and equipment (CCTV Mainline Inspection System) to support water production and wastewater.

4

A 2% COLA is included in the balanced budget. Annual Step pay for Police Civil Service employees is budgeted at \$134,203. Eligible employees will receive longevity pay, totaling \$242,920 across all funds.

5

Biennial community survey that provides a snapshot and trends of resident sentiment related to various aspects of community. The results of this survey prove out previous investments and guide direction for future planning.



Visit pearlandtx.gov/FY21Budget 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					
		-	-	-	-
		Sub-Total			
Safe Community					
Police	2 Sworn Police Officers (9 months)	304,736			304,736
IT	Cyber Security Training	9,000	9,000		18,000
Fire	Continious Onboarding	864,468			864,468
		-			-
		-			-
		Sub-Total			
Sustainable Infrastructure					
Public Works	CCTV Mainline Inspection System		129,553		129,553
Public Works	Administrative Assistant		54,093		54,093
Public Works	ROW Utility Inspector & Vehicle		89,347		89,347
Public Works	Fleet Maintenance Staff			155,873	155,873
		-			-
		-			-
		Sub-Total			
Fiscally Responsible					
Finance	Utility Billing Team		109,920		109,920
		-			-
		-			-
		Sub-Total			
Parks, Recreation & Events					
Parks, Recreation & Events	Year 2 of 3 for Purchasing Mowers			73,754	73,754
Parks, Recreation & Events	New and Improved Dog Park Fencing at Independence Park			45,000	45,000
		-			-
		-			-
		Sub-Total			
		-	-	118,754	118,754
		Total			
		<u>1,178,204</u>	<u>391,913</u>	<u>274,627</u>	<u>1,844,744</u>

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

**CITY OF PEARLAND
 FY 2021 FUNDED NEW POSITIONS BY
 FUND / DIVISION**

Fund / Division	Position Title	Net FTE Change
General Fund		
Police-Patrol	Two Police Officers for DDACTS/Traffic with Vehicles	2.0
Fire-Operations	Continious Onboarding	12.0
	Sub-Total	14.0
Enterprise Fund		
Utility Customer Service	Billing Specialist	2.0
Administration	Administrative Assistant	1.0
Grounds and Maintenance	ROW Inspector	1.0
	Sub-Total	4.0
Motor Pool Fund		
Fleet	Shop Foreman	1.0
Fleet	PM Mechanic	1.0
	Sub-Total	2.0
	Total*	<u>20.0</u>

**FISCAL YEAR 2021 BUDGETED
POSITIONS BY DEPARTMENT**

Function/Department	FULL-TIME POSITIONS				PART-TIME POSITIONS				FY2021
	FY 2019	FY2020		FY2021	FY 2019	FY2020		FY2021	TOTAL
	AMENDED	AMENDED	CHANGE	BUDGETED	AMENDED	AMENDED	CHANGE	BUDGETED	FTE
General Government									
City Manager	5.0	6.0		6.0	0.0				6.0
City Secretary	4.0	4.0		4.0	2.0	2.0		2.0	5.0
Finance	15.5	17.3		17.3	1.0	2.0		2.0	18.3
Utility Customer Services	19.0	20.8	2.0	22.8	1.0	1.0		1.0	23.3
Human Resources - GF	8.5	10.5		10.5					10.5
Human Resources - Prop/Liab Ins	0.5	0.5		0.5					0.5
Information Technology - GF	11.5	12.0		12.0					12.0
Information Technology - W&S	4.5	6.0		6.0					6.0
Legal	5.0	6.0		6.0	1.0	2.0		2.0	7.0
General Government Total	73.5	83.0	2.0	85.0	5.0	7.0		7.0	88.5
Public Safety									
Fire Dept. Administration	11.0	12.0		12.0	2.0	3.0		3.0	13.5
Fire Operations*	105.0	119.0	12.0	131.0	34.0	34.0		34.0	148.0
Fire Marshal	7.0	6.0		6.0	1.0	1.0		1.0	6.5
Fire Emergency Management	2.0	2.0	(2.0)						
Fire Health & Code Enforcement	8.0	8.0		8.0					8.0
Emergency Management			2.0	2.0					2.0
Police Administration	9.0	12.0		12.0					12.0
Police-Patrol	121.0	119.0	2.0	121.0					121.0
Police-Investigations	30.0	32.0		32.0					32.0
Police-Community Services	8.0	8.0		8.0					8.0
Police-Communications/Records	28.0	29.0		29.0	7.0	7.0		7.0	32.5
Police-Jail	15.0	15.0		15.0					15.0
Police-Commercial Vehicle Enforcement	2.0	2.0		2.0					2.0
Police-School Resource Officer	12.0	12.0		12.0					12.0
Animal Services	11.0	11.0		11.0					11.0
Public Safety Total	369.0	387.0	14.0	401.0	44.0	45.0		45.0	423.5
Public Works									
Engineering & Capital Projects Admin.									
Administration			4.0	4.0					4.0
Traffic Management	4.0	6.0		6.0					6.0
Engineering	13.5	13.5	(2.5)	11.0					11.0
Capital Projects	12.5	13.5	(1.5)	12.0					12.0
Public Works Administration - GF	2.8	3.0		3.0					3.0
Public Works Administration - W&S	7.5	8.3	1.0	9.3					9.3
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	2.0	8.0					8.0
Streets & Drainage	16.0	15.0		15.0					15.0
Grounds Maintenance - GF	7.5	7.0		7.0					7.0
Grounds Maintenance - W&S	4.5	6.0	1.0	7.0					7.0
Lift Stations	7.0	7.0		7.0					7.0
Wastewater Treatment	13.0	13.0		13.0					13.0
Water Production	16.0	16.0		16.0					16.0
Distribution & Collection	27.0	28.0		28.0					28.0
W&S Construction	10.0	12.0		12.0					12.0
Meter Services	7.0	7.0		7.0					7.0
Pre-Treatment FOG	3.0	3.0		3.0					3.0
Backflow Compliance	3.0	4.0		4.0					4.0
Public Works Total	169.0	177.0	4.0	181.0					181.0

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

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

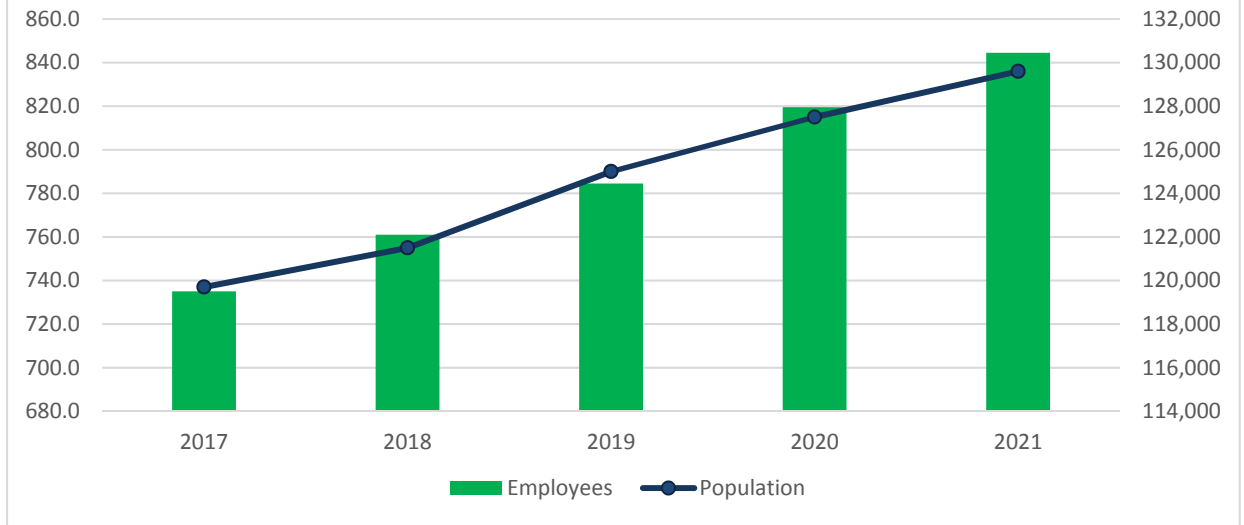
**FISCAL YEAR 2021 BUDGETED
POSITIONS BY DEPARTMENT**

Function/Department	FULL-TIME POSITIONS				PART-TIME POSITIONS				FY2021
	FY 2019	FY2020		FY2021	FY 2019	FY2020		FY2021	TOTAL
	AMENDED	AMENDED	CHANGE	BUDGETED	AMENDED	AMENDED	CHANGE	BUDGETED	FTE
Community Services									
Municipal Court - GF	12.0	11.5		11.5	1.0	1.0		1.0	12.0
Municipal Court Special Funds	1.5	1.5		1.5					1.5
Communications	4.0	5.0		5.0	1.0				5.0
Community Services									
Community Develop. Admin.	7.0	2.0		2.0					2.0
Planning	6.0	7.0		7.0					7.0
Permits & Inspections	16.0	13.0		13.0					13.0
Development Services		6.0		6.0					6.0
Community Services Total	46.5	46.0		46.0	2.0	1.0		1.0	46.5
Parks & Recreation									
Parks Administration	8.0	8.0		8.0					8.0
Parks & Rec. Resource Development									
Parks	24.0	23.0		23.0		2.0		2.0	24.0
Recreation	3.0	3.0		3.0	14.0	14.0		14.0	10.0
Natural Resources	3.0	3.0		3.0	3.0	7.0		7.0	6.5
Athletics	3.0	3.0		3.0	4.0	4.0		4.0	5.0
Aquatics**	2.0	3.0		3.0	28.0	28.0		28.0	17.0
Special Events	2.0	3.0		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	52.0	53.0		53.0	79.0	85.0		85.0	95.5
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	586.5	606.9	14.0	620.9	129.0	137.0		137.0	689.4
Water & Sewer Fund	121.5	131.1	4.0	135.1	1.0	1.0		1.0	135.6
Total Other Funds	11.0	17.0	2.0	19.0	1.0	1.0		1.0	19.5
Grand Total	719.0	755.0	20.0	775.0	131.0	139.0		139.0	844.5
Change from FY 2020 to FY 2021									20.0

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

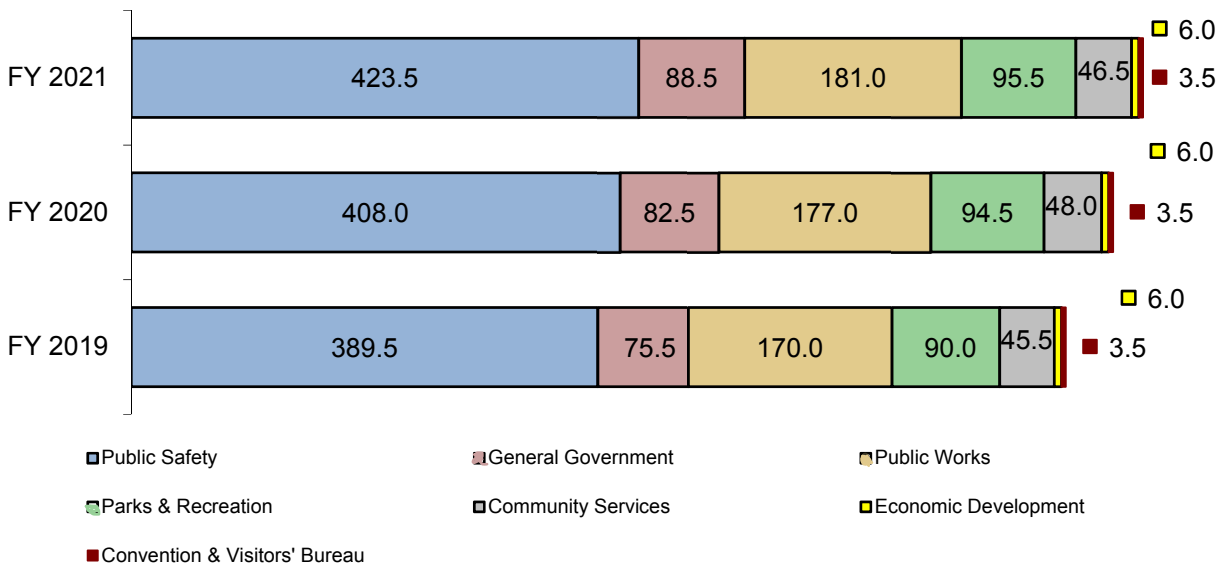
** Parks Aquatics and Recreation Operations - PT Lifeguards Rec Attendants are pooled positions based on number of hours, not positions.

City of Pearland Full-Time Equivalent Staff to Population FY2017-FY2021



Fiscal Year	FTE	Population	No. of Positions Per 1,000 Population
2017	735.0	119,700	6.14
2018	761.0	121,500	6.26
2019	784.5	125,000	6.28
2020	819.5	127,500	6.43
2021	844.5	129,600	6.52

City of Pearland Service (FTEs) by Service Area FY2019-FY2021



**CITY OF PEARLAND
FY 2021 ADOPTED BUDGET
SUMMARY ALL FUNDS
REVENUES AND EXPENDITURES**

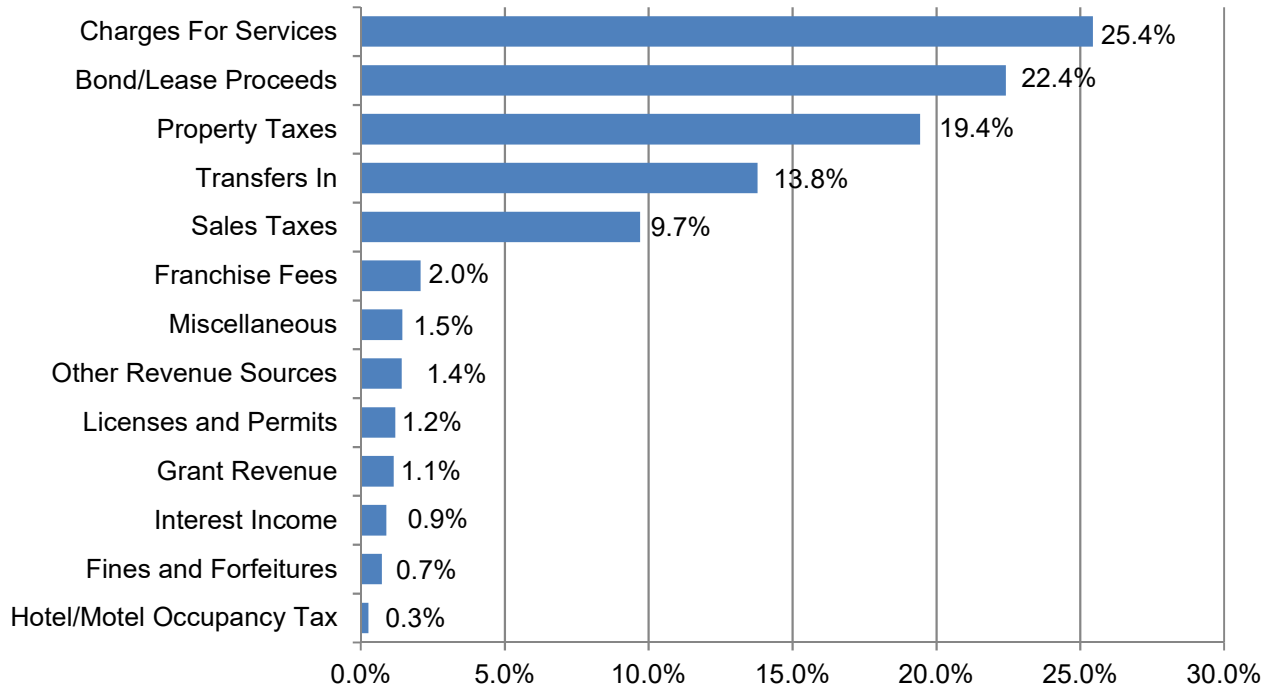
REVENUES	FY2019 ACTUAL	FY2020 ORIGINAL BUDGET	FY2020 YEAR END AMENDED	FY2021 ADOPTED BUDGET
Property Taxes	\$58,495,972	\$62,006,101	\$64,507,446	\$67,012,670
Sales Taxes	\$33,479,918	\$34,026,786	\$32,176,974	\$33,472,581
Franchise Fees	\$7,479,796	\$7,507,757	\$7,369,532	\$7,157,658
Licenses and Permits	\$4,198,563	\$3,887,350	\$3,661,452	\$4,150,000
Fines and Forfeitures	\$2,711,822	\$2,621,250	\$1,686,856	\$2,539,206
Charges for Services	\$89,330,682	\$92,867,190	\$84,551,397	\$87,743,850
Interest Income	\$5,856,994	\$5,175,603	\$3,288,078	\$3,091,145
Hotel/Motel Occupancy Tax	\$1,395,334	\$1,450,000	\$649,000	\$921,900
Bond/Lease Proceeds	\$96,034,048	\$213,771,381	\$156,133,603	\$77,324,412
Grant Revenue	\$7,963,081	\$4,948,962	\$67,926,402	\$3,936,517
Miscellaneous	\$8,933,140	\$3,717,751	\$6,487,266	\$5,009,682
Other Revenue Sources	\$13,122,892	\$39,755,102	\$12,556,287	\$4,931,766
TOTAL REVENUES	\$329,002,240	\$471,735,233	\$440,994,293	\$297,291,387
Transfers from Other Funds	\$14,306,189	\$17,584,156	\$19,492,895	\$47,542,711
TOTAL AVAILABLE RESOURCES	\$343,308,429	\$489,319,389	\$460,487,188	\$344,834,098
EXPENDITURES				
General Government	\$13,393,208	\$14,722,009	\$14,849,599	\$15,718,053
Public Safety	\$45,220,848	\$48,773,291	\$48,901,975	\$52,399,991
Community Services	\$4,270,228	\$9,287,480	\$17,304,535	\$8,023,957
Public Works	\$44,727,208	\$50,913,389	\$51,636,510	\$49,344,092
Parks & Recreation	\$6,887,170	\$7,327,832	\$6,865,235	\$7,071,664
Utility Billing	\$1,827,022	\$1,636,132	\$1,726,145	\$2,041,057
Debt Service	\$108,515,789	\$59,822,202	\$59,277,269	\$67,184,378
Construction ¹	\$58,149,841	\$348,562,129	\$411,137,063	\$286,266,886
Insurance Coverage	\$9,093,749	\$10,081,900	\$10,158,282	\$11,353,242
Economic Development Corporation	\$2,471,455	\$2,639,638	\$2,713,327	\$23,521,094
Other ²	\$442,551	\$0	\$344,420	\$0
TOTAL EXPENDITURES	\$294,999,070	\$553,766,002	\$624,914,360	\$522,924,414
Transfers to Other Funds	\$14,306,189	\$17,584,156	\$19,492,895	\$47,542,711
TOTAL EXPENDITURES AND OTHER USES	\$309,305,259	\$571,350,158	\$644,407,255	\$570,467,125
Revenues Over/(Under) Expenditures	34,003,171	(82,030,769)	(183,920,067)	(225,633,027)

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

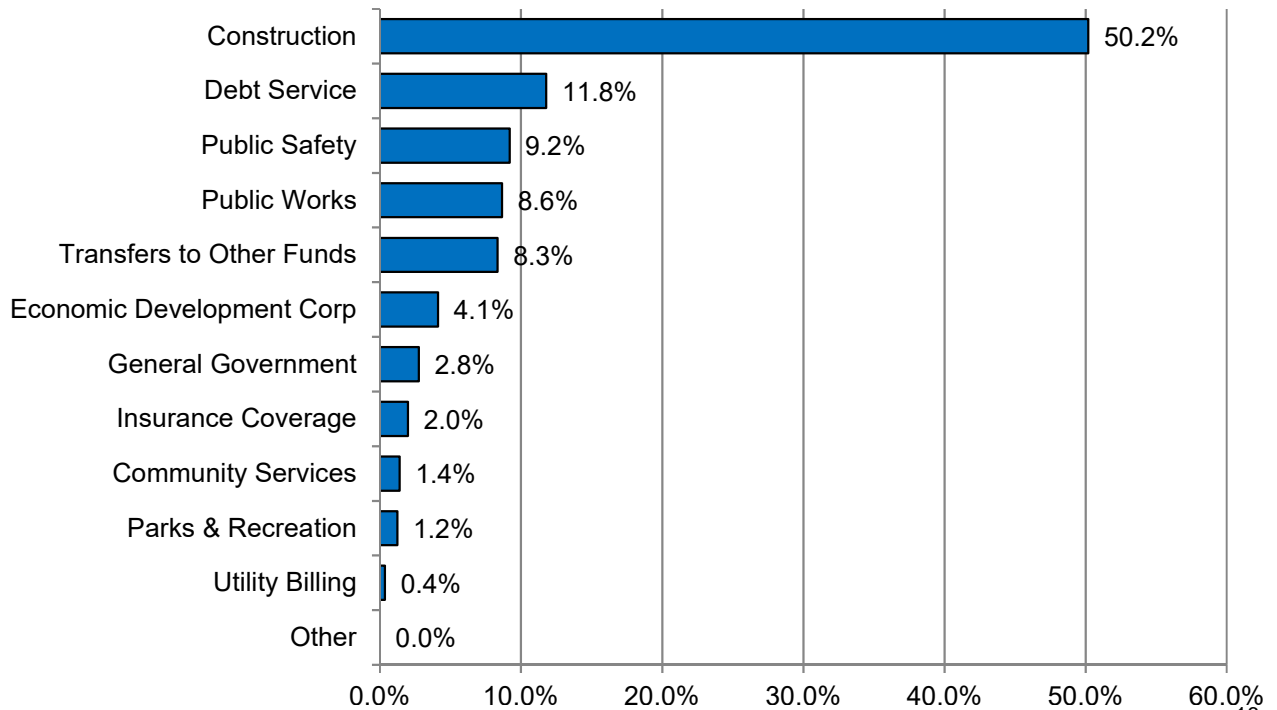
²Other includes expenditures for Special Revenue Funds, excluding transfers.

**CITY OF PEARLAND
FY 2021 ADOPTED BUDGET
SUMMARY ALL FUNDS
REVENUES AND EXPENDITURES**

**Revenue Summary All Funds
Adopted FY 2021 Budget**



**Expenditure Summary All Funds
Adopted FY 2021 Budget**



**CITY OF PEARLAND
FY 2021 ADOPTED BUDGET
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

SUMMARY ALL FUNDS

FUND	FY 2021 ADOPTED BEG BALANCE	FY 2021 ADOPTED REVENUES	FY 2021 ADOPTED EXPENDITURES	FY 2021 ADOPTED END BALANCE
General Fund	\$ 19,161,386	\$ 90,278,680	\$ 89,471,205	\$ 19,968,861
Debt Service Fund	6,053,650	42,029,472	43,149,685	4,933,437
Special Revenue Funds	9,438,844	7,210,559	8,570,446	8,078,957
Proprietary Funds	35,727,797	90,679,663	96,349,212	30,058,248 *
Capital Project Funds	(38,654,308)	85,952,912	293,853,695	(246,555,091)
Internal Service Funds	4,407,696	17,192,734	15,084,760	6,515,670
PEDC Fund	19,616,792	11,490,128	23,988,122	7,118,798
TOTAL	\$ 55,751,856	\$ 344,834,148	\$ 570,467,125	\$ (169,881,121)

*Exclusive of \$8,839,099 reserved for debt service pursuant to bond covenants.

SPECIAL REVENUE FUNDS

FUND	FY 2021 ADOPTED BEG BALANCE	FY 2021 ADOPTED REVENUES	FY 2021 ADOPTED EXPENDITURES	FY 2021 ADOPTED END BALANCE
305 Hotel/Motel Occupancy Tax	\$ 4,904,531	\$ 932,700	\$ 1,439,333	\$ 4,397,898
310 Court Building Security	24,119	48,350	38,476	33,993
315 Citywide Donation	118,148	30,967	64,551	84,564
320 Court Technology	(6,307)	45,100	38,534	259
325 Street Assessment*				
330 Park Donations	58,850	107,550	98,550	67,850
331 Tree Trust	220,619	5,000	50,750	174,869
332 Parks Financial Assistance Donations		2,550	2,500	50
335 Police State Seizure	54,178	4,000	37,200	20,978
336 Federal Police	166,765	1,200	38,500	129,465
340 Park Development	544,357	320,154	118,754	745,757
345 Sidewalk	46,651	5,200		51,851
350 Grant Fund	1,727,903	192,373	988,785	931,491
351 Community Development Block Grant		428,160	428,160	
352 CDBG Disaster Recovery		30,878	30,878	
354 Hazard Mitigation		3,285,181	3,285,181	
360 Traffic Improvement	618,303	5,000	214,920	408,383
365 Truancy Prevention & Diversion	14,013	52,700	65,255	1,458
366 Municipal Jury	110	1,025	1,000	135
370 Municipal Channel	884,057	250,000	104,100	1,029,957
380 Regional Detention*				
510 Lower Kirby*				
514 Infrastructure Reinvestment	62,548	1,462,471	1,525,019	
TOTAL	\$ 9,438,844	\$ 7,210,559	\$ 8,570,446	\$ 8,078,957

* These Funds have no budgeted activity for FY 2021

PROPRIETARY FUNDS

FUND	FY 2021 ADOPTED BEG BALANCE	FY 2021 ADOPTED REVENUES	FY 2021 ADOPTED EXPENDITURES	FY 2021* ADOPTED END BALANCE
600 Water & Sewer Fund	\$ 34,097,609	\$ 49,884,471	\$ 64,399,919	\$ 19,582,161
601 Water Sewer Debt Fund	\$ -	\$ 32,588,392	\$ 23,749,293	\$ - *
610 Solid Waste Fund	1,630,188	8,206,800	8,200,000	1,636,988
TOTAL	\$ 35,727,797	\$ 90,679,663	\$ 96,349,212	\$ 21,219,149

*Net of any reserve requirements.

**CITY OF PEARLAND
FY 2021 ADOPTED BUDGET
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

CAPITAL PROJECT FUNDS

FUND	FY 2021 ADOPTED BEG BALANCE	FY 2021 ADOPTED REVENUES	FY 2021 ADOPTED EXPENDITURES	FY 2021 ADOPTED END BALANCE
500 Capital Projects General	\$ 1,246,807	\$ 1,035,000	\$ 1,148,713	\$ 1,133,094
501 Capital Projects-CO	392,135	50,000	206,717	235,418
503 Certificates of Obligation Series 2006	1,732		1,732	(0)
506 Capital Projects-GO	1,083,679	200,000	687,019	596,660
507 General Obligation Series 2020	(122,654)	250,000	349,969	(222,623)
508 Certificates of Obligation Series 2020	(21,532)	100,000	130,821	(52,353)
509 General Obligation Series 2021	(16,544,609)	35,878,600	19,317,786	16,205
511 PEDC Pay-As-You-Go				-
512 Certificates of Obligation Series 2021	(9,851,928)	22,449,812	12,518,587	79,297
513 General Obligation Series 2022	(6,000,000)		3,037,171	(9,037,171)
515 2020 Certificates of Obligation - TIRZ*	25,000	100,000	53,814	71,186
516 2021 Certificates of Obligation - TIRZ*			27,652,484	(27,652,484)
517 2022 Certificates of Obligation *			9,121,865	(9,121,865)
518 2022 Certificates of Obligation - TIRZ*			7,521,107	(7,521,107)
550 Utility Impact Fee Fund	18,904,323		4,984,468	13,919,855
551 Water Impact Fee Fund	1,000,550	1,001,000		2,001,550
552 Waste Water Impact Fee Fund	775,500	776,000		1,551,500
555 Shadow Creek Impact Fee	665,800	500	221,887	444,413
565 W & S Revenue Bonds	(59,385)	120,000	35,725	24,890
566 W & S Revenue Bonds 2020	(18,223)	100,000	79,229	2,548
567 Water Drinking Bond Funds 2020	90,598	500,000	40,177	550,421
568 W & S Revenue Bonds 2021	(1,553,144)	19,546,000	18,004,266	(11,410)
569 W & S Revenue Bonds 2022	(29,138,396)		8,473,653	(37,612,049)
570 Water/Sewer Pay As You Go CIP	469,377	3,846,000	4,119,086	196,291
571 2021 TWDB Revenue Bonds			45,722,178	(45,722,178)
572 2022 TWDB Revenue Bonds			79,982,340	(79,982,340)
573 2023 TWDB Revenue Bonds			50,442,901	(50,442,901)
575 MUD 4 Capital Program	63			63
TOTAL	\$ (38,654,308)	\$ 85,952,912	\$ 293,853,695	\$ (246,555,091)

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 2021 ADOPTED BEG BALANCE	FY 2021 ADOPTED REVENUES	FY 2021 ADOPTED EXPENDITURES	FY 2021 ADOPTED END BALANCE
700 Property Liability Insurance	\$ 527,368	\$ 2,305,820	\$ 2,242,342	\$ 590,846
702 Medical Self-Insurance	2,897,269	9,171,820	9,171,820	2,897,269
703 Motor Pool Fund	983,059	5,715,094	3,670,598	3,027,555
TOTAL	\$ 4,407,696	\$ 17,192,734	\$ 15,084,760	\$ 6,515,670

PEARLAND ECONOMIC DEVELOPMENT CORPORATION (PEDC)

FUND	FY 2021 ADOPTED BEG BALANCE	FY 2021 ADOPTED REVENUES	FY 2021 ADOPTED EXPENDITURES	FY 2021 ADOPTED END BALANCE
900 Economic Development Fund	\$ 19,616,792	\$ 11,490,128	\$ 23,988,122	\$ 7,118,798
TOTAL	\$ 19,616,792	\$ 11,490,128	\$ 23,988,122	\$ 7,118,798

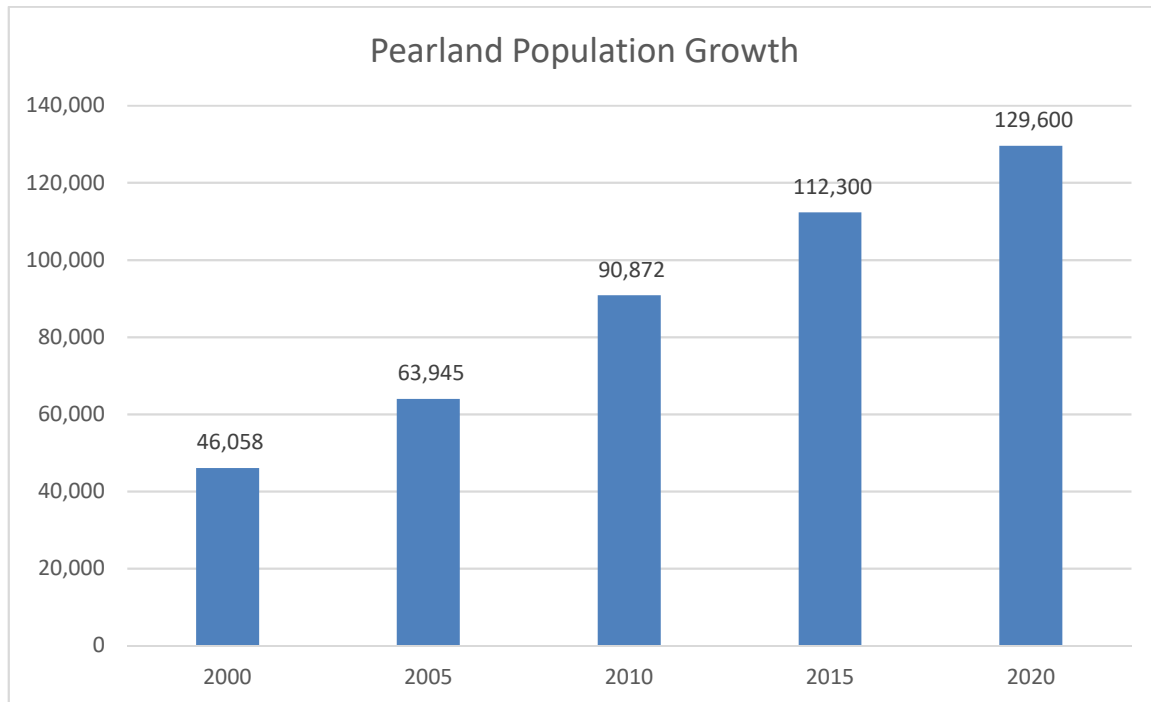
Pearland, Texas

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

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

Located across the northern end of Brazoria County, and sharing a common border with Houston, Texas to the north, Pearland is the fastest growing City in Brazoria County. From 2000 to 2018, based on U.S. Census population and the City of Pearland Planning Department statistics, Pearland's population increased from 46,058 to 125,000, making it consistently one of the fastest growing cities in Texas each year. The total area of the City is 68.93 square miles, 48.31 within City limits, and 20.62 in the Extra-Territorial Jurisdiction (ETJ).

Pearland's location, coupled with its expressed goals of long-term planned growth, is propelling the City's rapid economic growth and development, from \$6.3 billion net taxable property valuation in 2010 to \$10.9 billion in 2018, a 73% increase. Based on economic data from the U.S. Bureau of Labor Statistics, Pearland ranked 7th in the nation for fastest growing cities.





City Demographics

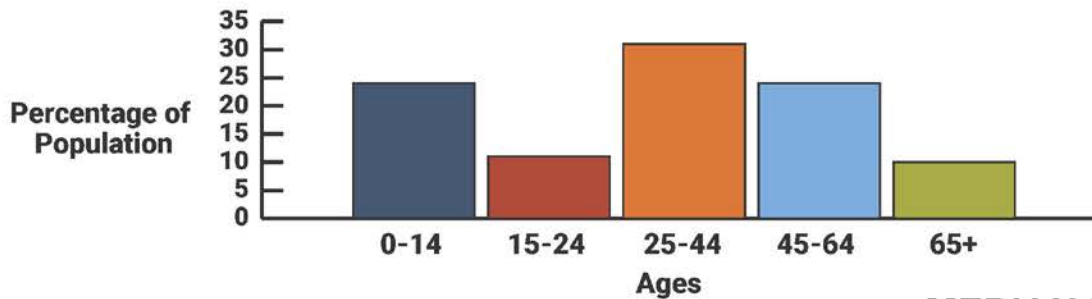
POPULATION

129,600 Estimated in 2020



AGE DISTRIBUTION

MEDIAN AGE: 35.1



HOMEOWNERS



76%

of Residents are Homeowners

MEDIAN HOME VALUE

\$224,600



EDUCATION



46%

Bachelor's Degree or Higher

MEDIAN HOUSEHOLD INCOME

\$102,891



INCOME



67%

Of Households Have Income Over \$75,000

UNEMPLOYMENT RATE

5.3%



TOP EMPLOYERS

WORKFORCE

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

MERIT MEDICAL
 KEMLON
 HCA HOUSTON HEALTHCARE
 PEARLAND
 DOVER ENERGY
 LONZA



MANUFACTURING **11%**

33% 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)	69.19	68.00	48.15	29.80	34.00	53.00	36.50	35.90
Population Density	2,898	2,929	2,543	2,532	3,485	2,029	2,115	3,715
POPULATION (US CENSUS)								
2019 Estimate	200,490	199,177	122,460	75,457	118,488	107,536	77,192	133,372
% Change (10-19)	71.4%	51.9%	34.2%	12.0%	50.3%	28.7%	7.5%	33.5%
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 (FY19 CAFR, UNLESS OTHERWISE NOTED)								
Credit Rating (Moody's)	Aaa	Aaa	Aa2	Aa2	AAA	AAA	Aa2	Aaa
Credit Rating (S&P)	AAA	AAA	AA	AA	AAA	AAA	AA	AA+
Total Net Position (in thousands)	\$ 1,875,703	\$ 1,198,654	\$ 803,582	\$ 176,883	\$ 698,107	\$ 585,322	\$ 320,107	\$ 928,614
Operating Rate*	0.2990	0.3617	0.3050	0.4535	0.2031	0.3901	0.4840	0.2963
Debt Tax Rate*	0.1476	0.1539	0.4150	0.1445	0.1335	0.1249	0.3112	0.1427
Total Property Tax Rate*	0.4466	0.5156	0.7200	0.5980	0.3365	0.5150	0.7952	0.4390
Total Sales Tax Revenue (in thousands)	\$ 44,647	\$ 30,724	\$ 33,477	\$ 9,546	\$ 47,581	\$ 19,601	\$ 24,138	\$ 75,691
Sales Tax Revenue Per Resident	\$ 223	\$ 154	\$ 273.37	\$ 126.51	\$ 402	\$ 182	\$ 313	\$ 568
DEMOGRAPHICS (2010 Census/2018 American Community Survey)								
Senior Citizens (x>65)	7.7%	9.9%	10.7%	12.5%	14.5%	10.0%	11.8%	7.9%
Juveniles (x<18)	31.6%	29.1%	27.4%	23.1%	24.1%	28.1%	27.8%	27.6%
Foreign Born Persons	21.0%	15.2%	17.0%	23.5%	34.5%	10.1%	17.7%	14.1%
Language Other Than English Spoken at Home	27.0%	22.7%	29.0%	32.4%	43.6%	17.6%	39.7%	26.6%
Race -- White	67.2%	76.3%	62.2%	33.1%	53.2%	80.5%	68.2%	75.1%
Race -- African American	7.9%	11.6%	17.8%	41.5%	6.5%	7.9%	19.0%	10.2%
Race -- Asian	18.8%	6.7%	13.6%	17.5%	36.4%	5.5%	2.3%	6.7%
Race -- Hispanic**	11.0%	17.9%	21.9%	16.3%	11.3%	20.1%	44.6%	30.9%
HOUSING AND EDUCATION (2010 Census / 2018 American Community Survey)								
Homeownership Rate	73.9%	66.5%	75.9%	80.6%	80.7%	72.7%	57.1%	62.4%
Persons Per Household	2.96	2.89	2.97	3.00	3.07	2.88	2.86	3.16
Median Household Income	\$ 127,133	\$ 89,964	\$ 102,891	\$ 90,335	\$ 122,233	\$ 104,831	\$ 55,628	\$ 80,637
Median Home Value	\$ 368,000	\$ 281,300	\$ 224,600	\$ 180,800	\$ 309,000	\$ 232,500	\$ 111,800	\$ 230,100
% Below Poverty Rate	3.6%	6.9%	3.8%	5.4%	5.0%	6.6%	16.0%	7.7%
% of Housing Stock Built After 1980	93.4%	90.5%	86.8%	70.4%	85.7%	86.1%	45.1%	87.6%
% Housing Units in Multi-unit Structures (2013-2018)	19.5%	24.0%	16.4%	6.0%	8.8%	19.9%	32.0%	29.7%
% Bachelor's Degree or Higher	63.3%	45.7%	46.2%	44.7%	60.4%	44.7%	15.4%	40.7%
EMPLOYMENT BREAKDOWN BY INDUSTRY (2018 AMERICAN COMMUNITY SURVEY)								
Mean Travel Time to Work (min)	30.0	29.4	32.9	30.5	30.9	30.2	24.5	25.8
Agriculture, forestry, fishing and hunting, and mining	0.9%	1.0%	2.7%	2.8%	5.4%	2.1%	2.1%	0.3%
Construction	3.3%	5.6%	4.8%	4.4%	4.5%	6.8%	17.5%	7.0%
Manufacturing	8.5%	9.4%	11.0%	8.1%	8.6%	11.5%	14.0%	10.9%
Wholesale trade	3.1%	2.9%	3.4%	2.8%	4.3%	2.5%	1.6%	2.2%
Retail trade	10.4%	11.7%	7.3%	10.7%	10.7%	8.5%	10.8%	11.4%
Transportation and warehousing, and utilities	3.0%	2.9%	6.4%	6.1%	3.6%	4.3%	6.6%	3.0%
Information	4.2%	3.7%	1.8%	2.1%	2.1%	1.2%	60.0%	3.3%
Finance and insurance, and real estate and rental and leasing	14.2%	11.8%	6.6%	7.1%	8.3%	6.1%	3.8%	7.1%
Professional, scientific, and management, and administrative and waste management services	20.2%	14.4%	10.6%	12.1%	16.4%	13.7%	9.1%	15.1%
Educational services, and health care and social assistance	19.9%	21.2%	32.5%	28.9%	24.3%	27.6%	18.1%	20.8%
Arts, entertainment, and recreation, and accommodation and food services	6.6%	8.9%	5.0%	6.6%	6.4%	7.6%	9.6%	8.9%
Other services, except public administration	3.6%	3.9%	3.8%	3.9%	3.7%	3.3%	4.1%	4.9%
Public administration	2.2%	2.7%	4.1%	4.3%	1.6%	4.8%	2.3%	5.2%

Tax Rate Information is from Posted Adopted FY21 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

Communications

Community Development

Convention and Visitors Bureau

Finance

Human Resources

Pearland Economic Development Corporation

Deputy City Manager

Engineering and Capital Projects

Information Technology

Library

Parks and Recreation

Public Works

Assistant City Manager

City Secretary

Fire

Municipal Court

Office of Emergency Management

Police

**CITY OF PEARLAND, TEXAS
CITY MANAGEMENT**

Elected Officials

Tom Reid
Luke Orlando
Tony Carbone
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
Crystal Roan
Johnny Spires
Vance Riley
Clarence Whittwer
John McCarter
Michelle Graham
Robert Upton
John McDonald
Chris Orlea
Tracy Rohrbacher

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

Lisa Loranc
Joshua Lee
Jennifer Huhn
Daniel McGhinnis

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

CITY OF PEARLAND, TEXAS STRATEGIC PRIORITIES

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

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

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



1. **Fiscally Responsible Government**

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

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

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

2. **Sustainable Infrastructure**

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

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

3. Quality Parks, Recreation and Events

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

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

4. Safe Community

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

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

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

5. Engaged Community

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

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

6. Healthy Local Economy

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

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

FY21 Budget & CIP Calendar

DATE	ACTION
January	Update Financial Policies, set up Budget Kickoff and begin work on Budget Instructions
February	February 22 nd : Early Budget Input Session with Council
March	Review CIP projects and incorporate any additional changes
	March 5 th : Budget Kickoff-go over instructions for preparing budget, calendar and process.
	March 20 th : Supplemental requests due to Internal Service Departments.
April	CIP List Compiled for P&Z Review
	April 17 th : Department Budgets and Supplemental Requests are due
	Department Budget Meetings with Budget Office and Management
May	Finalize CIP Funding Sources
June	CIP Workshop
July	July 27 th : Presentation of Capital Improvement Plan (CIP)
August	August 1 st : Submit Proposed Budget to City Council
	August 8 th : Budget Discussion #1
	August 17 th : Budget Discussion #2
	August 24 th : Budget Discussion #3
	August 31 st : Public Hearing on Tax Rate
September	September 14 th : Record Vote On <ul style="list-style-type: none"> • Tax Rate Ordinance • Budget Ordinance • Non-Development Fee Ordinance Development Fees Ordinance
	September 28 th : Record Vote On <ul style="list-style-type: none"> • Tax Rate Ordinance • Budget Ordinance • Non-Development Fee Ordinance • Development Fees Ordinance
October	<ul style="list-style-type: none"> • Fiscal Year 2021 Begins

**CITY OF PEARLAND
TAX COLLECTIONS**

	FY 2020 CERTIFIED	FY 2020 ADJUSTED	FY 2021 CERTIFIED
LEVY			
General Fund	23,303,420	26,580,665	24,892,175
Debt Service Fund	33,000,404	37,641,371	33,869,681
TOTAL CITY LEVY*	56,303,824	64,222,037	58,761,856

City Collection Rate*	99.0%	99.1%	99.0%
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LEVY CALCULATION

Tax Year	Budgeted FY 2020	Adjusted FY 2020	Budgeted FY 2021
Certified Value: Brazoria County	9,532,836,463	11,254,585,342	9,671,327,187
Certified Value: Fort Bend County	564,648,252		588,637,981
Certified Value: Harris County ++			941,816,662
Plus: Protested Values ***	359,127,740		940,636,109
Plus: Not Yet Certified ****	1,006,774,092		310,603,533
Less: Tax Ceilings	(1,131,381,084)		(1,356,229,124)
Net Taxable Value	10,332,005,463	11,254,585,342	11,096,792,348
Less: TIRZ Captured Value	2,735,821,943	2,590,122,735	2,935,423,391
Taxable Value to City	7,596,183,520	8,664,462,607	8,161,368,957

BUDGET ALLOCATION:

General Fund from Levy	23,070,386	23,070,386	24,643,254
Anticipated Revenue from Tax Ceilings**	2,339,415	3,264,614	3,480,864
General Fund Allocation	25,409,801	26,335,000	28,124,117
Debt Service Fund from Levy	32,670,400	32,670,400	33,530,984
Anticipated Revenues from Tax Ceilings**	3,305,900	4,549,624	4,736,257
Debt Service Fund Allocation	35,976,300	37,220,024	38,267,242
TOTAL CITY BUDGET ALLOCATION	61,386,101	63,555,024	66,391,359

Tax Rate per \$100			
General Fund		0.306778	0.305000
Debt Service Fund		0.434434	0.415000
Total Tax Rate		0.741212	0.720000

Tax Rate Split			
General Fund		41.39%	42.36%
Debt Service Fund		58.61%	57.64%
Total		100.00%	100.00%

*Certified Levy shown here does not include anticipated revenue from tax ceilings.

**Anticipated revenue on frozen values assumes that 85% of total levy will be collected, which is the average of the last four years.

*** The lower of the appraisal districts' value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins the protest.

**** Properties known about, but are not included in the appraisal roll certification and not under protest. The value included is the lower of the appraisers' reasonable estimate of the market value, appraised value and taxable value for the current year.

++ Harris County values for FY2021 were not yet certified.

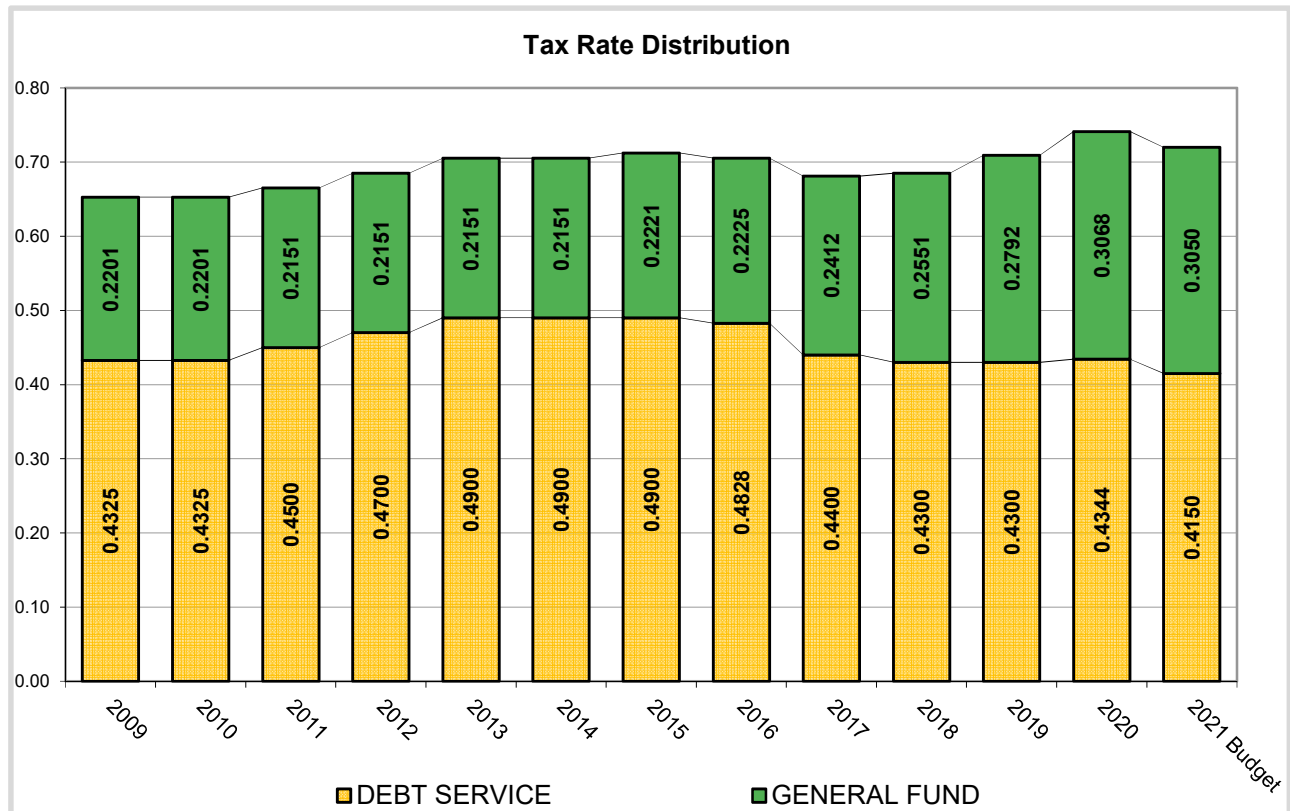
TAX RATE DISTRIBUTION

**CURRENT FOR FISCAL YEAR 2019-2020
ADOPTED FOR FISCAL YEAR 2020-2021**

<u>FISCAL YEAR</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE</u>	<u>TOTAL TAX RATE</u>
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	0.3068	0.4344	0.7412
2021 Budget	0.3050	0.4150	0.7200

Notes:

1. The maximum tax rate for the City of Pearland is \$2.50 per \$100 assessed valuation.



ASSESSED VALUATION, TAX LEVIED AND TAXES COLLECTED

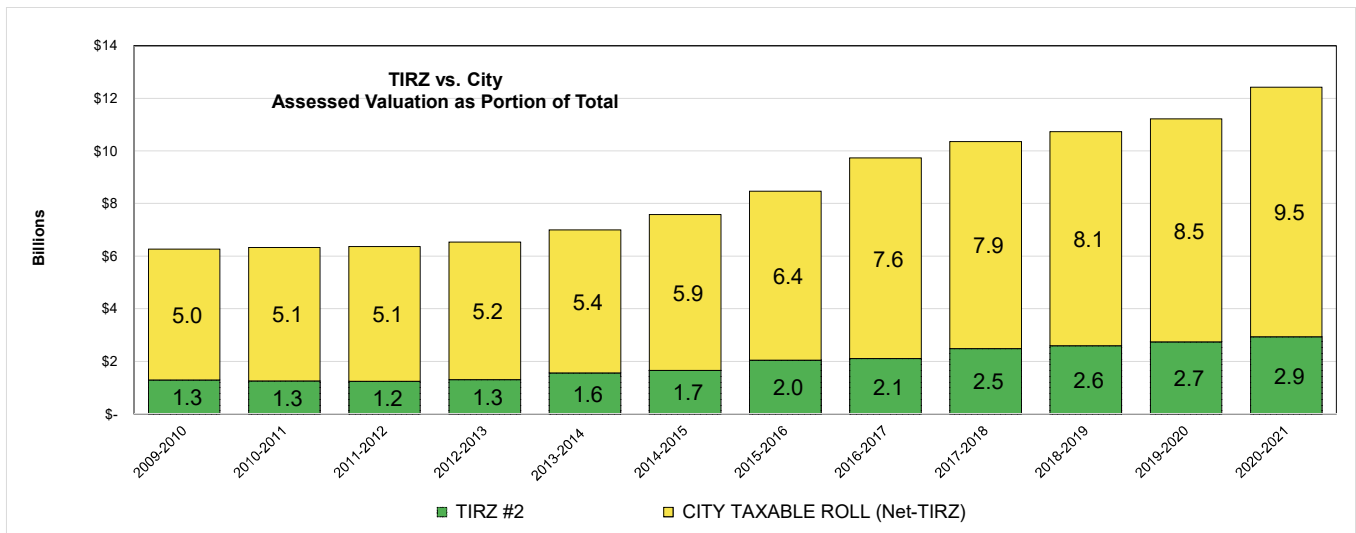
PROJECTED FOR FISCAL YEAR 2019-2020
AND ADOPTED FOR FISCAL YEAR 2020-2021

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	\$ 6,269,047,937	6.2%	\$ 4,980,168,157	6.0%	0.2201	0.4325	0.6526	\$ 41,081,407	\$ 40,590,543	98.8%	\$ 274,230
2010-2011	2010	\$ 1,257,526,416	\$ 6,331,723,029	1.0%	\$ 5,074,196,613	1.9%	0.2151	0.4500	0.6651	\$ 41,968,046	\$ 41,594,389	99.1%	\$ 318,250
2011-2012	2011	\$ 1,242,672,175	\$ 6,369,626,981	0.6%	\$ 5,126,954,806	1.0%	0.2151	0.4700	0.6851	\$ 43,441,792	\$ 43,110,373	99.2%	\$ 201,453
2012-2013	2012	\$ 1,306,088,463	\$ 6,537,976,038	2.6%	\$ 5,231,887,575	2.0%	0.2151	0.4900	0.7051	\$ 45,850,625	\$ 45,509,522	99.3%	\$ 362,129
2013-2014	2013	\$ 1,562,848,106	\$ 6,996,973,518	7.0%	\$ 5,434,125,412	3.9%	0.2151	0.4900	0.7051	\$ 49,096,473	\$ 48,802,720	99.4%	\$ 262,967
2014-2015	2014	\$ 1,651,897,101	\$ 7,580,556,989	8.3%	\$ 5,928,659,888	9.1%	0.2221	0.4900	0.7121	\$ 53,463,919	\$ 53,256,024	99.6%	\$ 187,075
2015-2016	2015	\$ 2,048,031,760	\$ 8,464,775,289	11.7%	\$ 6,416,743,529	8.2%	0.2225	0.4828	0.7053	\$ 60,290,271	\$ 58,530,381	97.1%	\$ 298,608
2016-2017	2016	\$ 2,109,639,316	\$ 9,733,317,309	15.0%	\$ 7,623,677,993	18.8%	0.2412	0.4400	0.6812	\$ 64,977,413	\$ 64,625,147	99.5%	\$ 125,832
2017-2018	2017	\$ 2,484,550,226	\$ 10,357,956,685	6.4%	\$ 7,873,406,459	3.3%	0.2551	0.4300	0.6851	\$ 70,752,913	\$ 70,184,235	99.2%	\$ 283,242
2018-2019	2018	\$ 2,594,045,209	\$ 10,726,331,165	3.6%	\$ 8,132,285,956	3.3%	0.2792	0.4300	0.7092	\$ 75,593,482	\$ 75,276,535	99.6%	\$ 220,676
2019-2020	2019	\$ 2,735,821,943	\$ 11,221,057,000	4.6%	\$ 8,485,235,057	4.3%	0.3068	0.4344	0.7412	\$ 83,420,337	\$ 82,266,636	98.6%	\$ 413,196
2020-2021	2020	\$ 2,935,423,391	\$ 12,420,379,745	10.7%	\$ 9,484,956,354	11.8%	0.3050	0.4150	0.7200	\$ 81,854,379		0.0%	

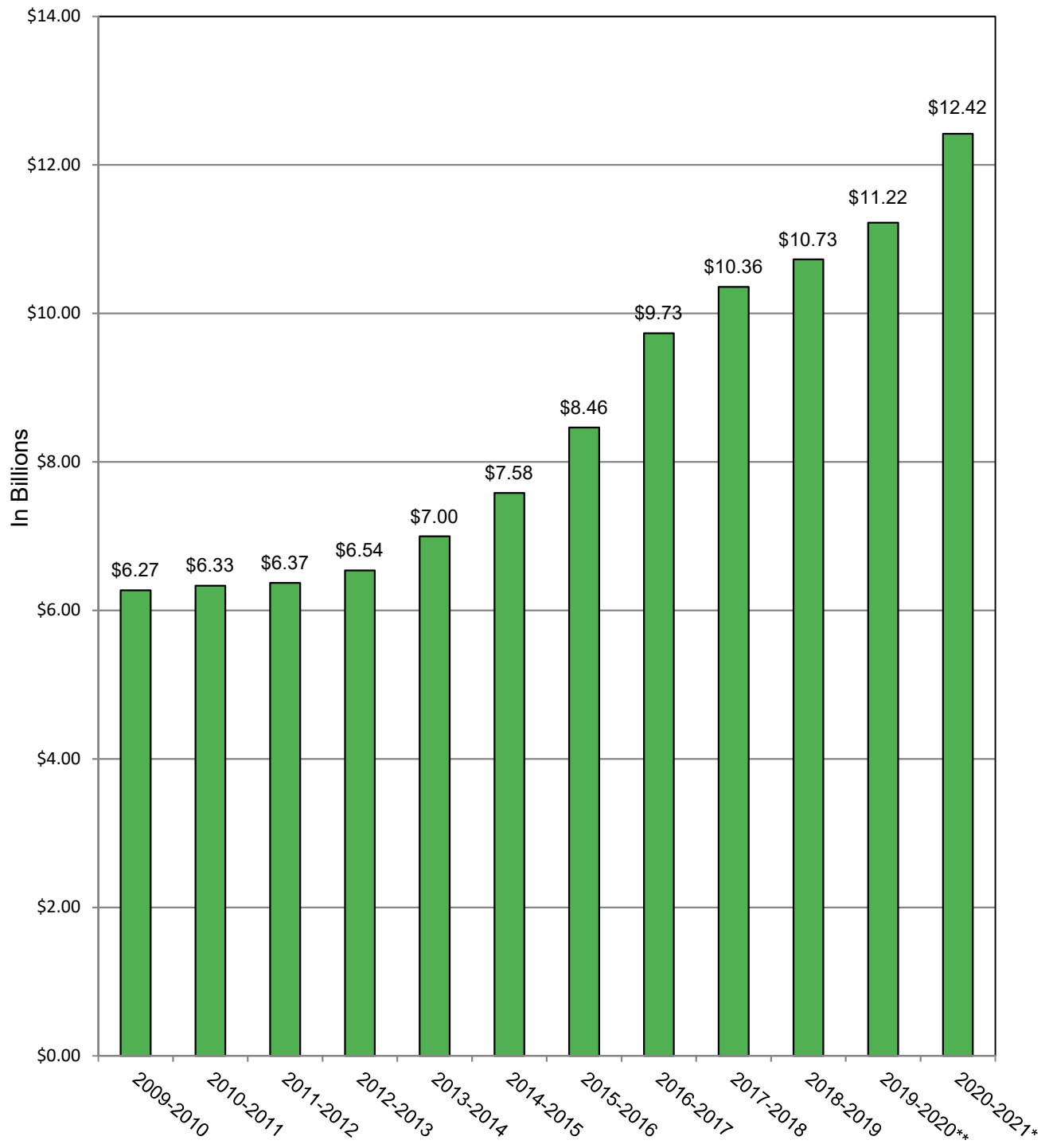
*Net Assessed value shown above does not remove the entire value for properties with Tax Ceilings, as is shown on the previous page. Instead, only the estimated value loss is included, which is based on the previous year's loss. Net Assessed Value is calculated by adding the Certified Value, Protested Values, and estimates of Values Not Yet Certified then subtracting the estimated value loss.

**FY20 updated with projected levy based on YTD collections.

***YTD Collections as of 6/30/2020.



NET ASSESSED VALUATION



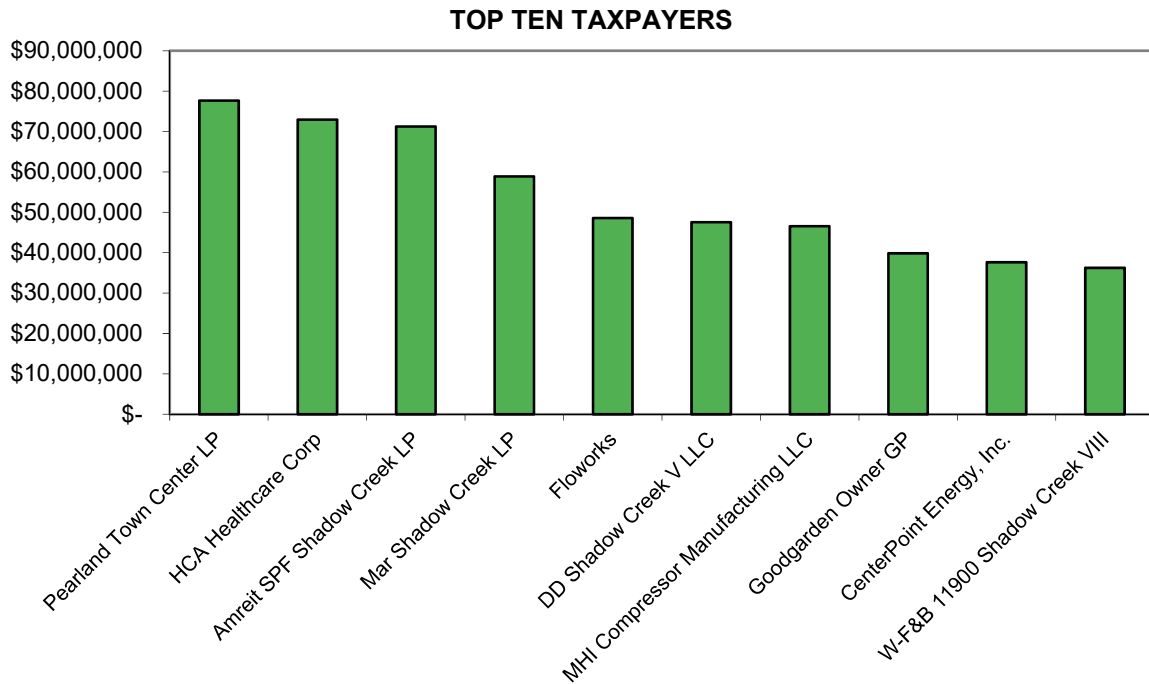
* Net assessed valuation

** Certified Value for fiscal year 2020

**PRINCIPAL TAXPAYERS
FISCAL YEAR 2020-2021**

<u>TAXPAYERS</u>	<u>BUSINESS</u>	<u>ASSESSED VALUE OF PROPERTY</u>	<u>% OF ASSESSED VALUE</u>
1 Pearland Town Center LP	Retail mixed use center	\$ 77,670,650	0.70%
2 HCA Healthcare Corp	Health Care/Hospital	\$ 72,967,490	0.66%
3 Amreit SPF Shadow Creek LP	Retail	\$ 71,260,080	0.64%
4 Mar Shadow Creek LP	Multi-Family Housing	\$ 58,900,000	0.53%
5 Floworks	Industrial / Manufacturing	\$ 48,578,680	0.44%
6 DD Shadow Creek V LLC	Multi-Family Housing	\$ 47,557,030	0.43%
7 MHI Compressor Manufacturing LLC	Industrial / Manufacturing	\$ 46,562,236	0.42%
8 Goodgarden Owner GP	Multi-Family Housing	\$ 39,849,870	0.36%
9 CenterPoint Energy, Inc.	Utility	\$ 37,635,130	0.34%
10 W-F&B 11900 Shadow Creek VIII	Multi-Family Housing	\$ 36,246,640	0.33%
TOTAL PRINCIPAL TAXPAYERS		\$ 537,227,806	4.84%
ALL OTHERS		\$ 10,559,564,542	95.16%
TOTAL		\$ 11,096,792,348	100.00%

SOURCES: Brazoria and Harris Counties Tax Assessor Collector





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MULTI-YEAR FORECAST FISCAL YEARS 2021 - 2023

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 City Council and City management a meaningful tool in establishing priorities, allocating resources, and providing direction and strategies in the administration of City government.
- ◆ Provide insight into the long-term financial implications of current priorities, policies, and programs;
- ◆ 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

The forecast provides a solid planning tool by building upon the proposed FY21 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 tax rate in FY21 is 0.7200. In FY22 this increases to 0.7316 and in FY23 it increases to 0.7342
- ◆ During the 2019 Bond Referendum, the materials presented showed a maximum projected debt rate of \$0.4875; this projection does not exceed that amount.
- ◆ No rate increase is included in the FY21 budget, however additional increases are needed in fiscal years 2022 and 2023 of 17.3% and 13.6%, respectively, in order to meet cash reserve and bond coverage requirements.

FORECAST METHODOLOGY

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

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

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

The City may attempt to enact some controls to prevent the anticipated growth of operating expenses, but such controls are 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 4.5% in FY 22 and FY 23.

INDIVIDUAL FUND OVERVIEWS

Tax Rate

By FY 23, the total tax rate will rise slightly to \$0.7342; 40% to the General Fund and 60% to the Debt Service Fund.

As compared to last year's multi-year forecast, the FY 21 tax rate is \$0.026 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 rate may need to increase in the future if property tax valuations do not increase enough to cover expenses while holding the debt rate even in future years.

General Fund

The General Fund is structurally balanced for FY 21 whereby revenues are greater than expenses. Total expenditures in FY 23 are projected to increase to \$93,981,929, driven by new facilities and continued growth in our staffing.

Property and Sales Tax are a major revenue component funding these expenditures. Revenues from property tax, as a percent to total revenues, are 31.5% in FY 21. General Fund property tax revenues as a percentage of total drops slightly to 31.1% in FY 22 and then 31.0% in FY 23. 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.

No rate increase is proposed for FY 2021. The City plans to issue \$131.5 million, and \$73.2 million in fiscal years 2022 and 2023 respectively. The bonds will be used to begin construction on the expansion of two water reclamation facilities (Barry Rose and JHEC) 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 2023 total \$64.7 million, an increase of \$16.5 million from fiscal year 2021, and include only marginal growth in the number of connections, as well as two revenue increases. The growth in the number of connections average 1% annually over the multi-year forecast.

Total expenditures increase to \$72.7 million in fiscal year 2023, up from \$60.7 million in fiscal year 2021. Debt service increases over the forecast period, from \$23.7 million in fiscal year 2021 to \$36.5 million in fiscal year 2023. Revenues generate about \$4 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 Prosperity Plan, including business recruitment, Lower Kirby, SH 288 corridor enhancements and beautification. The ending fund balance is projected to be \$6.5 million in FY 2023, a decrease of \$1.8 million from FY 2021.

Sales tax revenue is a major component of funding for the Corporation. Revenues from sales taxes increased by 4.0% between FY21 and FY23, from \$11.2 million in fiscal year 2021 to \$11.5 million in fiscal year 2023. The sales tax revenues are 91.4% of the total revenues in 2021 and 90.6% in 2023.

CONCLUSION

The proposed 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, COVID-19, 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 2021-2023
DEBT SERVICE**

	ACTUAL FY 2019	AMENDED FY 2020	ADOPTED FY 2021	FORECASTED FY 2022	FORECASTED FY 2023
REVENUES					
Property Taxes	\$ 35,397,758	\$ 37,705,870	\$ 38,592,242	\$ 41,760,916	\$ 44,489,898
Other Financing (Refunding)	\$ 12,440,938				
Other Revenue*	1,150,209	921,581	907,155	904,949	901,828
Transfers	572,098	2,066,698	2,530,075	3,080,677	3,642,290
TOTAL	49,561,004	40,694,149	42,029,472	45,746,541	49,034,016
EXPENDITURES					
Mud Rebates	7,325,484	7,615,133	7,964,741	8,362,978	8,781,127
Bond Payment	43,618,876	32,439,124	35,184,944	36,917,624	38,917,624
TOTAL	50,944,360	40,054,257	43,149,685	45,280,602	47,698,751
REV OVER/(UNDER) EXP	(1,383,356)	639,892	(1,120,213)	465,939	1,335,265
BEGINNING FUND BALANCE	6,797,114	5,413,758	6,053,650	4,933,437	5,399,376
ENDING FUND BALANCE	\$ 5,413,758	\$ 6,053,650	\$ 4,933,437	\$ 5,399,376	\$ 6,734,642
Reserve 10%	\$ 5,094,436	\$ 4,005,426	\$ 4,314,969	\$ 4,528,060	\$ 4,769,875
Over Policy**	\$ 319,322	\$ 2,048,224	\$ 618,469	\$ 871,316	\$ 1,964,767

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

**Future Over Policy amounts will be committed to lowering tax rate.

**MULTI-YEAR BUDGET 2021 - 2023
GENERAL FUND OVERVIEW**

DESCRIPTION	ACTUAL 2019	AMENDED 2020	ADOPTED 2021	FORECASTED 2022	FORECASTED 2023
REVENUE					
Property Taxes	\$ 23,098,213	\$ 26,801,576	\$ 28,420,428	\$ 28,834,778	\$29,553,442
Sales & Use Taxes	22,427,733	21,505,963	22,452,153	23,350,239	24,050,746
Franchise Fees	7,244,496	7,139,532	6,922,658	7,233,338	7,450,338
Licenses & Permits	4,198,563	3,661,452	4,150,000	4,274,500	4,402,735
Fines & Forfeitures	2,528,927	1,603,446	2,392,706	2,440,560	2,489,371
Charges For Service	17,150,321	16,906,119	19,502,964	19,988,919	20,487,114
Investment Earnings	588,706	453,898	456,568	465,699	479,670
Miscellaneous	1,167,935	3,191,910	754,433	769,522	784,912
Transfers In	4,674,460	4,949,456	5,226,770	5,383,573	5,545,080
TOTAL REVENUES	83,079,354	86,213,352	90,278,680	92,741,128	95,243,409
EXPENDITURES					
General Government	12,241,075	13,936,290	14,609,229	14,782,399	15,061,521
Public Safety	44,823,443	47,760,111	51,297,294	51,625,053	52,656,724
Community Services	3,915,720	3,983,589	4,254,227	4,266,271	4,352,973
Public Works	12,826,943	12,572,668	12,552,987	12,666,472	12,915,442
Parks & Recreation	6,219,982	6,001,156	6,757,468	6,782,618	6,903,959
Anticipated Additional				878,680	2,091,309
TOTAL EXPENDITURES	80,027,164	84,253,814	89,471,205	91,001,492	93,981,929
REV OVER/(UNDER) EXP	3,052,191	1,959,538	807,475	1,739,636	1,261,480
BEGINNING FUND BALANCE	14,149,656	17,201,848	19,161,386	19,968,861	21,708,497
ENDING FUND BALANCE	\$ 17,201,848	\$ 19,161,386	\$ 19,968,861	\$ 21,708,497	\$ 22,969,977
Policy Requirement*	11,828,989	14,041,741	14,911,271	18,200,298	18,796,386
Amount Over Policy	\$ 5,372,859	\$ 5,119,645	\$ 5,057,590	\$ 3,508,199	\$ 4,173,591
Fund Balance % of Exp	21%	23%	22%	24%	24%
Fund Balance In Days	78	83	81	87	89
TAX RATE					
General Fund	0.2792	0.3068	0.3050	0.2991	0.2932
Debt Service	0.4300	0.4344	0.4150	0.4325	0.4410
Total Tax Rate	0.7092	0.7412	0.7200	0.7316	0.7342
TAX RATE SPLIT					
General Fund	39%	41%	42%	41%	40%
Debt Service	61%	59%	58%	59%	60%
TAX RATE INCREASE (DECREASE)					
General Fund	0.0241	0.0276	(0.0018)	(0.0059)	(0.0058)
Debt Service	-	0.0044	(0.0194)	0.0175	0.0085
Total Tax Rate	0.0241	0.0321	(0.0212)	0.0116	0.0027

*Policy minimum shown here is 16.66% of expenditures

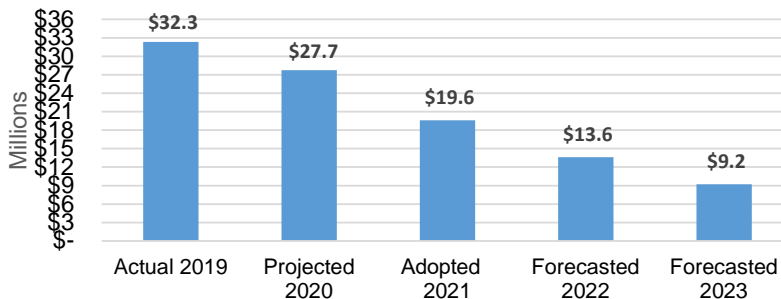
**MULTI-YEAR BUDGET 2021 - 23
WATER & SEWER FUND DETAIL**

DESCRIPTION	ACTUAL 2019	PROJECTED 2020	ADOPTED 2021	FORECASTED 2022	2023
CHARGES FOR SERVICE					
Water/Sewer Charges	\$ 47,982,602	\$ 49,029,678	\$ 48,142,971	\$ 56,294,628	64,685,958
Sanitation Billing Fee	421,728	425,126	425,000	429,250	433,543
Connection Fee	140,574	131,026	150,000	151,500	153,015
Water/Sewer Tap Fee	131,841	88,170	90,000	90,900	91,809
Late Payment Fee	578,762	217,230	400,000	404,000	408,040
Meter Set Fee	271,697	195,813	200,000	202,000	204,020
Curb Stop Replacement Fee					
Grease Trap Fee	44,100	45,000	45,000	45,450	45,905
Reconnect Fee	104,090	35,282	50,000	50,500	51,005
Miscellaneous	21,756	22,137	15,000	15,150	15,302
TOTAL CHARGES FOR SERVICE	49,697,148	50,189,462	49,517,971	57,683,378	66,088,595
MISCELLANEOUS REVENUE					
NSF Fees	3,650	3,898	3,500	3,535	3,570
Reimbursements	58,007	30,993			
Miscellaneous	6,990	203,316	5,000	5,050	5,101
TOTAL MISCELLANEOUS	68,647	238,207	8,500	8,585	8,671
INTEREST					
Interest	623,493	284,504	108,000	109,080	110,171
TOTAL INTEREST	623,493	284,504	108,000	109,080	110,171
TRANSFERS IN					
Transfers In	2,950,000	5,835,697	5,341,649	5,258,949	5,351,229
TOTAL INTERFUND TRANSFERS	2,950,000	5,835,697	5,341,649	5,258,949	5,351,229
OTHER FINANCING SOURCES					
Sale of Property	2,292,502				
Miscellaneous					
Capital Proceeds	27,998,301				
TOTAL OTHER FINANCING SOURCES	30,290,803				
TOTAL REVENUES	83,630,091	56,547,870	54,976,120	63,059,992	71,558,666

**MULTI-YEAR BUDGET 2021 - 23
WATER & SEWER FUND DETAIL**

DESCRIPTION	ACTUAL 2019	PROJECTED 2020	ADOPTED 2021	FORECASTED 2022	FORECASTED 2023
EXPENDITURES					
Public Works					
Administration	\$ 680,283	\$ 1,128,547	\$ 924,464	\$ 953,788	984,415
Lift Stations	1,162,264	1,416,324	1,242,403	1,281,897	1,322,925
Waste Water	4,305,640	4,475,852	4,184,491	4,314,254	4,448,576
Backflow Compliance	252,089	352,376	342,239	354,023	366,377
Water Production	8,651,688	10,986,148	10,287,996	10,538,444	10,795,997
Distribution & Collection	3,184,336	3,012,256	2,968,556	3,068,326	3,172,541
Construction	1,514,266	1,297,604	1,440,590	1,488,447	1,538,318
Water Meter Services	587,082	671,191	736,887	761,613	787,415
Water/Sewer Grounds Maintenance	554,603	595,260	746,700	771,861	798,147
Pretreatment	208,339	224,986	240,987	249,381	258,179
Information Technology	1,283,381	1,618,141	1,743,193	1,797,509	1,853,778
Utility Billing	1,827,022	1,726,145	2,041,057	2,108,085	2,178,168
Other Requirements	7,594,108	8,938,249	10,003,613	10,283,808	7,692,117
Transfer to WS Debt Fund*	45,246,816	18,931,712	23,749,293	29,750,058	36,468,019
TOTAL EXPENDITURES	77,051,917	55,374,791	60,652,469	67,721,493	72,664,972
REV OVER(UNDER) EXP	6,578,173	1,173,079	(5,676,349)	(4,661,501)	(1,106,306)
BEGINNING CASH EQUIVALENTS	30,100,199	32,924,530	34,097,609	28,421,260	23,759,759
RESERVE FOR DEBT SERVICE**	4,356,022	6,363,762	8,839,099	10,162,526	13,447,577
ENDING CASH EQUIVALENTS	\$ 32,322,350	\$ 27,733,847	\$ 19,582,161	\$ 13,597,233	\$ 9,205,876
BOND COVERAGE - 1.4 min required	5.01	1.98	1.46	1.40	1.61
CASH RESERVE RATIO - 25% min requir	102%	76%	70%	49%	25%
NUMBER OF CONNECTIONS	37,944	38,877	39,266	39,658	40,055
% REVENUE CHANGE	0.0%	1.6%	0.0%	17.3%	13.6%
REVENUE BONDS TO BE ISSUED	\$ -	\$ -	\$ 63,553,500	\$ 131,538,000	\$ 73,252,826
DEBT SERVICE COVERAGE					
REVENUES	\$ 83,580,141	\$ 56,470,188	\$ 54,976,120	\$ 63,059,992	\$ 71,558,666
LESS OPERATING EXPENSES	31,805,101	36,443,079	36,903,176	37,971,435	36,196,954
NET REVENUES AVAILABLE FOR DEBT SERVICE	\$ 51,775,040	\$ 20,027,109	\$ 19,893,944	\$ 27,403,557	\$ 36,895,712
TOTAL AVERAGE ANNUAL DEBT SERVICE (LESS GO)	\$ 10,334,391	\$ 10,106,013	\$ 13,637,852	\$ 19,591,683	\$ 22,857,501

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



*Accounting change for FY 2021 and subsequent years due to creation of Water Sewer Debt Fund. FY 2019 & 2020 expenditures refer to Debt Service paid directly from the enterprise fund before the accounting change.

**Beginning FY 2021, the reserve for debt service will reside in WS debt service fund.

MULTI-YEAR BUDGET 2021-23
PEARLAND ECONOMIC DEVELOPMENT CORPORATION

DESCRIPTION	AMENDED 2020	ADOPTED 2021	FORECASTED	
			2022	2023
REVENUES				
Sales Tax	\$ 10,667,741	\$ 11,017,128	\$ 11,237,471	\$ 11,462,220
Management District Reimbursements	441,517	559,000	-	1,000,000
Other*	783,942	473,000	136,388	182,801
TOTAL OPERATING REVENUE	\$ 11,893,200	\$ 12,049,128	\$ 11,373,859	\$ 12,645,021
EXPENDITURES				
Operating & Service Expenditures	2,295,485	2,543,832	2,613,197	2,644,793
Bond Payments	291,300	285,400	285,400	279,500
Current Incentive Obligations	1,004,140	1,508,390	1,952,889	526,879
Potential Future Incentives	-	200,000	1,500,000	1,723,121
Infrastructure/Redevelopment	966,105	4,256,000	700,000	2,000,000
Business Formation & Early Stage Growth	-	-	1,500,000	500,000
Workforce Development	-	-	175,000	175,000
Site Development	-	-	3,000,000	3,000,000
Lower Kirby	1,993,500	200,000	450,000	1,650,000
288 Corridor Improvements	1,435,000	14,564,500	320,000	-
Corridor/Entryway Maintenance	335,000	430,000	442,900	456,187
TOTAL EXPENDITURES	8,320,530	23,988,122	12,939,386	12,955,480
REV OVER/(UNDER) EXP	3,572,670	(11,938,994)	(1,565,528)	(310,459)
BEGINNING TOTAL FUND BALANCE	\$16,735,439	\$20,308,109	\$8,369,114	\$6,803,587
ENDING TOTAL FUND BALANCE	\$20,308,109	\$8,369,114	\$6,803,587	\$6,493,127

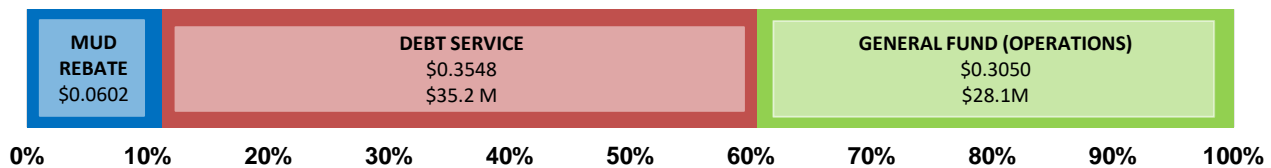
*Other includes Interest, CSI Rent, BCD Assessments and Lower Kirby Reimbursements

DEBT SERVICE FUND SUMMARY

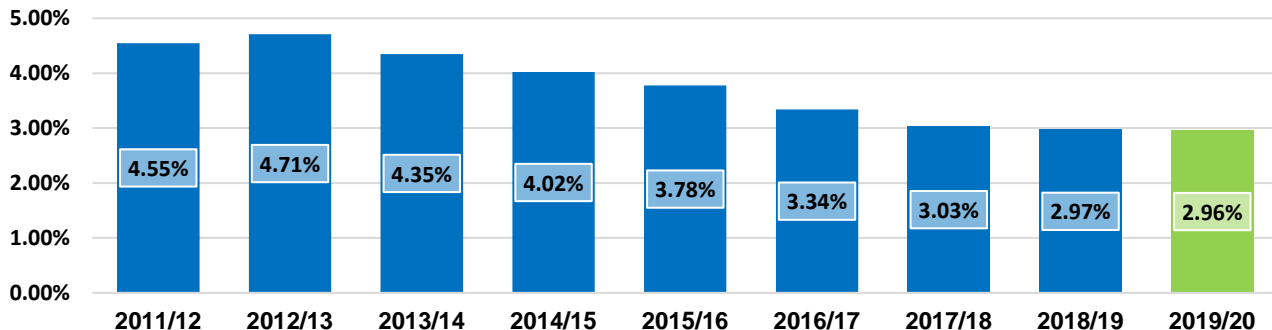
	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Property Taxes	\$ 35,397,758	\$ 36,301,300	\$ 37,705,870	\$ 38,592,242
Miscellaneous	1,150,209	1,121,581	921,581	907,155
Transfers	572,098	2,035,747	2,066,698	2,530,075
Bond Proceeds (Refunding)	12,440,938			
TOTAL REVENUES	49,561,004	39,458,628	40,694,149	42,029,472
EXPENDITURES				
MUD Rebates	7,325,484	7,435,253	7,615,133	7,964,741
Bond Payment	43,618,876	32,574,336	32,439,124	35,184,944
TOTAL EXPENDITURES	50,944,360	40,009,589	40,054,257	43,149,685
REV OVER/(UNDER) EXP	(1,383,356)	(550,961)	639,892	(1,120,213)
BEGINNING FUND BALANCE	6,784,264	4,857,633	5,400,908	6,040,800
ENDING FUND BALANCE	\$ 5,400,908	\$ 4,306,672	\$ 6,040,800	\$ 4,920,587
Reserve 10% Over Policy	\$ 5,094,436 \$ 306,472	\$ 4,000,959 \$ 305,713	\$ 4,005,426 \$ 2,035,374	\$ 4,314,969 \$ 605,618
Funds Committed *				8,395,925

*Funds Committed represents the use of the prior fund balance plus non-tax rate generated revenue from other sources and is reflected in the tax revenue generated by the current debt rate, allowing for maintaining of a 10% debt fund balance reserve.

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 property values estimated, the budget as proposed assumes a Debt Service tax rate of \$0.415 per \$100 assessed valuation to meet fiscal year 2021 obligations.

By committing \$8,395,925 of the prior year balance plus non-tax rate generated revenue, the City is able to generate a lower tax rate and therefore lower current tax revenue. The tax rate generates \$38,267,242 in current property taxes at a 99.0% collection rate and still allows for maintaining a 10% debt fund balance reserve. The commitment is the fourth year the City has designated funds to lower the Debt Service Fund Tax Rate, committing \$4.3 million in FY20 as well. In FY 19, the City dedicated \$5.0 million in fund balance.

Fund revenues includes \$757,155 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 \$437,067 for debt associated with water/sewer construction issued with General Obligation debt to save interest costs and \$2 million from Water and Sewer for rebates to In-City MUDs.

Expenditures total \$43,149,685 for fiscal year 2021 and include \$35,184,944 in bond principal and interest payments. Debt (General Obligation and Certificates of Obligation) anticipated to be issued includes \$54.9 million in fiscal year 2021 pursuant to the City's capital improvement program of which, \$27.5 million is reimbursable from TIRZ #2, once obligations ahead of the City are paid and the TIRZ has enough increment to pay the City.

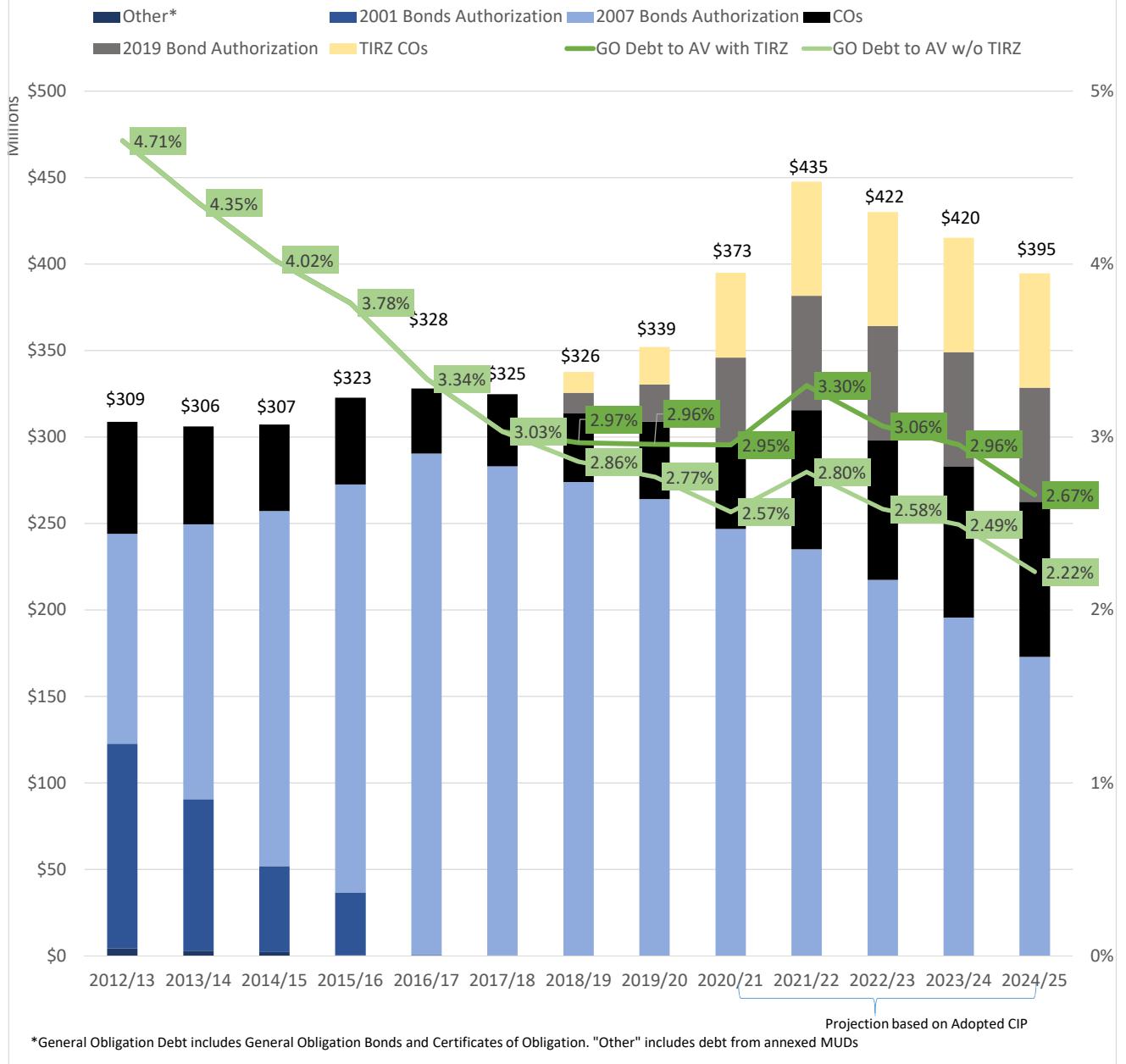
\$18.5 million in General Obligation Bonds will be issued in 2021 for 2019 Bond Referendum Projects. Total principal outstanding paid from property taxes at September 30, 2021 is anticipated to be \$314.06 million (this excludes new debt and property tax backed debt paid by the water/sewer fund).

Debt to Assessed Value, a leading indicator of the City's ability to pay debt increased slightly this year to 3.01%. 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 \$7,964,741, an increase of \$349,608 from fiscal year 2020 year-end projections.

The FY 2021 Debt Service ending fund balance at September 30, 2021 is projected to be \$4,920,587 and is \$605,618 over the reserve policy of \$4,314,969. However, that balance includes the aforementioned assignment for potential use in debt service in FY 2021.

Debt to Assessed Value Compared to General Obligation Debt



**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.

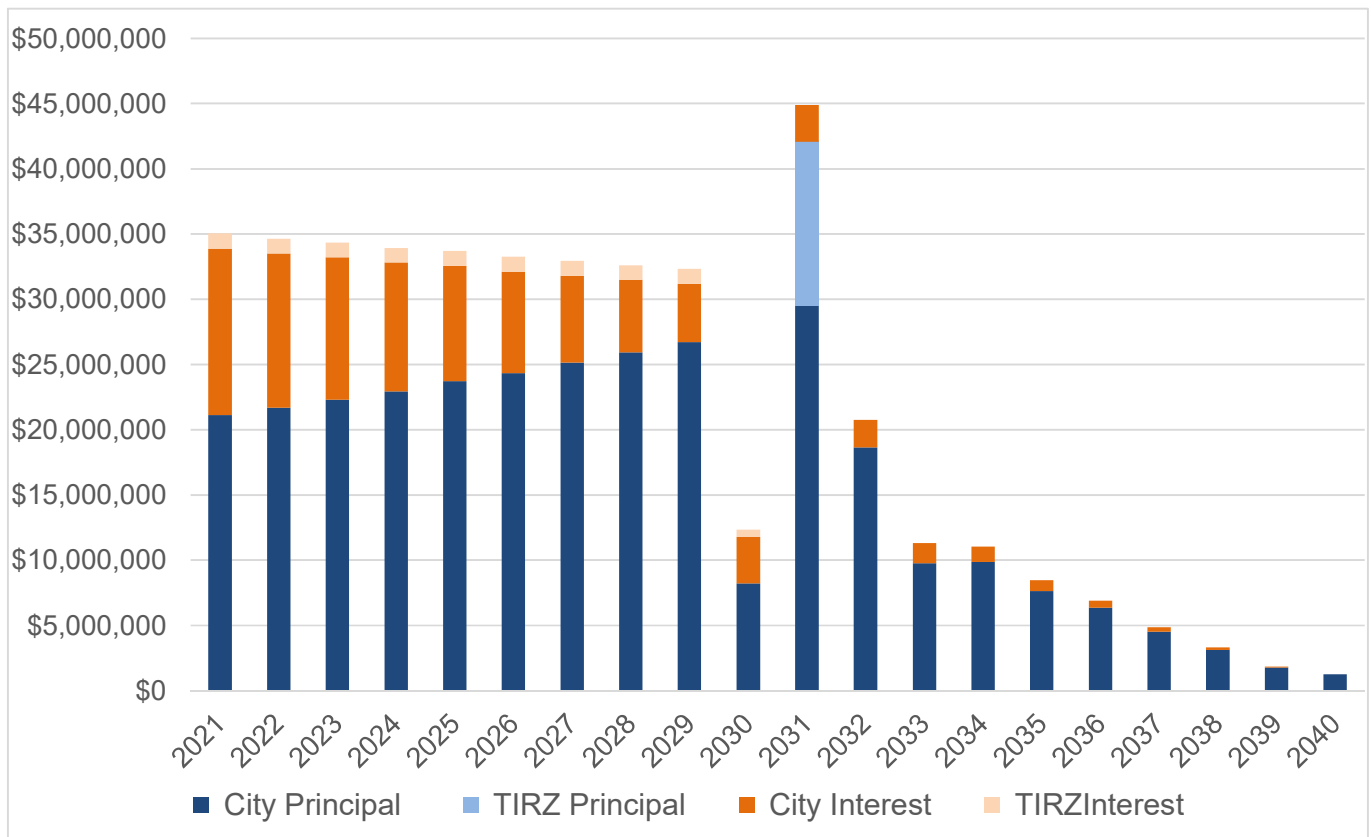
MUD DESCRIPTION	TAX RATE	REBATE	FY 2019 ACTUAL	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
BRAZ/FT BEND MUD 1	0.8480	N/A	1,771,779	1,936,661	2,023,002
MUD 17	0.3800	0.1500	719,837	753,470	776,898
MUD 18	0.3900	0.1500	629,706	661,416	674,887
MUD 19	0.4700	0.1500	793,626	810,948	810,094
MUD 23	0.4700	0.1500	361,867	365,279	369,846
MUD 26	0.7000	0.1500	1,252,596	1,290,615	1,332,924
MUD 28	0.8000	0.1500	837,945	872,718	937,857
MUD 34	1.0000	0.1500	699,167	743,693	776,205
MUD 35**	0.6900	N/A	17,910		
MUD 509	0.8500	0.1500	241,049	180,333	263,028
TOTAL MUD REBATES			7,325,484	7,615,133	7,964,741

*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 9/30/2020**

Fiscal Year	Principal	Interest	Total
2020 - 2021	21,115,000	13,931,943	35,046,943
2021 - 2022	21,680,000	12,962,074	34,642,074
2022 - 2023	22,320,000	12,019,461	34,339,461
2023 - 2024	22,940,000	11,002,086	33,942,086
2024 - 2025	23,740,000	9,957,649	33,697,649
2025 - 2026	24,350,000	8,902,593	33,252,593
2026 - 2027	25,145,000	7,792,599	32,937,599
2027 - 2028	25,930,000	6,691,158	32,621,158
2028 - 2029	26,715,000	5,607,218	32,322,218
2029 - 2030	30,890,000	4,117,521	35,007,521
2030 - 2031	29,480,000	2,825,205	32,305,205
2031 - 2032	18,650,000	2,091,749	20,741,749
2032 - 2033	9,775,000	1,531,531	11,306,531
2033 - 2034	9,875,000	1,166,275	11,041,275
2034 - 2035	7,635,000	835,603	8,470,603
2035 - 2036	6,360,000	558,853	6,918,853
2036 - 2037	4,525,000	343,456	4,868,456
2037 - 2038	3,140,000	187,400	3,327,400
2038 - 2039	1,780,000	87,000	1,867,000
2039 - 2040	1,285,000	25,700	1,310,700
TOTAL	336,045,000	102,611,375	438,656,375





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**GENERAL FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE**

OVERVIEW

The General Fund provides the financing for all of the City of Pearland's basic services except water, sewer and solid waste, which is accounted for through the Water & Sewer and Solid Waste Funds. The principal sources of revenue include property taxes, sales taxes, franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures are comprised of five major functional areas: Public Works, Public Safety, General Government, Community Services, and Parks and Recreation. Public Safety provides all emergency services to the citizens of Pearland and accounts for 59.3% of total operating expenditures (excluding transfers). General Government includes departments such as City Council, City Manager, Finance, Legal, and Human Resources. Expenditures include all personnel costs for 621 full-time positions and 137 part-time positions including utilities, fuel, park and right-of-way maintenance, and street lighting, just to name a few.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Property Taxes	\$ 23,098,213	\$ 25,704,801	\$ 26,801,576	\$ 28,420,428
Sales & Use Taxes	22,427,733	22,669,370	21,505,963	22,452,153
Franchise Fees	7,244,496	7,242,757	7,139,532	6,922,658
Licenses & Permits	4,198,563	3,887,350	3,661,452	4,150,000
Fines & Forfeitures	2,528,927	2,445,750	1,603,446	2,392,706
Charges For Service	17,150,321	18,291,338	16,906,119	19,502,964
Miscellaneous	1,756,641	1,743,854	3,645,808	1,211,001
Transfers In	4,674,460	4,949,456	4,949,456	5,226,770
TOTAL REVENUES	83,079,354	86,934,676	86,213,352	90,278,680
EXPENDITURES				
General Government	10,836,667	11,387,511	10,997,329	11,722,148
Public Safety	44,823,443	48,327,734	47,760,111	51,297,294
Community Services	3,915,720	4,303,693	3,983,589	4,254,227
Public Works	12,826,943	14,154,818	12,572,668	12,552,987
Parks & Recreation	6,219,982	6,704,582	6,001,156	6,757,468
SUBTOTAL EXPENDITURES	78,622,755	84,878,338	81,314,853	86,584,124
Transfers Out	1,404,408	1,333,173	2,938,961	2,887,081
TOTAL EXPENDITURES	80,027,164	86,211,511	84,253,814	89,471,205
REV OVER/(UNDER) EXP	3,052,191	723,165	1,959,538	807,475
BEGINNING FUND BALANCE	14,149,656	11,886,007	17,201,848	19,161,386
ENDING FUND BALANCE	\$ 17,201,848	\$ 12,609,172	\$ 19,161,386	\$ 19,968,861
Policy - 2 months Recurring Oper.	11,828,989	12,181,840	14,042,302	14,911,867
Fund Balance Over Policy	5,372,859	427,332	5,119,084	5,056,994

GENERAL FUND REVENUE AND EXPENDITURE SUMMARY

OVERVIEW – FUND BALANCE

The City anticipates ending FY 2020 on September 30, 2020, with a fund balance of \$19,161,386, \$5,119,084 over fund balance policy. The adopted FY 2021 fund balance over policy is \$5,056,994 a decrease of \$62,090 from the 2020 amended budget, with FY 2021 adopted ending fund balance of 19,968,861.

REVENUES

Revenues in FY 2021 are anticipated to exceed those in 2020 in all categories except Franchise Fees and Miscellaneous revenues. Overall, the increase in total revenues from FY 2020 is 4.7%. Property tax, sales tax and charges for services are the three major revenue sources for the City.

Property Tax revenues increased in 2021 by 6% over FY 20 year-end amended revenue. FY 2021 sales tax revenue is projected to grow at 3.3%. Charges for Services include TIRZ administration fees, which are increasing by \$1,449,581 as a result of property values in the TIRZ increasing. Franchise Fees are decreasing due to legislative changes. Fines & Forfeitures for FY 21 is expected to recover from the decline due to the COVID pandemic. All other revenue sources have minor changes.

Total Revenues

FY 2021 Adopted	\$90,278,680	
FY 2020 Amended	<u>\$86,213,352</u>	
Increase / (Decrease)	\$ 4,065,328	4.7% increase

EXPENDITURES

Fiscal year 2021 total expenditures are \$89,471,205, 6.2% higher than the FY 2020 amended budget. Salaries and benefits remain the major expenditure for FY 21, at 72.0% of the total an increase of 0.008 percentage points over FY 2020 amended.

Major changes in the General Fund are described in the Budget Overview section. Police and Fire remained the main focus of the supplemental funding. The FY 2021 adopted budget contains two new police officers and continues to bring firefighters on board with twelve new positions. Funding for street and sidewalk rehabilitation saw a slight increase of \$198,548 in the transfer to the Infrastructure Rehabilitation Fund.

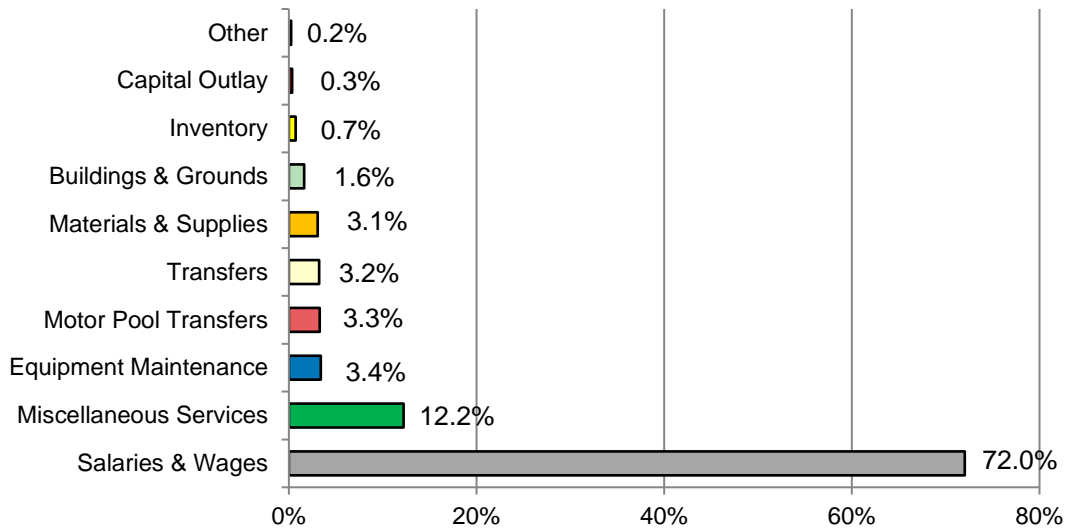
A 2% cost of living increase in October 2020, is included for all personnel, to support recruitment and retention efforts.

Total Expenditures

FY 2021 Adopted	\$89,471,205	
FY 2020 Amended	<u>\$84,253,814</u>	
Increase / (Decrease)	\$ 5,217,391	6.2% increase

**GENERAL FUND EXPENDITURE SUMMARY
(All Departments)**

General Fund Expenditures by Type



BY CATEGORY	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Salaries & Wages	\$ 57,385,939	\$ 61,804,255	\$ 59,975,094	\$ 64,448,813
Materials & Supplies	2,122,256	2,634,036	2,525,575	2,659,806
Buildings & Grounds	2,284,962	2,348,911	1,519,594	1,457,988
Equipment Repair & Maintenance	1,975,869	2,886,741	2,936,762	3,045,006
Miscellaneous Services	10,972,934	11,157,240	10,991,054	10,939,379
Other Charges	20,471	265,700	93,286	222,700
Inventory	516,478	455,453	314,721	646,180
Capital Outlay	753,529	794,306	427,071	223,590
Motor Pool Transfers	2,590,317	2,531,696	2,531,696	2,940,662
SUB-TOTAL	78,622,755	84,878,338	81,314,853	86,584,124
Transfers	1,404,408	1,333,173	2,938,961	2,887,081
TOTAL	\$ 80,027,164	\$ 86,211,511	\$ 84,253,814	\$ 89,471,205

**GENERAL FUND EXPENDITURES
BY FUNCTION/DEPARTMENT**

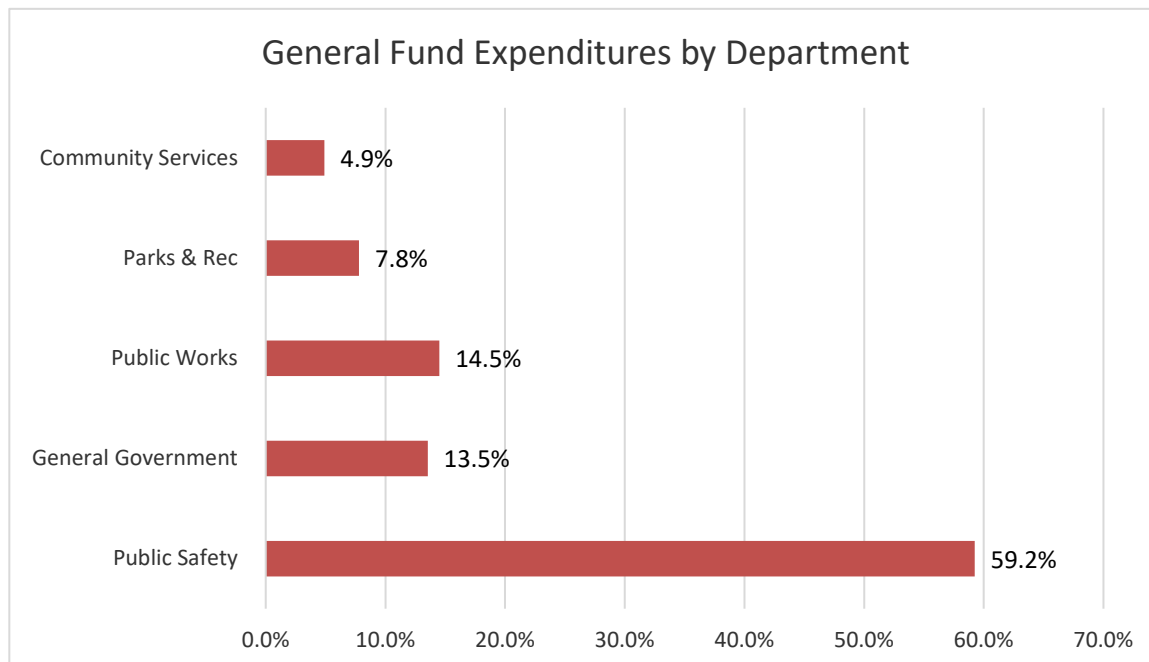
FUNCTION/DEPARTMENT	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
GENERAL GOVERNMENT				
City Council	\$ 137,640	\$ 139,633	\$ 136,976	\$ 115,362
City Manager	1,090,049	1,055,947	1,072,273	1,047,328
Legal	817,676	913,388	944,965	950,620
City Secretary	459,457	463,368	493,619	628,895
Human Resources	1,116,854	1,362,773	1,381,826	1,414,467
Finance	2,313,468	2,321,598	2,426,496	2,643,699
Information Technology	3,204,528	3,389,324	3,413,852	3,722,147
Other Requirements ¹	1,696,996	1,741,480	1,127,322	1,199,630
GENERAL GOVERNMENT TOTAL	10,836,667	11,387,511	10,997,329	11,722,148
PUBLIC SAFETY				
POLICE	28,107,629	29,655,498	29,570,018	31,496,272
Police Administration	1,986,390	1,946,425	1,991,848	2,425,977
Patrol	15,625,008	16,127,863	16,271,620	17,378,222
Investigations	3,384,627	3,793,489	3,699,956	3,893,424
Commercial Vehicle Enforcement	259,630	268,393	261,363	277,796
Community Service	1,055,787	1,117,026	1,289,609	1,018,748
Training	307,747	326,485	298,658	318,836
School Resource Officers (Sro)	1,444,051	1,535,990	1,532,475	1,524,779
Communications & Records	2,148,468	2,420,662	2,186,326	2,481,586
Jail	1,095,284	1,154,291	1,120,816	1,172,551
Animal Services	800,637	964,874	917,347	1,004,353
FIRE	16,715,815	18,672,236	18,190,093	19,528,766
Fire Administration	1,289,072	1,480,493	1,518,458	1,569,269
Fire Operations	13,734,018	15,477,435	15,009,089	16,454,224
Fire Marshal	896,506	842,898	793,563	826,801
Emergency Management	207,876	237,305	257,898	0
Health/Code Enforcement	588,343	634,105	611,085	678,472
CITY MANAGER				
Office of Emergency Management	0	0	0	272,256
PUBLIC SAFETY TOTAL	44,823,443	48,327,734	47,760,111	51,297,294
COMMUNITY SERVICES				
Community Development				
Community Development Administration	559,750	247,181	254,107	243,310
Permits & Inspections	1,165,044	1,188,797	970,476	1,119,153
Planning	479,714	683,525	657,989	676,573
Development Services		375,039	351,151	369,034
Communications	520,436	609,428	589,103	637,505
Municipal Court	782,870	810,137	777,801	819,017
Library ²	407,906	389,586	382,962	389,635
COMMUNITY SERVICES TOTAL	3,915,720	4,303,693	3,983,589	4,254,227
PUBLIC WORKS				
Public Works Operations Administration	292,361	306,473	319,958	350,027
Traffic Operations And Maintenance				
Custodial Services	491,136	559,035	562,158	562,740
Fleet Management	8,200			
Streets & Drainage	4,676,591	5,069,074	3,628,764	3,692,737
Right-Of-Way Maintenance	2,108,364	2,444,281	2,254,051	2,290,028
Facilities Management	1,649,701	1,650,137	1,518,902	1,563,399

**GENERAL FUND EXPENDITURES
BY FUNCTION/DEPARTMENT**

FUNCTION/DEPARTMENT	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
ENGINEERING & CAPITAL PROJECTS				
Administration				461,782
Traffic Operations And Maintenance	735,972	1,125,937	1,151,957	991,749
Engineering	1,375,513	1,556,029	1,658,227	1,253,389
Capital Projects	1,489,105	1,443,852	1,478,651	1,387,136
PUBLIC WORKS TOTAL	12,826,943	14,154,818	12,572,668	12,552,987
PARKS & RECREATION				
Administration	860,316	859,398	834,727	888,774
Recreation Center/Natorium	399,825	434,199	270,951	443,130
Athletics	293,329	338,087	282,333	336,815
Special Events	378,987	446,492	357,656	540,321
Senior Program	307,719	319,784	305,208	337,271
Aquatics	546,291	595,741	450,170	618,713
Parks	2,008,480	2,156,302	2,014,087	1,991,829
Recycling	1,062	1,200	1,200	1,200
Natural Resources	260,566	323,706	296,569	326,942
Recreation Operations	1,163,406	1,229,673	1,188,255	1,272,473
PARKS & RECREATION TOTAL	6,219,982	6,704,582	6,001,156	6,757,468
TOTAL OPERATING EXPENDITURES	78,622,755	84,878,338	81,314,853	86,584,124
Transfers	1,404,408	1,333,173	2,938,961	2,887,081
GENERAL FUND TOTAL	\$ 80,027,164	\$ 86,211,511	\$ 84,253,814	\$ 89,471,205

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

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



*Excludes Transfers

General Government

Mayor & City Council



Legal

City Manager

Finance

Human Resources

Deputy City Manager

Information Technology

Assistant City Manager

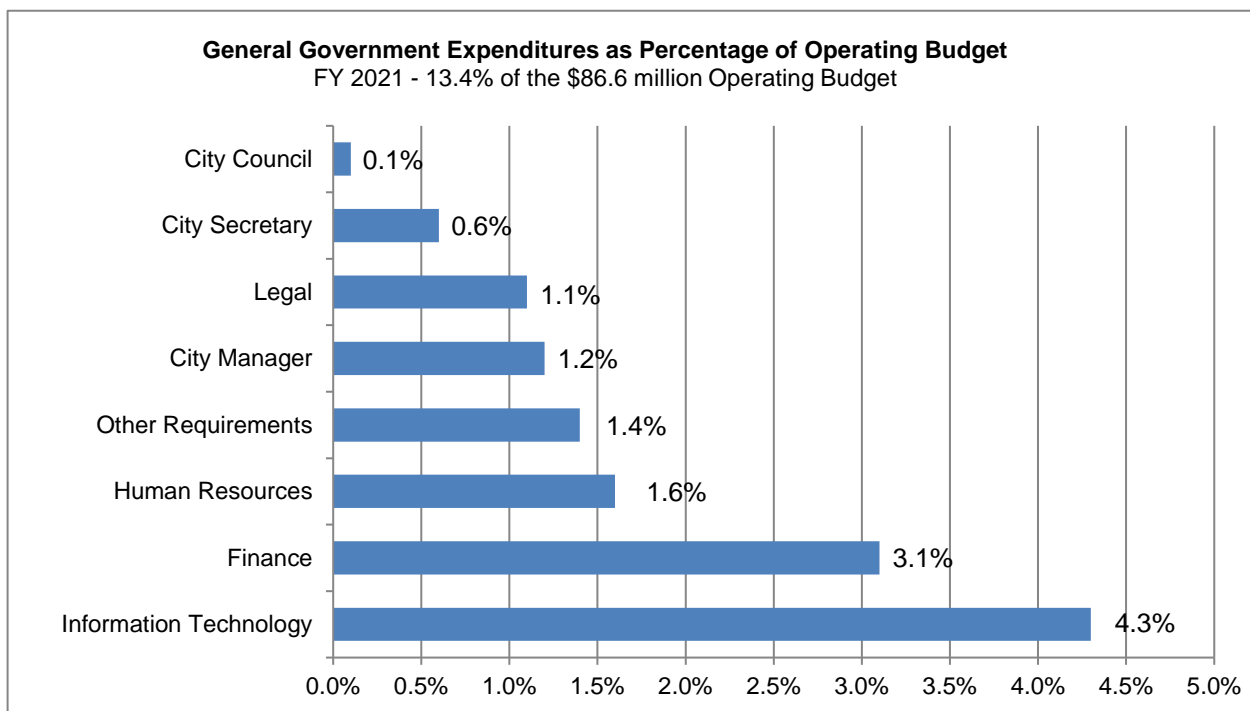
City Secretary

GENERAL GOVERNMENT EXPENDITURE SUMMARY

EXPENDITURES BY DEPT / DIVISION	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
City Council	\$ 137,640	\$ 139,633	\$ 136,976	\$ 115,362
City Manager	1,090,049	1,055,947	1,072,273	1,047,328
Legal	817,676	913,388	944,965	950,620
City Secretary	459,457	463,368	493,619	628,895
Human Resources	1,116,854	1,362,773	1,381,826	1,414,467
Finance	2,313,468	2,321,598	2,426,496	2,643,699
Information Technology	3,204,528	3,389,324	3,413,852	3,722,147
Other Requirements*	1,696,996	1,741,480	1,127,322	1,199,630
GENERAL GOVERNMENT TOTAL	\$ 10,836,667	\$ 11,387,511	\$ 10,997,329	\$ 11,722,148

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

EXPENDITURES BY CATEGORY	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Salaries & Wages	\$ 5,749,649	\$ 5,893,555	\$ 5,748,313	\$ 6,352,806
Materials & Supplies	202,093	259,279	205,944	220,222
Equipment Repair & Maintenance	1,693,059	1,845,304	1,975,683	1,913,291
Miscellaneous Services	2,741,565	2,723,704	2,664,921	2,399,624
Other Charges	16,809	261,700	92,291	221,700
Inventory	427,793	402,000	272,122	612,700
Capital Outlay			36,086	
Motor Pool Transfers	5,699	1,969	1,969	1,805
GENERAL GOVERNMENT TOTAL	\$ 10,836,667	\$ 11,387,511	\$ 10,997,329	\$ 11,722,148



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.
- ◆ Encourage diversity of opinions and perspectives.

FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Focused 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: Provide value for tax dollars.
- ◆ Strived to adopt land uses that follow and support adopted plans and 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.
- ◆ Awarded various Capital Improvement projects to assist with the growth and maintenance of the City.
- ◆ Maintained Debt Service Tax rate and strong credit ratings.
- ◆ Improved Moody's credit rating of Aa2.
- ◆ Maintained Water and Sewer rates; Finances of the Enterprise Fund are strong.

FISCAL YEAR 2021 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.
- ◆ Consider a review of the requirements for Joint Public Hearings/Meetings and processes.
- ◆ Adopt an annual budget for 2020/2021 that will ensure sustainability for the City over the next 5 plus years.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Ordinances Considered	49	39	21	30
Resolutions Considered	233	295	296	300

CITY MANAGER

OVERVIEW

The City Manager is appointed by the City Council to lead the daily operations of the City, implement policies established by City Council and achieve strategic objectives established by Council. The City Manager is responsible for preparation, filing and management of the annual budget necessary to achieve organizational 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 assist the City Manager with these duties and responsibilities. The Deputy City Manager has overall portfolio responsibilities to help guide the City and leads the General Government departments that includes Engineering and Capital Project, Public Works, Parks & Recreation, Information Technology, Traffic Management, Facility Maintenance and oversees the 5 Year Capital Improvement Plan. The Assistant City Manager has leadership responsibilities over Police, Fire, Courts, City Secretary and Office of Emergency Management. The Special Projects/Grants Administrator accesses available state and federal funding for Council priorities, the Management Assistant coaches city departments on the principals and practice of High-Performance Organization (HPO) and an Executive Assistant provides administrative and technical support to a myriad of projects and staff.

Key Budget Items for FY 2021 Include:

- ◆ Transition of Emergency Management Division from Fire Department to City Manager's Office
- ◆ Reduction of overall tax rate for the City of Pearland from \$0.7412 to \$0.7200.
- ◆ Receipt of first TIRZ reimbursement for capital expenditures in the amount of \$1.6 million dollars

GOALS

- ◆ Keep City Council informed of critical business of the City.
- ◆ Ensure continuity of essential City services on which the community depends.
- ◆ Prepare City staff to protect the community from all hazards, natural and otherwise.
- ◆ Keep Pearland citizens and businesses updated on City policies and operations via all available means.
- ◆ Provide timely and transparent financial and capital project reports to City Council.
- ◆ Present a balanced annual operating budget to City Council that meets the needs of a growing and dynamic City and achieves the Council's strategic priorities.
- ◆ Advocate for improved traffic safety/transportation capacity and city-wide mobility enhancements.
- ◆ Support Strategic Economic Development growth.

FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Convened City Council Early Budget Input Session on February 22, 2020.
- ◆ Modified debt structure and convened successful Capital Improvement Program Workshop June 27, 2020
- ◆ Eleven of twelve 2019 bond election projects are currently underway.
- ◆ Reapportionment of MUD rebates from general fund to Water and Sewer fund in addition to restructuring the fund to distinguish debt and operating components.
- ◆ Adjusted operations to ensure essential service delivery during the COVID-19 pandemic.
- ◆ Finalized debt funding issuances and refunding opportunities to contain or reduce the City's overall debt service tax rate.
- ◆ Presented the Drainage Utility Fund for Council deliberation on October 28, 2019, in anticipation of a November 2020 ballot measure.
- ◆ Collaborated with staff and TxDOT to finalize Broadway Corridor study.
- ◆ Coordinated and collaborated with Harris County Flood Control District (HCFCD) on the Clear Creek Drainage Project. Favorably influenced the Lower Clear Creek drainage study led by League City.
- ◆ Completed Clear Creek Trail master plan, shared with Council on August 6, 2020.
- ◆ Strategic oversight of multiple overlapping emergency responses including: COVID-19 pandemic, George Floyd entombment, Hurricane Laura and Tropical Storm Beta.
- ◆ Targeted administration of federal CARES Act funding for timely distribution and facilitation of Coronavirus pandemic recovery efforts in Pearland.
- ◆ Delivered a balanced, sustainable budget to City Council which was adopted on September 28, 2020.

CITY MANAGER

FISCAL YEAR 2021 OBJECTIVES

- ◆ Present funding issuances and refunding opportunities to contain or further reduce the City's overall debt service.
- ◆ Continue implementation of 2019 Bond program, substantially within schedule and budget.
- ◆ Move towards fully funding motor pool fund with TIRZ reimbursement funds as planned.
- ◆ Ensure budget supplemental items are implemented and delivered.
- ◆ Favorably influence the Clear Creek flood mitigation project via collaboration with HCFCD to better protect the Pearland community.
- ◆ Develop long-range financial vision for City Council deliberation, with a view toward sustainably funding streets/sidewalk infrastructure recapitalization.
- ◆ Petition the Texas General Land Office for flood disaster mitigation funding to mitigate flood risk in the Hickory Slough watershed middle and lower segments (Cullen Blvd to SH35), as described in the Pearland-BDD4 Master Drainage plan.
- ◆ Implement recommendations of Raftelis Utility Billing Process and System Review.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Number of authorized FTE ¹ employees per 1,000 population	6.28	6.28	6.43	6.52
GF Operating Budget \$ per capita	\$660	\$660	\$660	\$691

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

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 2021 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 2020 ACCOMPLISHMENTS

- ◆ Prepared numerous residential, commercial, institutional and economic development agreements for the City.
- ◆ Coordinated and assisted outside counsel in the resolution of multiple litigation cases.
- ◆ Efficiently carried out the prosecutorial duties of a rapidly growing municipal court.
- ◆ Coordinated the acquisition of multiple properties through the eminent domain process, thereby allowing for the timely construction of various City projects.
- ◆ Provided legal representation at all meetings of the City Council, PEDC, P&Z and the ZBA.
- ◆ Provided effective legal counsel to all departments in the City on a daily basis.
- ◆ Coordinated 1st Amendment Audit training for City staff.
- ◆ Coordinated ethics training for elected officials and board members.

FISCAL YEAR 2021 OBJECTIVES

- ◆ Provide legal representation at all meetings of the City Council, Planning and Zoning Commission and the Zoning Board of Adjustments.
- ◆ Provide each department legal services in a quality, yet efficient and cost-effective manner; such service to include specific training for each City department.
- ◆ Coordinate, with outside counsel, on multiple property acquisitions associated with the various City projects.
- ◆ Review and revise the City's Code of Ordinances as appropriate (Chapter 6, Chapter 31 and the Sex Offender Ordinance).
- ◆ Provide competent and efficient prosecutorial services for the City's Municipal Court.
- ◆ Continue development of the City's Unsafe Building Abatement Program.
- ◆ Implement a best practice guide for compliance with Ethics regulations.

CITY SECRETARY

OVERVIEW

The Office of City Secretary is a service-oriented department entrusted to serve as stewards of open and transparent city government through the Local Government Code, Open Meetings Act, Public Information Act, Ordinances and adherence to constitutional and other laws that govern. To build public trust and confidence to continually improve operational processes and enhancement of services through efficient and effective methods and solutions to ensure an organization that is customer-focused, proactive, consistent, and responsible.

This Office administers open records requests 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, Fort Bend County, and Harris 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 have the opportunity to participate in the local decision-making process, vote in elections, speak at public hearings, and request and receive official records, in ways that promote an Engaged Community.

Key Budget Items for FY 2021 Include:

- ◆ Two elections and two run-off elections

GOALS

- ◆ Record and maintain all City Council actions accurately and in a timely manner.
- ◆ Implement the iCompass module for Boards and Commissions to centralize and manage the application process, create profiles, track terms limits, and provide meeting access. Improve the City's transparency for boards, commissions, committees and members.
- ◆ Implement the iCompass module to transcribe meeting minutes in an efficient manner.
- ◆ Implement automation of the TRAKiT software for Alcoholic Beverage Permits to enhance the payment process 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 the process to issue Peddlers Permits in an efficient 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.
- ◆ Implement automation of the TRAKiT software to process claims.
- ◆ Administer the department's budget efficiently and monitor the funds allocated and expended.
- ◆ Enhance the Records Management Program to protect the integrity of the City's records and history of our local government.
- ◆ Implement an upgrade to the Laserfiche Electronic Document Management System ensure city records are retained in in compliance with the Texas State Library and Archives Commission regulations and City ordinances.
- ◆ Conduct quarterly training sessions relating to iCompass for the Public Information Act and GovQA software.
- ◆ Conduct quarterly training sessions relating to records management.

CITY SECRETARY

FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Completed the implementation of the GovQA Public Information Tracking System and conducted training sessions for staff.
- ◆ Implemented the process to maintain Alcohol Permits using the TRAKiT software program.
- ◆ Coordinated with Brazoria County, Fort Bend County, and Harris County to conduct the November election postponed from the May uniform election day due to the Coronavirus.
- ◆ Reorganized the City Secretary department to increase efficiency and productivity.

FISCAL YEAR 2021 OBJECTIVES

- ◆ Administer and coordinate Department services in compliance with all city, state and federal laws.
- ◆ Comply with the Texas Public Information Act by ensuring the Public has access to information maintained by the City.
- ◆ Administer the Department funding allocation to continue providing effective and efficient services to the public, City Council, residents, visitors, and City personnel.
- ◆ Provide excellence in customer interactions to improve the services to meet the changing needs of our diverse community and customer base in an open and transparent manner.
- ◆ Protect the integrity of the City's election.
- ◆ Maintain a comprehensive records management program.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
PUBLIC RECORDS				
Public Information Requests processed	1,687	1,644	1,766	1750
RECORDS MANAGEMENT				
Number of pages imaged in Laserfiche	64,940	79,105	88,765	85,000
Number of votes cast (average)	7,315	6,047	*	7,500
Average % of voter turnout	10.24%	8.26%	*	15%

*Due to the Coronavirus, elections postponed from May 2020 to November 3, 2020.

HUMAN RESOURCES

OVERVIEW

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

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

Key Budget Items for FY 2021 Include:

- ◆ Transition to self-funded Workers Compensation program.
- ◆ Transition the Property Liability Fund to a comprehensive Risk Fund that pays claims.

GOALS

- ◆ Recruit, engage and retain top talent.
- ◆ Manage risks and safety initiatives within the organization.
- ◆ Promote work-life balance and wellness.
- ◆ Develop implement and manage effective and efficient programs, systems and process.

FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Improved website presentation of recruitment information to attract top talent.
- ◆ Hosted inaugural virtual wellness fair.
- ◆ 30% decrease in Workers Comp claims resulting in a 52% decrease in Workers Comp claims dollars.
- ◆ 11% decrease in auto claims resulting in a 10% decrease in claim costs.
- ◆ Implemented the FFCRA and Pandemic Leave policy and program implementation to comply with Federal Law.
- ◆ All HR Business Partners certified in mediation.

FISCAL YEAR 2021 OBJECTIVES

- ◆ Comprehensive external review and recommendations related to employee compensation and classification.
- ◆ External evaluation of department services, processes, staffing levels, needs, recommendations, etc.
- ◆ Explore and initiate centralized policy and procedures management system.
- ◆ Determine metrics to measure department effectiveness and assist in predicting/planning for the future.
- ◆ Improve integration and management of information of various HR data, records and systems.
- ◆ Explore programs and methods to measure, monitor and increase engagement.
- ◆ Develop and implement a safety program, committee/review board.
- ◆ Continue implementing programs and procedure to comply with COVID-19 mandates and recommendations.
- ◆ Development of organization wide initiative around diversity, equity and inclusion.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Number of vacated or new positions posted	150	267	256	250
Number of employment applications received	16,007	17,383	16,610	16,500
Annualized Citywide turnover rate (FT employees)	16%	15%	14%	13%
Number of training hours to new and existing employees	69	75	70	100

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 2021 Include:

- ◆ No Significant Changes

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.
- ◆ Partner with internal and external stakeholders to ensure effective strategic decisions.
- ◆ Serve as central hub for data driven decision making.

FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Began implementation of the Time Clock Plus time management system, with time keeping systems for other departments and 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.
- ◆ Maintained 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 32-consecutive year.
- ◆ Awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the 42nd consecutive year.
- ◆ Awarded the Government Treasurer's Organization of Texas Investment Policy Certification for the second biennial period.
- ◆ Updated Comprehensive Financial Management Policies.
- ◆ Launched the City's first interactive budget dashboard.

FINANCE

FISCAL YEAR 2021 OBJECTIVES

- ◆ Begin implementation of a department wide Cross-training and Succession Planning Initiative
- ◆ Implement new organization-wide training plan
- ◆ Update Comprehensive Financial Management Policies.
- ◆ Roll out the Time Clock Plus time management system, with time keeping systems for other departments and integration into the City's New World financial systems.
- ◆ Maintain procedural documentation for all internal processes including TIRZ, DAP, and PEDC
- ◆ Review and update Purchasing Card Program Policies
- ◆ Continue to improve reporting and data analysis
- ◆ Complete physical inventory of the City's Fixed Assets. (This will need an outside contractor)
- ◆ Maintain the State Comptroller's Transparency STARS.
- ◆ Obtain the Government Finance Officers Association's Distinguished Budget Presentation Award
- ◆ Obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.
- ◆ Obtain the Government Finance Officers Association's Award for Outstanding Achievement in Popular Annual Financial Reporting
- ◆ Implement innovative practices in accordance with local, state and federal laws.
- ◆ Implement organizational Cash Handling Policy and procedures

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	2021 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-

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 Deputy 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 2021 include:

- ◆ Cyber Security Training

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 2020 ACCOMPLISHMENTS

- ◆ Implemented Office 365 for remaining city departments. Provided training on the new environment to support remote work for staff.
- ◆ Continued supporting the advanced meter infrastructure project throughout the year to enable near-real time consumption data expected to be available in fiscal year 2021.
- ◆ Upgraded ERP application to 2019.1 to provide year end close out solution and enhancements to the software platform.
- ◆ Replaced Toughbooks in Police and Fire vehicles that were at their end-of-life cycle which included updating to the latest Operating System to protect the City's technology from cyber threats.
- ◆ Created and customized several GIS dashboards for Public Works, Police, and Fire operations as well as emergency operations for COVID-19 and Hurricane preparedness.
- ◆ Integrated new database information into GIS to provide visual representation of data from several systems.
- ◆ Supported and implemented the technology related to Fire Station 1 and Fire Station 8.
- ◆ Installed remaining eTicket writers for the Police Department adding seamless integration between the Police System and Court System removing handwritten ticketing.
- ◆ Coordinated technology related to the SCADA redesign with Capital Projects and Public Works.
- ◆ Provided support and technical guidance for the new public records solution software.

INFORMATION TECHNOLOGY

- ◆ Worked with League City Police Consortium to build connectivity between Police Agencies for data sharing.
- ◆ Onboarded Marvel Police Department onto our Police records management system.
- ◆ Implemented Teleconferencing solution to conduct public meetings remotely.
- ◆ Revamped the Emergency Operations Center to provide staff ultimate flexibility during emergency events.
- ◆ Continued to enhance public spaces at various locations to provide digital signage and a unified communication platform for content delivery.
- ◆ Redesigned call intake process for Municipal Court and Public Works to provide an efficient method for customers.
- ◆ Created internal dashboards for Utility Billing to provide visibility into the billing process.
- ◆ Installed 15 additional cameras on the traffic system sharing the feeds with TranStar for traffic flow and congestion.
- ◆ Updated aging mobile phones providing Public Works field staff with GIS capabilities while in the field and during emergency operations to collect relevant data.
- ◆ Implemented new firewall technology to protect the City from cyber threats and increased speed to vital external resources.
- ◆ Replaced network distribution equipment to improve connectivity and resiliency throughout the organization.
- ◆ Implemented Internet Protocol television solution to reduce ongoing subscription costs and expand service offering at all connected sites.
- ◆ Implemented drone program for GIS to capture aerial information and three-dimensional facility data.
- ◆ Built GIS data platform for damage assessment related to hurricane damage and FEMA reporting requirements.
- ◆ Implemented vehicle location tracking into GIS platform for situational awareness.
- ◆ Created an Open Data portal for residents to gain instant information related to their property.
- ◆ Implemented field data collection for Public Works to maintain city streetlight assets.

FISCAL YEAR 2021 OBJECTIVES

- ◆ Implement Cyber Security Training program for all city staff and elected officials resulting from a State instituted mandate.
- ◆ Coordinate remaining connectivity to League City Police Consortium for data sharing between police agencies.
- ◆ Continue to support the advanced meter infrastructure project.
- ◆ 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.
- ◆ Upgrade existing document management platform to latest release supporting several application enhancements for city operations.
- ◆ Implement technology for the Joint Information Center to support ongoing Emergency Operations objectives.
- ◆ Integrate asset management into GIS workflows to provide automated data entry between systems.
- ◆ Support the additions of new Public Works, Fire Station 4, Animal Shelter, and West Side Library facilities.
- ◆ Provide technology for Surface Water Plant, Barry Rose Treatment Facility, John Hargrove Treatment plant.
- ◆ Continue to coordinate SCADA redesign with Capital Projects and Public Works.
- ◆ Redesign call intake process for the Police Department non-emergency calls.
- ◆ Enhance cyber security posture to improve resiliency and protection of data.
- ◆ Implement new application for Community Development to enhance service offering.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Number of PC's supported	756	770	782*	810
Number of support calls	1200	1000	2857**	2500
Number of new software programs installed	4	2	11	8
Average number of GIS layers maintained	142	150	160	165
Number of maps requested/prepared	225	200	180	150***

* PC additions due to additional personnel and facilities (Fire Station 1 & Fire Station 8)

** Call volume increased based on consolidating individual lines to a centralized IT Help Desk number

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

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 2021 Include:

- ◆ Radio maintenance agreement with City of Houston - \$300,000
- ◆ KPB franchise fee - \$285,000
- ◆ Credit Card Charges - \$320,000
- ◆ Sales tax incentives (Kelsey Seybold) - \$50,000
- ◆ Capital leases - lease on pumper truck (\$87,471) and ERP lease (\$125,336)

Public Safety

Assistant City Manager

Fire

Administration

Operations

Marshal

Health Code Enforcement

Office of Emergency Management

Police

Administration

Patrol

Commercial Motor Vehicle

Investigations

Community Services

Training

School Resource Officer

Communications/Records

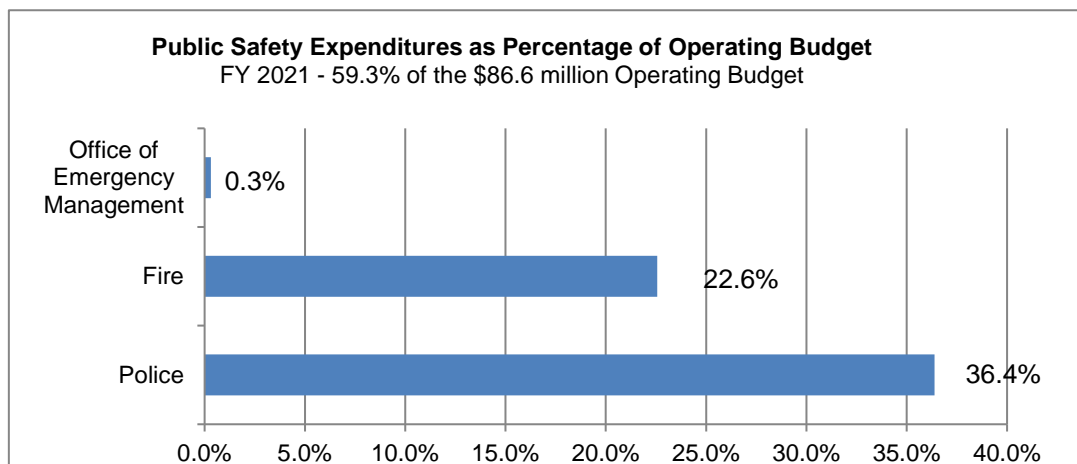
Jail

Animal Services

**PUBLIC SAFETY
EXPENDITURE SUMMARY**

EXPENDITURES BY DEPT / DIVISION	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Police Administration	\$ 1,986,390	\$ 1,946,425	\$ 1,991,848	\$ 2,425,977
Patrol	15,625,008	16,127,863	16,271,620	17,378,222
Investigations	259,630	268,393	261,363	277,796
Commercial Vehicle Enforcement	3,384,627	3,793,489	3,699,956	3,893,424
Community Service	1,055,787	1,117,026	1,289,609	1,018,748
Training	307,747	326,485	298,658	318,836
School Resource Officers (SRO)	1,444,051	1,535,990	1,532,475	1,524,779
Communications & Records	2,148,468	2,420,662	2,186,326	2,481,586
Jail	1,095,284	1,154,291	1,120,816	1,172,551
Animal Services	800,637	964,874	917,347	1,004,353
POLICE TOTAL	28,107,629	29,655,498	29,570,018	31,496,272
Fire Administration	1,289,072	1,480,493	1,518,458	1,569,269
Fire Operations	13,734,018	15,477,435	15,009,089	16,454,224
Fire Marshal	896,506	842,898	793,563	826,801
Emergency Management	207,876	237,305	257,898	
Health/Code Enforcement	588,343	634,105	611,085	678,472
FIRE TOTAL	16,715,815	18,672,236	18,190,093	19,528,766
Office of Emergency Management				272,256
CITY MANAGER TOTAL				272,256
PUBLIC SAFETY TOTAL	\$ 44,823,443	\$ 48,327,734	\$ 47,760,111	\$ 51,297,294

EXPENDITURES BY CATEGORY	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Salaries & Wages	\$ 39,356,589	\$ 42,280,469	\$ 41,718,938	\$ 44,234,711
Materials & Supplies	1,098,957	1,359,286	1,481,195	1,430,145
Equipment Repair & Maintenance	30,433	53,615	40,310	28,800
Miscellaneous Services	203,263	822,729	768,017	920,068
Other Charges	1,783,797	1,940,758	1,826,997	1,971,860
Inventory	36,252	47,653	41,799	31,480
Capital Outlay	260,875	190,000	249,631	148,090
Motor Pool Transfers	2,053,277	1,633,224	1,633,224	2,532,140
PUBLIC SAFETY TOTAL	\$ 44,823,443	\$ 48,327,734	\$ 47,760,111	\$ 51,297,294



POLICE

OVERVIEW

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

The Police Department is active in the community and is involved in various community programs aimed at reducing crime. These programs include National Night Out, the Citizens' Police Academy, homeowner's association meetings, 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 21 include:

- ◆ Addition of two sworn officers

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.
- ◆ 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

POLICE

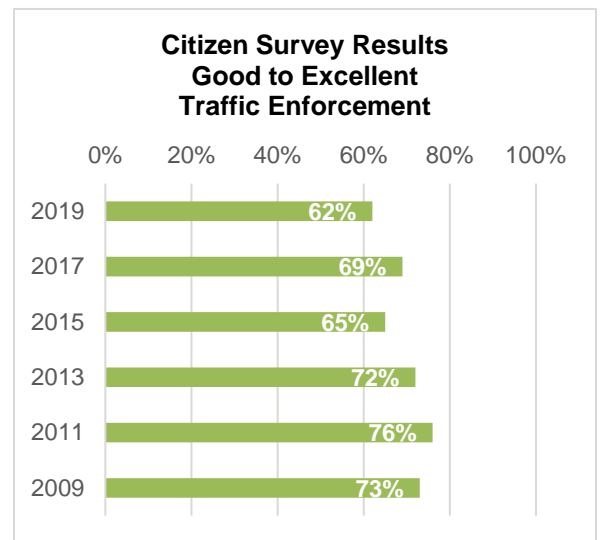
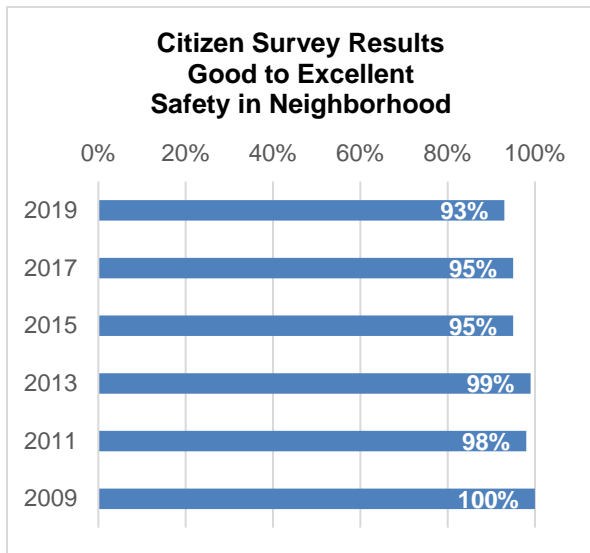
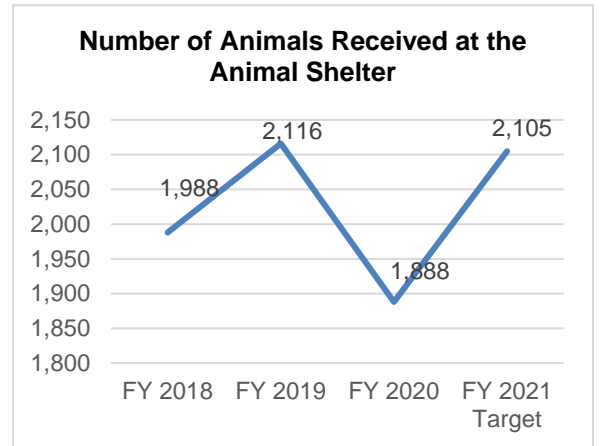
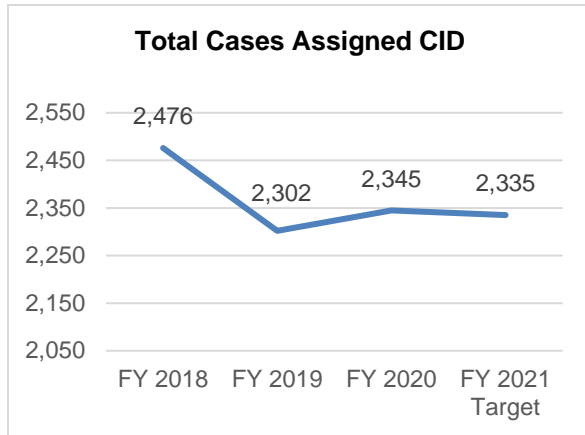
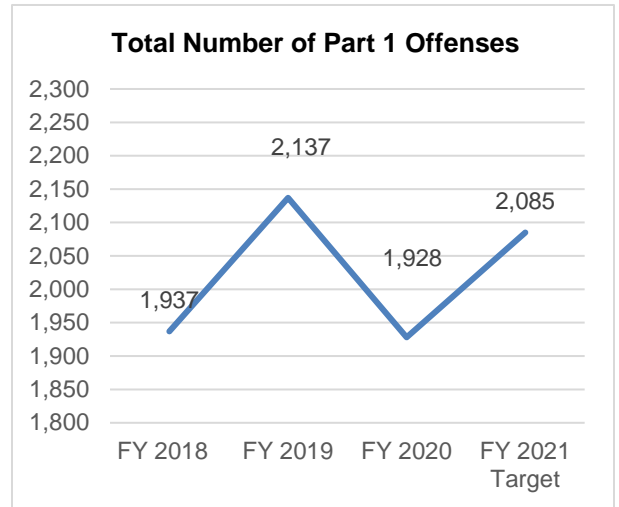
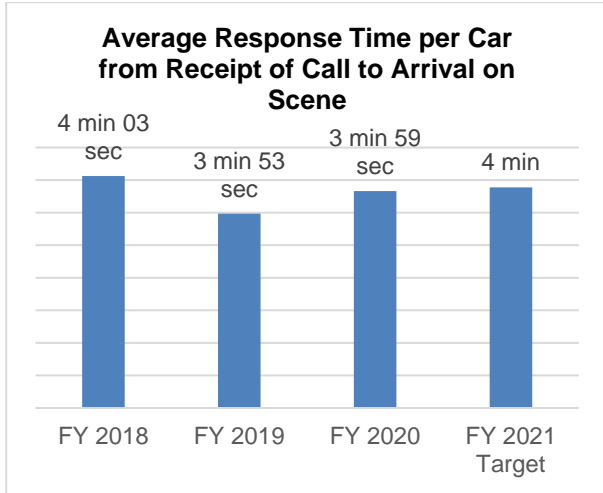
FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Construction Manager at Risk (CMAR) selected in addition to 90% completion of the design phase of a new Animal Shelter after passage of the 2019 Bond package.
- ◆ Provided over 16,913 hours of training and hosted over 104 police agencies.
- ◆ Graduated a Citizen Police Academy and collaborated with Explorers from Post #237 to successes at 2 competitions.
- ◆ Continued successes in the Special Investigative Unit in CID to tackle proactively quality of life crimes and issues, including disruption of numerous criminal rings ranging from auto theft to burglary.
- ◆ Hosted a successful National Night Out.
- ◆ Continued succession planning through training and certifications of supervisory and non-supervisory personnel.
- ◆ Focused on broadening training opportunities by implementing department-wide Implicit Bias Training and reallocating 2 officers to the Training division.
- ◆ Went Live with the City of Manvel to bring Manvel PD into the Pearland PD consortium for OSSI/CentralSquare.
- ◆ Received the Mobile Command Post, which was deployed at numerous City events and responses.
- ◆ Significant progress in the approval process with TCOLE for an in-house Police Academy
- ◆ Animal Services increased the live release by 24.2%, as well as significantly increased the work with local rescue organizations
- ◆ Increased transparency with Animal Services reporting, including the adoption of the Asilomar Accords guidelines.
- ◆ Significant progress in the Texas Chief of Police Association Recognition process.
- ◆ Diversified the Training Advisory Board to bring a more well-rounded point of view to the Board with additional citizen input.
- ◆ Updated the De-escalation and Use of Force Policies to ensure best practices are followed.
- ◆ Reallocated an officer with significant qualifications to create the Health and Wellness Officer position, focusing on employees' mental and physical wellbeing.
- ◆ Collaborated with IT to outfit all Patrol vehicles with e-Ticket writers
- ◆ Assisted Pearland ISD in creating their reunification plan
- ◆ Improved collaboration with Alvin ISD PD by appointing a liaison and meeting with key department personnel
- ◆ 90% of Priority 1 Call Responses were at or below 6 minutes and 50 seconds.

FISCAL YEAR 2021 OBJECTIVES

- ◆ Continue the Texas Chief of Police Association Recognition process.
- ◆ Thoroughly review dispatch operations and processes and increase the amount of calls reviewed in the Quality Assurance program by 50%.
- ◆ Continue the process of acquiring a new Animal Shelter and working with Capital Projects and other departments on this goal.
- ◆ Deploy Motorcycle e-Ticket Writers purchased with grant funding.
- ◆ 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.
- ◆ Continue successes with DDACTS, including expansion of the unit.
- ◆ Transition all departmental policies to the Lexipol Policy Management Platform.
- ◆ Move past the "continuity of operations" mindset and focus on development and growth within the department while managing the ongoing COVID-19 pandemic.
- ◆ Staff a fifth Traffic officer, expanding the number of four-wheel vehicles in this unit.
- ◆ Bring each Patrol shift up to published staffing level of 18 per squad.
- ◆ Add a dedicated Computer Forensics Detective to the Forensics and Analytics unit of the Investigative division.
- ◆ Remain focused on improving the quality of training by updating equipment used by the Training Division.
- ◆ Provide cross-training among Professional Staff to reduce time or service interruptions when employees are out.
- ◆ Prepare an Emergency Operations Kitchen Plan in conjunction with the Jail staff, defining communication criteria and a pre-set meal plan to streamline operations during an emergency event.
- ◆ Achieve a "no kill" status over the fiscal year within Animal Services, defined as a 90% or higher live release rate for canines.
- ◆ Increase public engagement within Animal Services through adoption events, HOA meetings, school programs and other avenues as opportunities arise.

POLICE



	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Violent and non-violent person crimes reported	1066	787	834	855
Property and society crimes reported	4,482	4,241	3,477	4,150
Training hours completed, Pearland Officers	11,442	13,253	12,556	13,000
Average time - citizen call to unit dispatched (in seconds), Priority 1 Calls	45sec	50sec	50sec	50sec
Number of offense / crash reports taken	12,609	12,293	10,172	11,570
Total arrests made by police	4,808	4,602	2,650	4,800
Average number of calls for patrol officers per shift	6.6	6.5	5.5	7.2
Average response time per car, Priority 1 Calls	4min	3min	3min	4min
Average response time per car, Priority 1 Calls	02sec	53sec	59sec	
Number of animals received at animal shelter	1,988	2,116	1,888	2,105
Asilomar live release percentage	59%	57%	81%	90%

FIRE

OVERVIEW

The Fire Administration Division provides logistical, administrative, training and financial support services to the entire Fire Department. Housed under the Administration Division is the Logistics Group, Training Group, Business Administrator and Community Risk Reduction. Community Risk Reduction Group is composed of Code Enforcement, Fire Marshal's Office, 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. Community Outreach provides public safety education as well as focused on community communications through various platforms that include in person classes, open houses and social media.

The Operations Division provides fire suppression, rescue, and emergency medical services to the City and surrounding areas, serving an area comprised of the Pearland City Limits and two Emergency Service Districts (ESD 4 and ESD 5). Pearland's ISO Public Protection Classification is a rating of 2/8B, among the top 3% of communities in the nation.

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 helps guide the Fire Department to foresee and mitigate the consequences of disaster, prepare City staff and local 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 2021 include:

- ◆ Continuous onboarding of Firefighters - \$864,468

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.
- ◆ Increase self-sufficiency by evolving the City's disaster response capability, staff proficiency and training.

FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Continued implementation to review and revise Fire Department Strategic Plan.
- ◆ Continued implementation of Lexipol policy management system.
- ◆ Completed construction and began operating out of new Fire Station #8.
- ◆ Took delivery of and staffed new Engine for Fire Station #8.
- ◆ Took delivery of new Ladder for Fire Station #8.
- ◆ Completed design phase of Fire Station #4.
- ◆ Completed design phase of Burn Building.
- ◆ Continued onboarding of personnel for new Fire Stations.
- ◆ Established Water Rescue Teams.
- ◆ Established a City Incident Management Team, continued position-specific training, and increased water rescue capabilities.

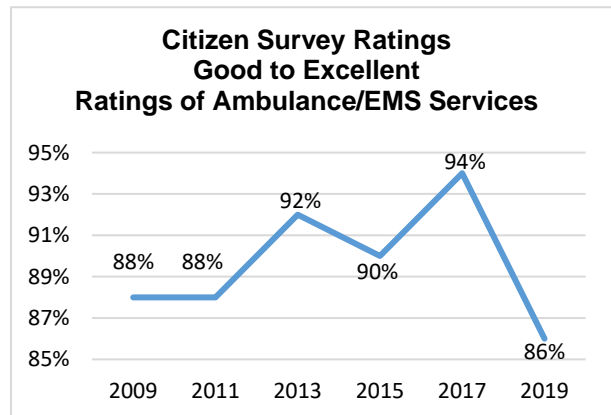
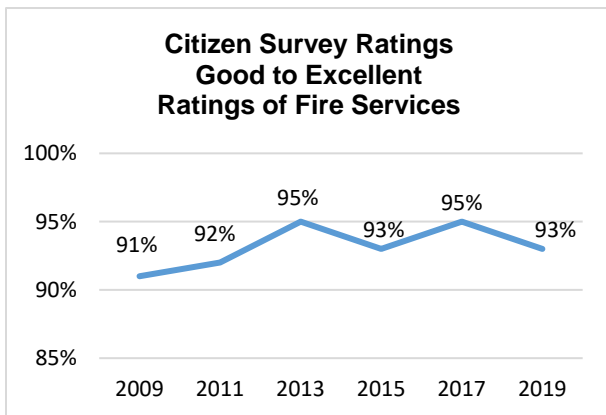
FIRE

- ◆ 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.
- ◆ Offered Virtual Code Violation Inspections during COVID-19 pandemic to ensure City's standards were continuing to be met.
- ◆ Successfully reorganized department from a three-division department (Operations, Administration & Community Risk Reduction) to a two-division department (Operations & Administration).

FISCAL YEAR 2021 OBJECTIVES

- ◆ Begin construction of new Fire Station #4.
- ◆ Onboard staff/personnel necessary to staff new Ladder Truck for Fire Station #8.
- ◆ Begin and complete construction of Burn Building.
- ◆ Review, revise and continue implementation of Fire Department Strategic Plan.
- ◆ Complete implementation of Fire Department LMS platform.
- ◆ Implement a new Fire Department Training Plan.
- ◆ Continue abatement of substandard structures.
- ◆ Review and implement a new company-level inspection program.
- ◆ Continue to develop disaster response and recovery self-sufficiency via acquisition of response equipment and staff training, with emphasis on incident management team proficiency.
- ◆ Monitor and evaluate response times for west side of town and department overall, due to the opening of Station #8.

PERFORMANCE MEASURES



	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2021 Target
90 th Percentile Response Time:				
Percent 5 minutes or less	N/A	N/A	55 %	65%
Percent 9 minutes or less	N/A	N/A	89 %	90%
Alarm processing time <= 90 seconds	73%	90%	90%	90%
Alarm processing time <= 120 seconds	84%	99%	100%	100%
Turnout Time <= 2 minutes	89%	90%	95%	100%
Call to first unit arrival <= 7:30	51%	56%	60%	75%
Call to arrival of ERF <= 11:30	29%	21%	25%	50%
Total Estimated Fire Loss	\$2,950,592	\$2,484,450	\$1,789,275	\$1,500,000
Number of Code Enforcement Cases Opened	2,962	2,280	2,000	2500
Number of Annual Inspections	1,720	1,765	2,000	2500
Emergency Medical Transports	4,500	5,023	5,100	5200
Public Safety Education Hours	610	460	650	500

Community Services

Mayor & City Council

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

Communications

Community Development

Administration

Permits & Inspections

Planning

Development Services

Deputy City Manager

Library

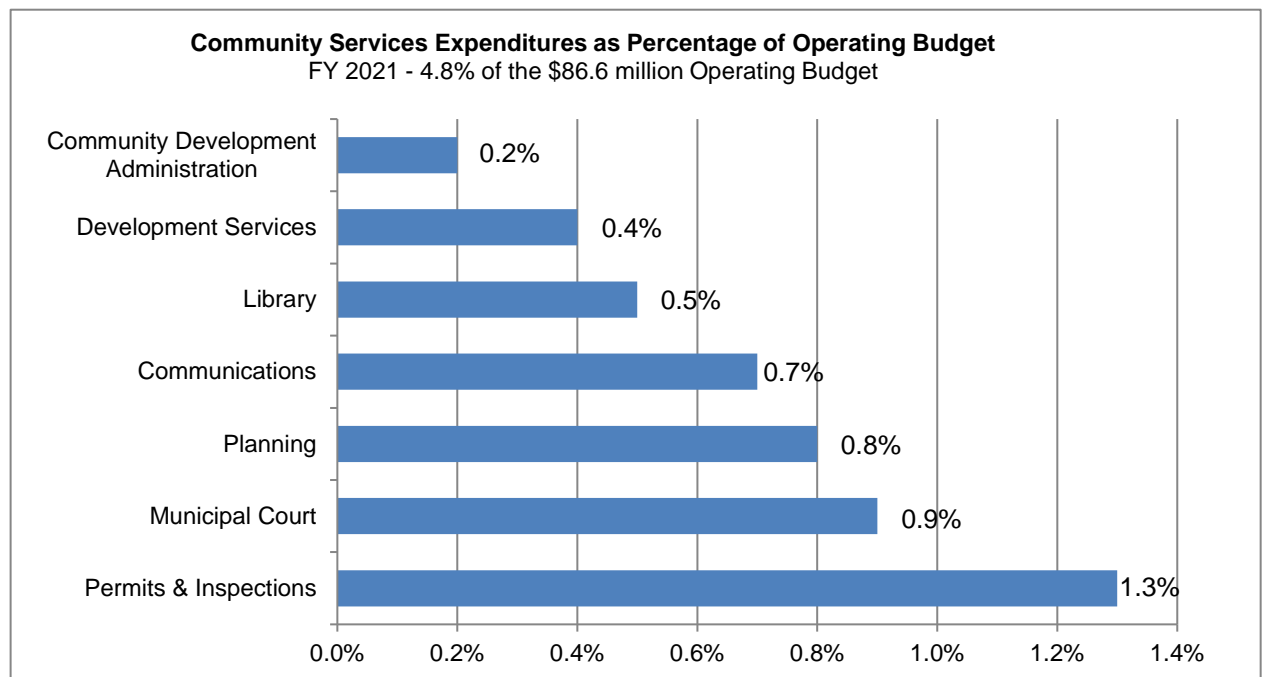
Assistant City Manager

Municipal Court

**COMMUNITY SERVICES
EXPENDITURE SUMMARY**

EXPENDITURES BY DEPT / DIVISION	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Community Development				
Community Development Administration	\$ 559,750	\$ 247,181	\$ 254,107	\$ 243,310
Permits & Inspections	1,165,044	1,188,797	970,476	1,119,153
Planning	479,714	683,525	657,989	676,573
Development Services		375,039	351,151	369,034
Communications	520,436	609,428	589,103	637,505
Municipal Court	782,870	810,137	777,801	819,017
Library ²	407,906	389,586	382,962	389,635
COMMUNITY SERVICES TOTAL	\$ 3,915,720	\$ 4,303,693	\$ 3,983,589	\$ 4,254,227

EXPENDITURES BY CATEGORY	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Salaries & Wages	\$ 3,120,892	\$ 3,439,150	\$ 3,181,696	\$ 3,423,889
Materials & Supplies	99,139	73,978	59,085	60,533
Equipment Repair & Maintenance	994	17,108	14,308	14,608
Buildings & Grounds	897	1,460	489	
Miscellaneous Services	665,372	756,854	715,873	742,092
Other Charges	3,662	4,000	995	1,000
Inventory				
Capital Outlay				
Motor Pool Transfers	24,764	11,143	11,143	12,105
COMMUNITY SERVICES TOTAL	\$ 3,915,720	\$ 4,303,693	\$ 3,983,589	\$ 4,254,227



COMMUNITY DEVELOPMENT

OVERVIEW

The Community Development Department is a part of the Community Services area and consists of Community Development Administration, Development Services, 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 Development Services Division is responsible for ensuring development in Pearland is a smooth and well-informed process. This Division ensures cooperation and sharing of information between all City Departments involved in the development process and coordinates the city's plan review process. This Division also hosts Pre-Development meetings, where developers meet with all involved City Departments to discuss a potential development at once in order to reduce repetition and confusion.

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. This Division serves as the main point of contact for private development within the city. This Division takes in permit applications, 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. This 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 2021 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 2020 ACCOMPLISHMENTS

- ◆ Continued implementation of planning applications through TRAKiT software.
- ◆ Continued to implement Action Steps listed in the 2015 Comprehensive Plan.
- ◆ Continued professional training for staff, Planning and Zoning Commission, Zoning Board of Adjustment, and the development review committee.
- ◆ Continued to provide population updates and special studies.
- ◆ Continued to publish annual and quarterly Community Development newsletter.
- ◆ Revised pre-development information to include all new adopted codes and ordinances.
- ◆ Generated and implemented UDC updates based on highest need from staff discussion using the HPO model.
- ◆ Coordinated activities with 2020 census to prepare census tracts and manage address points. Current self-response rate for Pearland is 73.8%, National 66.6%, Texas 62.4%.

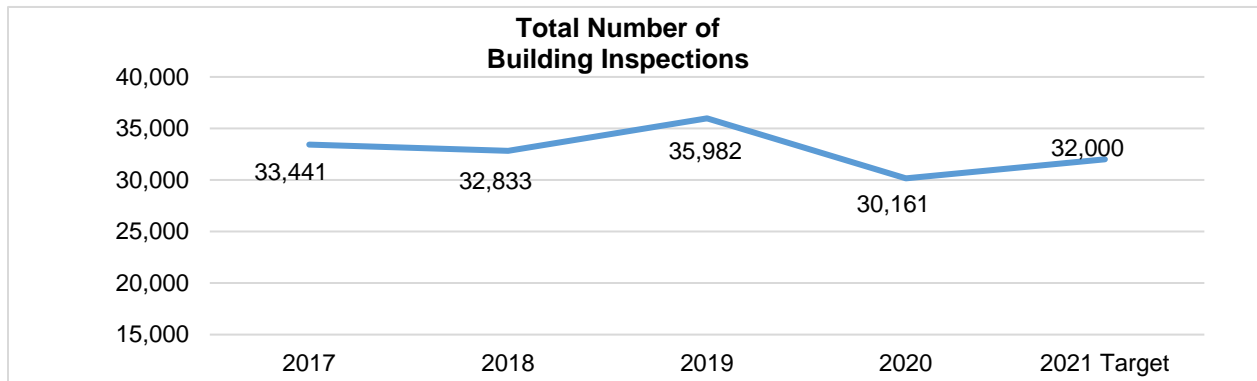
COMMUNITY DEVELOPMENT

- ◆ Expanded internal communication by providing Community Development Roundups on development activities within 24 hours of public meetings or hearings.
- ◆ Transitioned to a hybrid remote work environment due to COVID-19 without a lapse in service, which allowed development procedures to continue while keeping employees and citizens safe.
- ◆ Assisted developers and citizens with navigation of eTRAKiT in order to continue efficient permit processing while office was closed to public.
- ◆ Updated processes to improve efficiency with several application types including Subdivision Improvement Agreements, Temporary Certificates of Occupancy, and Infrastructure permits.

FISCAL YEAR 2021 OBJECTIVES

- ◆ Ongoing improvements to the Enterprise Resource Planning (ERP) – TRAKiT software.
- ◆ Continue implementation of Action Steps listed in the 2015 Comprehensive Plan.
- ◆ Develop framework for upcoming Comprehensive Plan and continue to gather data for the Plan.
- ◆ Permits and Inspections to complete scanning and archiving of all records for paper document reduction.
- ◆ Continue to support staff development and training to better serve both internal and external customers.
- ◆ Develop greater web presence for development and business support services.
- ◆ Solidify the Quarterly Share event as a well-attended, staple City program that provides useful updates.

PERFORMANCE MEASURES



	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	2021 Target
Zone Changes	15	17	16	15
Plat Reviews	188	95	103	100
Site Plans Reviewed	50	23	21	35
Total Plans Reviewed	1,071	1,838	1,695	1,750
Pre-development Meetings Conducted	65	65	58	60
Total Building Inspections	32,833	35,982	30,161	32,000
Total Permits Issued	10,042	3,241	2,258	3,000

COMMUNICATIONS

OVERVIEW

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

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

Key Budget Items for FY 2021 Include:

- ◆ Community Survey

GOALS

- ◆ Establish the Communications Department as a primary information source for City news and information.
- ◆ Increase awareness, interest and participation 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 as a whole.

FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Adapted to virtual-first programming for Parks (trivia night, camp at home, cooking with Araceli, Edu-Katie)
- ◆ Revitalized the cable channel with new and original content delivered for the first time in High Definition
- ◆ Expanded on the success of City Council Round Up by cross-promoting additional City services
- ◆ Improved community engagement by increasing calendar circulation 33% to reach all Pearland households
- ◆ Successfully migrated public meetings to a completely virtual platform without limiting accessibility
- ◆ Managed multiple emergency events providing employees and residents with relevant and timely information in a variety of media formats to keep them informed and engaged
- ◆ Established a Joint Information Center (JIC) in the Public Safety Building to use during emergencies
- ◆ Developed and launched Sunset Cinema

FISCAL YEAR 2021 OBJECTIVES

- ◆ Expand quality/quantity of virtual content.
- ◆ Overhaul Parks and Recreation branding.
- ◆ Diversify PEG channel content by revitalizing City Council Round Up and expanding Edu-Katie.
- ◆ 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.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Facebook fans/friends	19,980	20,312	24,462	27,153
Twitter followers	6,470	7,212	8,271	9,181
YouTube views	27,976	31,431	40,378	44,820
Instagram fans/followers	1,928	2,206	2,819	3,121
Website users	436,178	476,196	595,035	660,489

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 provide assistance on accessing the Brazoria County Library System's electronic resources.

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

Key Budget Items for FY 2021 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 2020 ACCOMPLISHMENTS

- ◆ Implemented a permanent curbside service for the libraries to deliver materials safely to patrons in light of the COVID-19 pandemic.
- ◆ Welcomed over 3,200 new patrons to the library and provided free internet and digital access to the community in the form of circulating hotspots and tablets for home use.
- ◆ Westside entered the design phase for the new Westside Library.

FISCAL YEAR 2021 OBJECTIVES

- ◆ Continue to develop innovative, engaging, and high-quality virtual programming options for the community to enjoy safely from home.
- ◆ Begin preparing for the transition to the new Westside Library building; continue supporting partnerships between the County, City, and Friends of the Library to work collaboratively towards a destination-environment.
- ◆ Explore further partnerships with the City and Parks and Recreation department to expand services to the community during the pandemic.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
<u>Tom Reid Library</u>				
Number of volumes	77,371	80,570	68,310	70,000
Number of items checked out - circulation	225,633	385,703	263,877	295,000
<u>Business Center Drive Library</u>				
Number of volumes	56,724	69,266	48,136	53,000
Number of items checked out - circulation	516,263	488,568	312,161	345,000

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 2021 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 2020 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.
- ◆ Created a virtual/remote platform to continue to conduct court hearings during COVID-19

FISCAL YEAR 2021 OBJECTIVES

- ◆ Increase the utilization of ticket writers to streamline the court process and expedite the entering of citations.
- ◆ 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.
- ◆ Continue with virtual/remote hearings for the vast majority of our dockets
- ◆ Create a plan to hold Jury Trials that will allow for social distancing.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Number of Judge trials prepared	183	120	104	135
Number of Jury trials prepared	374	394	286	350
Number of warrants issued	6,056	6,244	3,746	5,348
Total number of charges brought in	15,333	19,018	9,577	14,643
Percent Guilty Charge	51%	47%	54%	
Percent Charges Dismissed	18%	39%	64%	
Outstanding warrants	13,982	13,013	12,783	13,259
Value of outstanding warrants	\$7,651,834	\$7,425,815	\$7,371,735	\$7,483,128

Public Works and Engineering & Capital Projects

Deputy City Manager

Engineering & Capital Projects

Administration

Engineering

Capital Projects

Traffic

Public Works

Administration

Streets & Drainage

Grounds Maintenance

Facilities Management

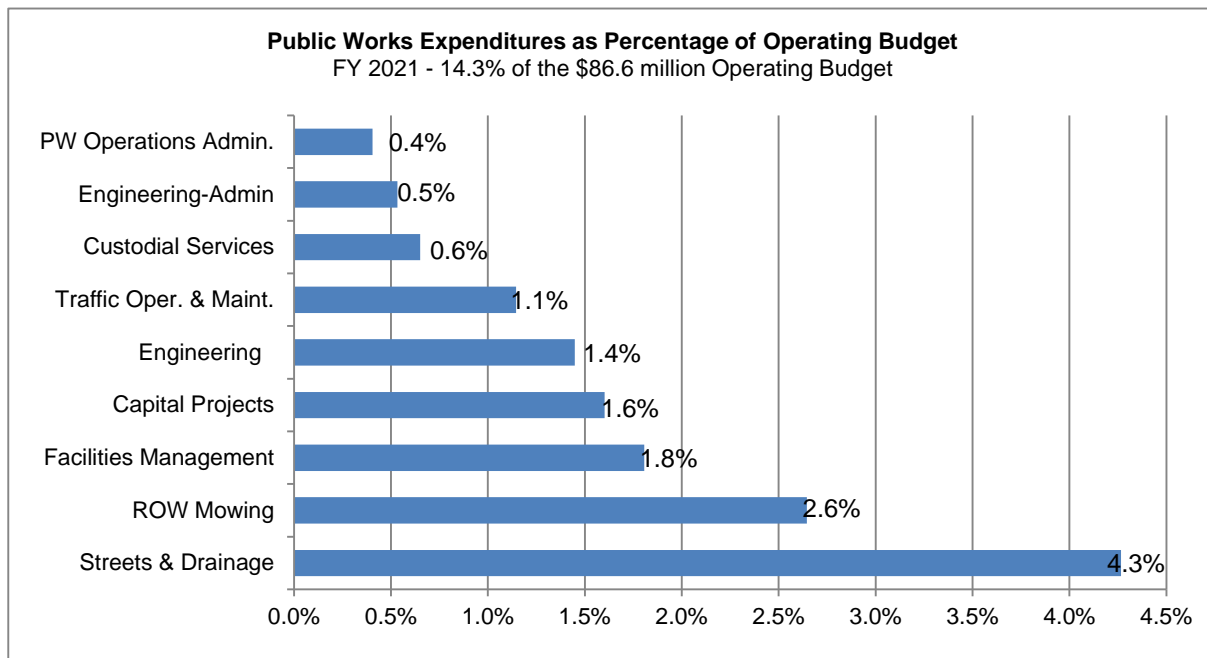
Custodial Services

Fleet Management (Internal Service Fund)

**PUBLIC WORKS
EXPENDITURE SUMMARY**

EXPENDITURES BY DEPT / DIVISION	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
<i>ENGINEERING & CAPITAL PROJECTS</i>				
Administration	\$ -	\$ -	\$ -	\$ 461,782
Traffic Operations And Maintenance	735,972	1,125,937	1,151,957	991,749
Engineering	1,375,513	1,556,029	1,658,227	1,253,389
Capital Projects	1,489,105	1,443,852	1,478,651	1,387,136
<i>PUBLIC WORKS</i>				
Public Works Operations Administration	292,361	306,473	319,958	350,027
Traffic Operations And Maintenance				
Custodial Services	491,136	559,035	562,158	562,740
Fleet Management	8,200			
Streets & Drainage	4,676,591	5,069,074	3,628,764	3,692,737
Row Mowing	2,108,364	2,444,281	2,254,051	2,290,028
Facilities Management	1,649,701	1,650,137	1,518,902	1,563,399
PUBLIC WORKS TOTAL	\$ 12,826,943	\$ 14,154,818	\$ 12,572,668	\$ 12,552,987

EXPENDITURES BY CATEGORY	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Salaries & Wages	\$ 5,050,000	\$ 5,567,612	\$ 5,153,727	\$ 5,644,778
Materials & Supplies	240,394	425,110	364,569	424,628
Buildings & Grounds	1,866,042	1,878,358	1,066,601	1,031,581
Equipment Repair & Maintenance	43,170	123,000	107,474	108,950
Miscellaneous Services	4,952,344	4,854,363	5,038,408	5,006,876
Inventory	3,081	5,000		
Capital Outlay	244,263	459,486		
Motor Pool Transfers	427,650	841,889	841,889	336,174
PUBLIC WORKS TOTAL	\$ 12,826,943	\$ 14,154,818	\$ 12,572,668	\$ 12,552,987



Engineering

OVERVIEW

The Engineering Department reports to the Deputy 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 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 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 2021 include:

- ◆ Subdivision Platting

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.
- ◆ 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.
- ◆ 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.

Engineering

FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Continued work on evaluating and implementing a pilot program to implement a 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 recovery efforts from Tropical Storm Beta.
- ◆ Continued work with FEMA and TWDB to provide community assistance for Hurricane Harvey.
- ◆ 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.
- ◆ Installed fiber optic connections along Pearland Parkway from Oiler Drive to Liberty Drive and Along Dixie Farm Road from FM 518 to the wastewater treatment facility.
- ◆ Completed the Green Tee Trail providing 10-foot-wide bike and pedestrian trail from Hughes Road to FM 518.
- ◆ Added an emergency generator and power for the Recreation Center along with upgrades to the gym ceiling.
- ◆ Reconstructed the Mary's Creek Lift Station.
- ◆ Improved water quality in the Canterbury subdivision by installing 8" waterlines and lopping dead-end waterlines.
- ◆ Completed construction of the new Fire Station 8 facility to improve response times in the Shadow Creek area.
- ◆ Installed nearly two miles of gravity trunk sewer line on McHard from Cullen to Garden and over three miles of water line along McHard from Cullen to Mykawa to prepare to extended city services to the unserved areas.
- ◆ Replaced the 1-million-gallon ground storage tank at the Bailey Water Plant.
- ◆ Replaced the aging roof at the City Hall Annex.
- ◆ Abandoned the Veteran's 1 Lift Station by connecting them to the gravity collection system.

FISCAL YEAR 2021 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. The goal is to install another 25 PTZ cameras this year based on fiber connections.
- ◆ Expand the Trafficware in-ground control system that will detect vehicles and assist in the timing plans.
- ◆ Further installation of the Trafficware software and controllers for all traffic signals.
- ◆ Continue installing fiber optic lines to connect city facilities and traffic signals.
- ◆ 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 and Tropical Storm Beta 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 implementation of the TWDB Flood Mitigation Assistance program to raise their homes out of the floodplain.
- ◆ Implement the 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 remaining bond projects that were started in FY 2019 and begin the construction phase of 8 projects.
- ◆ Maintain the construction schedule to complete 26 capital projects that will benefit our citizens through drainage improvements, mobility improvements, Fire response and quality of life.

Engineering

- ◆ Review the current FY2021 CIP and evaluate projects for the FY2022 CIP and continue to refine the implementation efforts for a 10-year CIP planning document.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Number of Traffic Impact Analysis	12	5	13	10
Number of Responses to Signal Problems	804	897	600*	600
Number of Signals	91	97	100	110
Signals Receiving Preventative Maintenance	50%	25%	32%	50%
Number of Flood Plain Customer Calls	94	79	133	110
Number of Drainage Studies	13	7	8	8
Miles of Road Added (Development)	5.4	5.8	2.9	2.25
Feet of Sanitary Sewer Added (Development)	26,059	30,427	11,550	8,000
Feet of Waterline Added (Development)	31,484	32,457	17,583	18,480
Feet of Storm Line Added (Development)	29,884	28,777	4,435	10,560
Miles of Road Added or Reconstructed	1.6	3.2	0	5.5
Feet of Sanitary Sewer Added or Replaced	6,230	3,940	18,655	5,000
Feet of Waterline Added or Replaced	12,100	10,112	9,600	14,400

*due to the COVID pandemic we have had a reduction in traffic volume which has led to a reduction in traffic related call-outs.

PUBLIC WORKS

OVERVIEW

The Public Works Department and 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, Asset Management, Fleet Maintenance, Streets & Drainage, and Right of Way Management within the General Fund.

The General Fund provides Public Works related services encompassing but not limited to the maintenance of City owned buildings including the building envelope, electrical, mechanical & plumbing systems, grounds maintenance and custodial services; manages maintenance of all City vehicles, heavy equipment and rolling stock, including preventive maintenance, fueling, registration and 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 and inlet cleaning lines throughout the City.

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, and other public goods in ways that deliver citizens Sustainable Infrastructure and provides for a Safe Community.

Key Budget Items for FY 2021 include:

- ◆ Shop Foreman
- ◆ Preventative Maintenance Mechanic
- ◆ Administrative Assistant

FISCAL YEAR 2021 GOALS

- ◆ Continuously explore process improvement techniques to ensure efficient and effective processes for each service rendered by the department.
- ◆ Select software for Asset Management system and begin work order system implementation. Manage project scope, schedule, budget, and provide innovative solutions to deliver best value projects within budget and on schedule.
- ◆ Assist Engineering with developing the City's Five-Year CIP in conjunction with the Finance Department.
- ◆ Assist Engineering with development and maintenance of the City's Design Criteria Manual, Specifications, Standard Details, and Infrastructure Master Plans.
- ◆ Develop a strategic department growth plan that efficiently provides support to our internal and external customers.
- ◆ Provide reliable, safe, and functional road and sidewalk systems through systematic condition assessment, and inspection, implementing pavement management strategies for maintenance of the entire street's network to improve pavement conditions.
- ◆ Develop a ROW Management Policy to govern future development of right of ways, streetscape design, and maintenance standards.
- ◆ Continue to operate under the Motor Pool Fund.
- ◆ Maintain integrity of current facilities by providing general maintenance and repairs as needed.
- ◆ Complete Facilities Condition Assessment process; report immediate concerns and budget needs through the Capital Improvement and operational budget process.

FISCAL YEAR 2020 ACCOMPLISHMENTS

Department Wide:

- ◆ Expanded Emergency Operations Plans to include Public Works/PD/Fire response plan.
- ◆ Provided position specific training that will allow staff to achieve technical competency in new areas.
- ◆ Implemented cross training program for S&D and ROW divisions.

PUBLIC WORKS

Streets and Drainage:

- ◆ Completed 6,664 linear feet of asphalt pavement overlay of roadways.
- ◆ Removed & replaced 1,550 linear feet of sidewalk through the use of contracted services.
- ◆ Restored 55,436 sq. ft of sidewalk trip hazards utilizing concrete raising contracts.
- ◆ Repaired 1,656 potholes in asphalt streets.
- ◆ Regraded 6,577 linear feet of ditches via City crews and contractor to maintain and improve drainage.
- ◆ Cleaned 90 linear feet of culvert pipe to remove silt and debris to maintain drainage.
- ◆ Cleaned and inspected 454 storm inlets.
- ◆ Completed 690 work orders to reduce the backlog related to sidewalk repairs via sidewalk contracts.
- ◆ Introduction of Survey 123 Application for documentation of side walk, curb, and drainage issue found in the City of Pearland.
- ◆ Introduction of Data Collection street light outage audit tool and implement with staff in the quarterly audit.
- ◆ Demolition of Independence Park swimming pool.
- ◆ Drainage improvements at Centennial Park.
- ◆ Removed approximately 330 ft of bamboo and other vegetation from drainage easement.

Right of Way:

- ◆ Utilized standard operating procedures for services provided within the ROW Division.
- ◆ Effectively cleaned 564 miles of roadway via street sweeping contract.
- ◆ Responded to after-hour emergency calls for damaged traffic signs and guardrails.
- ◆ Reduced reoccurring operating expenditures for the disposal of debris by obtaining (2) two large roll-off dumpsters.
- ◆ Created a work order submission and tracking program for traffic sign maintenance services.
- ◆ Repaired and maintained 4,501 traffic signs.
- ◆ Replaced 214 school zone times for 20 schools that received time change.
- ◆ Replaced street name, regulatory and warning signs in various subdivisions for improved visibility and safety.
- ◆ Coordinated with the GIS Department and many other business partners to develop an innovative way of capturing and documenting situations throughout hurricane and storm related events.

Fleet:

- ◆ Operated the Motor Pool Fund successfully for one (1) year.
- ◆ Maintained polices related to operating a Motor Pool Fund.
- ◆ Received and processed 39 new and replacement vehicles for various departments.
- ◆ Decreased outsourcing by performing more work in-house.
- ◆ Upgraded vehicle lift in Bay #3
- ◆ Completed 1621 fleet work orders on 455 units of rolling stock; 1140 work orders were completed in less than 24 hours.

Facilities:

- ◆ Started Facilities Condition Assessment.
- ◆ LED lighting conversion of the Rec, Center parking lot lights.
- ◆ Partnered with Engineering to complete Fire Station #8 construction.
- ◆ Partnered with Engineering to design/install Rec. Center generator.
- ◆ Coordinated Covid-19 responses; PPE placement, signage, shields, building fogging and sanitizing.
- ◆ City Hall Annex roof replacement.
- ◆ Executed contract with TDIndustries to serve as the city's primary HVAC contractor.
- ◆ Hired new Maintenance Technician to serve as the Generator Coordinator.

FISCAL YEAR 2021 OBJECTIVES

Streets and Drainage:

- ◆ Reduce flooding and minimize the chance of property damage, injury or loss of life through a program of drainage systems maintenance and construction.

PUBLIC WORKS

- ◆ Develop a sidewalk policy to define level of priority to address mitigating trip hazards.
- ◆ Coordinate with Brazoria County to pave a combined 2.3 miles of asphalt road on Harkey and Stone Rd.

Right of Way:

- ◆ Maintain a safe driving system for the motoring public by zone replacement of traffic signs and pavement markings.
- ◆ Maintain and enhance the appearance of City's ROW through street sweeping, turf, and landscape maintenance management practices
- ◆ Improve roadway safety by developing a four (4) year pavement marking program to re-mark streets citywide.
- ◆ Continue Street sign replacement program.

Fleet:

- ◆ Operate new fuel management system by Fuel Masters.
- ◆ Hire Shop Foreman and PM Mechanic.
- ◆ Reduce heavy equipment outsourcing.
- ◆ Upgrade inventory storeroom to accommodate the Shop Foreman position.
- ◆ Develop an SOP for the new Fuel Management System, including proper procedures and operations.

Facilities:

- ◆ Assist Engineering on Fire Station #4, Animal Shelter, West Side Library and Fire Training buildings.
- ◆ Complete upgrades to City facilities by mitigating transmission of COVID.
- ◆ Increase preventative maintenance for Dectron unit at Natatorium from quarterly to monthly.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	2021 Target
Percent of Water Plants Mowed Within the 2-week Schedule	74%	99.75%	100%	100%
Street Sweeping (miles)	1,815	495	564	600
Ditch/Culvert Cleaning (feet)	34,604	29,364	28,192	28,200
Number of Open Sidewalk Repair Work Orders	680	971	556	600
Number of Potholes Repaired	1,875	3,605	4,378	4,400
Culvert Pipe Installed/Replaced (feet)	84	29	0	20

PUBLIC WORKS

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Parks & Recreation

Deputy City Manager

Parks & Recreation

Administration

Recreation

Athletics

Special Events

Senior Programs

Aquatics

Parks

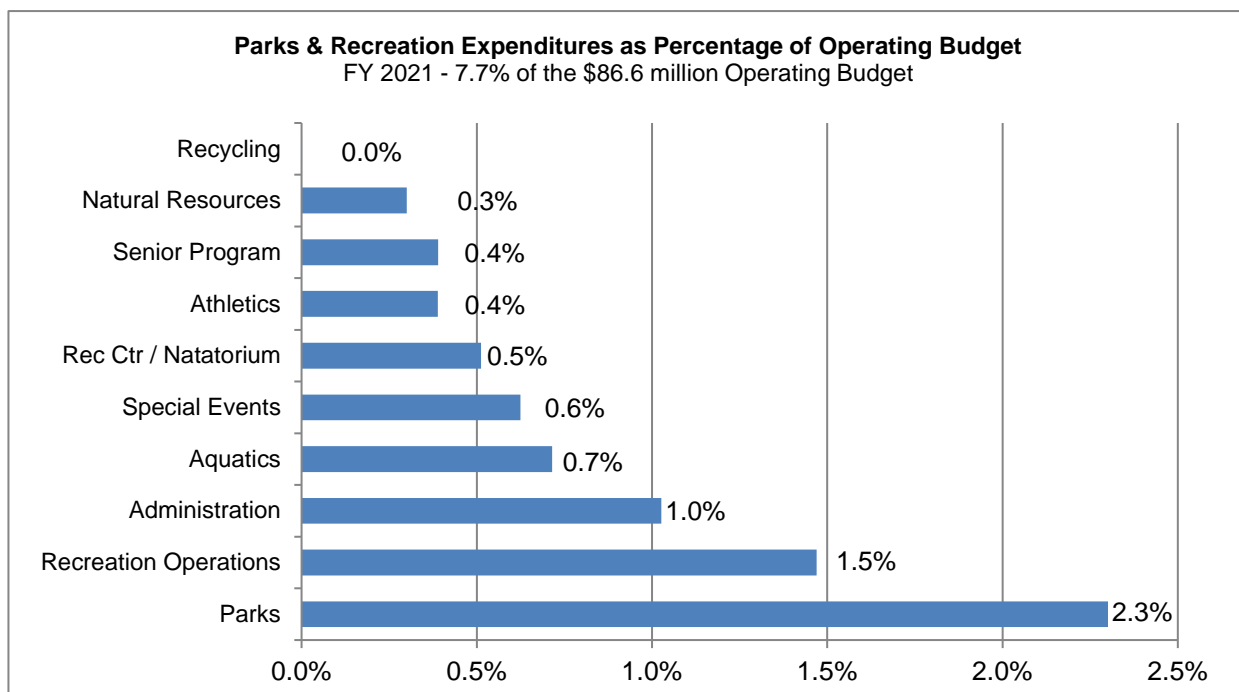
Natural Resources

Recreation Operations

**PARKS & RECREATION
EXPENDITURE SUMMARY**

EXPENDITURES BY DEPT / DIVISION	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Administration	\$ 860,316	\$ 859,398	\$ 834,727	\$ 888,774
Recreation Center/Natatorium	399,825	434,199	270,951	443,130
Athletics	293,329	338,087	282,333	336,815
Special Events	378,987	446,492	357,656	540,321
Senior Program	307,719	319,784	305,208	337,271
Aquatics	2,008,480	2,156,302	2,014,087	1,991,829
Parks	260,566	323,706	296,569	326,942
Recycling	546,291	595,741	450,170	618,713
Natural Resources	1,062	1,200	1,200	1,200
Recreation Operations	1,163,406	1,229,673	1,188,255	1,272,473
PARKS & RECREATION TOTAL	\$ 6,219,982	\$ 6,704,582	\$ 6,001,156	\$ 6,757,468

EXPENDITURES BY CATEGORY	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Salaries & Wages	\$ 4,108,810	\$ 4,623,469	\$ 4,172,420	\$ 4,792,629
Materials & Supplies	481,673	516,383	414,782	524,278
Buildings & Grounds	387,589	415,478	412,194	397,607
Equipment Repair & Maintenance	35,383	78,600	71,280	88,089
Miscellaneous Services	829,856	881,561	744,855	818,927
Inventory	49,352	800	800	2,000
Capital Outlay	248,391	144,820	141,354	75,500
Motor Pool Transfers	78,927	43,471	43,471	58,438
PARKS & RECREATION TOTAL	\$ 6,219,982	\$ 6,704,582	\$ 6,001,156	\$ 6,757,468



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 policy direction to meet both current and future parks and recreation needs, and in turn, enhance the quality-of-life in the community. In addition to leisure programming, athletics, aquatics, adaptive/therapeutic recreation and life skills, special events, wellness, fitness, youth development initiatives and camps, Older-Adult programs, and parks maintenance, the department maintains 10 neighborhood parks, 7 community level parks and athletic facilities, 2 dog parks, historical sites including Old Settler's Cemetery, a Recreation Center/Natorium, the Westside Event 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 2021 include:

- ◆ No significant items

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 2020 ACCOMPLISHMENTS

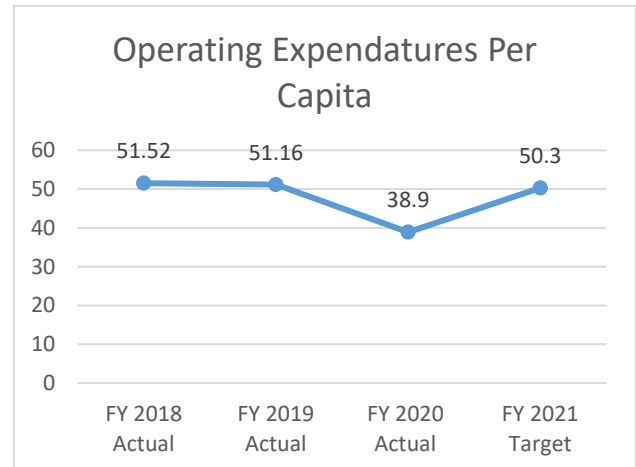
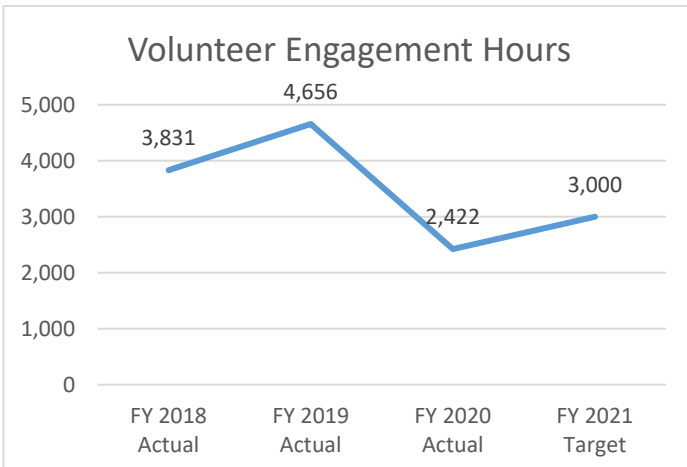
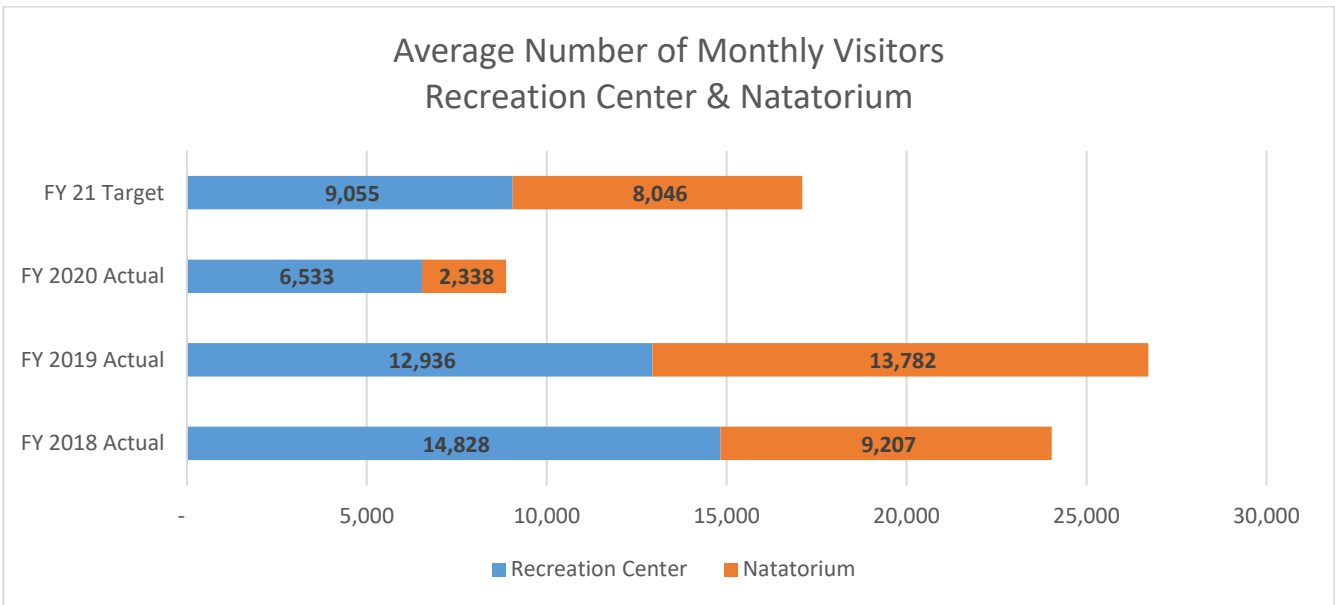
- ◆ Increased interpretative and passive environmental educational opportunities for residents.
- ◆ Expanded volunteer opportunities in natural areas.
- ◆ Received the Diligence award from Houston-Galveston Area Council for our work in environmental stewardship and education.
- ◆ Installed 3,115 native plants for habitat improvement projects, all of which were grown in house.
- ◆ Created a Parks & Recreation Diversity, Equity and Inclusion Task Force.
- ◆ Conducted a comprehensive program inventory assessment.
- ◆ Leveraged data to improve promotional targeting and determine needs of the community during the COVID-19 pandemic.
- ◆ Developed opportunities to improve the emotional and physical health our aging community during the COVID-19 pandemic.
- ◆ Developed online volunteer registration system to provide community with ease of access to volunteer opportunities.
- ◆ Introduced a new movie series, Sunset Cinema, to the community to regularly show new and classic films and reach a variety of audiences.
- ◆ Created and implemented a volunteer emergency response team to support volunteer needs during Hub, Points of Distribution and Shelter activations.
- ◆ Enhanced social media platforms to better tell our story though images and videos and encourage participation in events, programs and promotions.
- ◆ Created and published Edu-Katie series to entertain and educate young audiences about the benefits of nature.

PARKS & RECREATION

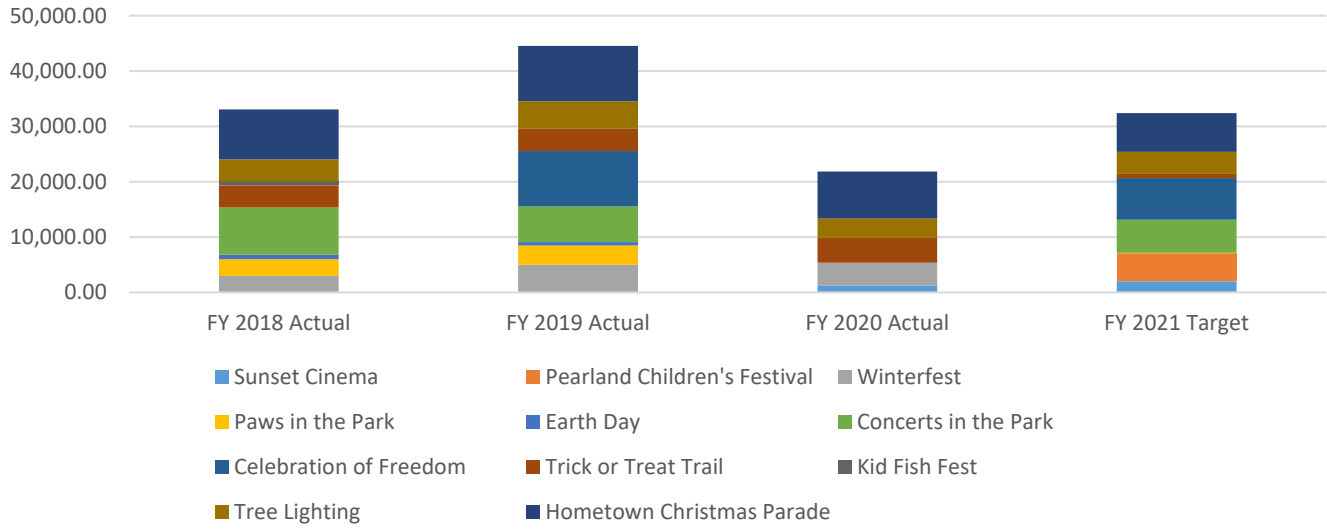
FISCAL YEAR 2021 OBJECTIVES

- ◆ Develop a Strategic Marketing Plan with unique branding guidelines.
- ◆ Enhance events through the recruitment of experiential brand activations.
- ◆ Establish a COVID friendly event venue and pandemic plans for all events and programs to ensure delivery of service.
- ◆ Create a natural area preservation ordinance.
- ◆ Add more natural area acreage to the City's park inventory.
- ◆ Develop and implement Pearland's first Miracle League.
- ◆ Develop and implement a comprehensive programming plan that will ensure exceptional experiences.

PERFORMANCE MEASURES



Number of Special Event Attendees



ENTERPRISE (WATER AND SEWER) FUND

OVERVIEW

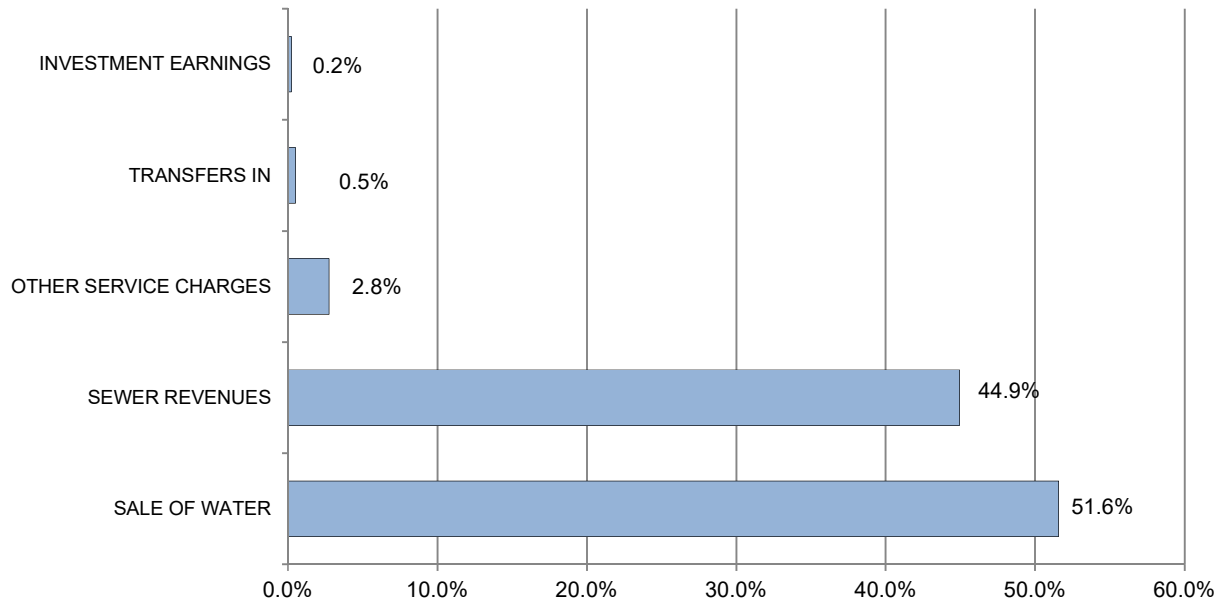
The Water & Sewer Fund is an enterprise fund that includes water and sewer system operations. The fund is operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The City provides water and sewer service to approximately 39,000 residential and commercial customers.

Water & Sewer revenues provide 96.5% of the total revenue generated in the Water & Sewer Fund. As such, the City of Pearland continually monitors and evaluates the need to adjust water and sewer rates in order to ensure that the fund is self-supporting, that infrastructure rehabilitation is adequate, and that all bond covenants are in compliance. A revenue increase is not scheduled for fiscal year 2021.

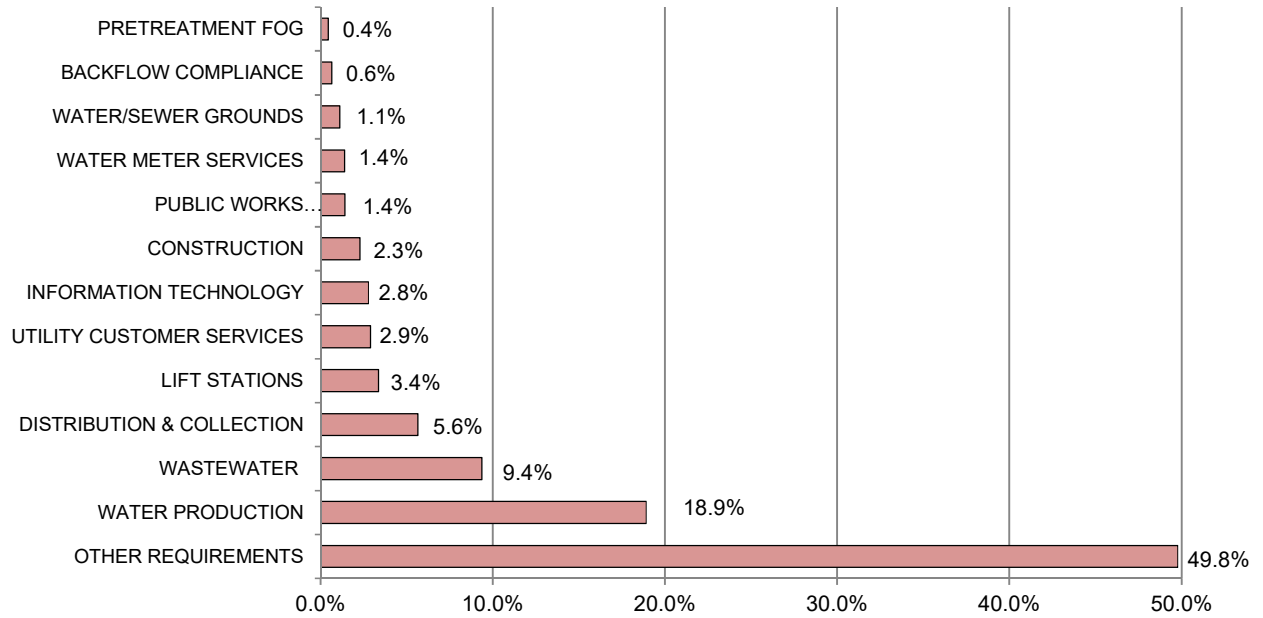
	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
SALE OF WATER	\$24,180,338	\$27,426,593	\$25,621,326	\$25,728,066
SEWER REVENUES	23,802,264	25,052,606	23,408,352	22,414,905
OTHER SERVICE CHARGES	1,714,547	1,720,000	1,159,784	1,375,000
INVESTMENT EARNINGS	623,493	500,000	284,504	108,000
OTHER MISCELLANEOUS INCOME	2,360,862	12,500	238,207	8,500
TRANSFERS IN	2,950,000	5,835,697	5,835,697	250,000
OTHER FINANCING SOURCES	27,998,301			
TOTAL	83,629,804	60,547,396	56,547,870	49,884,471
EXPENSES				
UTILITY CUSTOMER SERVICES	1,827,022	1,636,132	1,726,145	2,041,057
INFORMATION TECHNOLOGY	1,283,381	1,569,035	1,618,141	1,743,193
OTHER REQUIREMENTS	52,840,924	28,208,188	27,869,961	37,500,356
PUBLIC WORKS ADMINISTRATION	680,283	799,784	1,128,547	924,464
WATER/SEWER GROUNDS	554,603	628,696	595,260	746,700
LIFT STATIONS	1,162,264	1,898,851	1,416,324	1,242,403
WASTEWATER	4,305,640	5,286,651	4,475,852	4,184,491
BACKFLOW COMPLIANCE	252,089	362,154	352,376	342,239
WATER PRODUCTION	8,651,688	10,677,811	10,986,148	10,287,996
DISTRIBUTION & COLLECTION	3,184,336	3,187,627	3,012,256	2,968,556
CONSTRUCTION	1,514,266	1,288,623	1,297,604	1,440,590
WATER METER SERVICES	587,082	785,337	671,191	736,887
PRETREATMENT FOG	208,339	246,777	224,986	240,987
TOTAL	77,051,917	56,575,666	55,374,791	64,399,919
REVENUES OVER/(UNDER) EXPENSES	6,577,886	3,971,730	1,173,079	(14,515,448)
Beginning Cash Equivalents	30,100,199	25,932,015	32,924,530	34,097,609
Reserve for Debt Service*	4,356,022	6,363,762	6,363,762	
Ending Cash Equivalents	\$32,322,063	\$23,539,983	\$27,733,847	\$19,582,161
Bond Coverage - 1.4 minimum required*	5.03		1.98	
Cash Reserve Ratio - 25%	102%		76%	70%

* reflected in Water Sewer Debt Service Fund starting FY 21.

**WATER AND SEWER REVENUES
FY 2021 AS A % OF TOTAL**



**WATER AND SEWER EXPENSES
FY 2021 AS A % OF TOTAL**



ENTERPRISE (WATER & SEWER) FUND SUMMARY

FISCAL YEAR 2019-2020

Projected revenues of \$56,547,870 are \$3,999,526, or 6.6%, lower than the original budget of \$60,547,396, or 32.4%, less than fiscal year 2019 actual of \$83,629,804 due to refinancing of revenue bonds. The fiscal year 2020 projected revenue is primarily lower than the original budget due to council adoption of the 32-30 plan and correction of rate model assumptions. Revenues from the sale of water and sewer services are projected to be \$3,449,521 or 6.6% lower than budgeted. Other service charges are projected to come in \$560,216 less than budgeted due to temporary halt of late fee collections.

Fiscal Year 2020 expenses are anticipated to be \$55,374,791. This is \$1,200,875 less than the original budget of \$56,575,666, due to SCADA upgrade expenditures moving to FY 21. Expenses are estimated at \$21,677,126 lower than the fiscal year 2019 actual due to the refunding of revenue bonds. Debt payments have increased \$773,883 over 2019 actuals. The ending balance at September 30, 2020 is estimated to be \$27,733,847 with a 76% cash reserve ratio and a bond coverage of 1.98, above the required indicators.

FISCAL YEAR 2020-2021

Fiscal Year 2021 budgeted revenues total \$49,884,471, a \$6,663,399 decrease from the fiscal year 2020 projections. Water and sewer charges decreased by \$886,707, or 1.8%, over the 2020 projections. This is mainly due to a change in the calculation of sewer charges using the lesser of actual water usage or winter quarter average.

Fiscal year 2021 expenses total \$64,399,919 and include transfer of annual debt service payments of \$23.75 million to the new water sewer debt fund, an increase of debt payments of \$4.8 million from fiscal year 2020. Expenses are \$9,025,128 or 16.3%, higher than the fiscal year 2020 projections and are \$7,824,253, or 13.8%, higher than the original budget.

Supplemental requests included in the budget total \$1,843,785. Supplementals include additional funding for in-city MUD rebates (\$500,000), a utility billing team (\$109,920), an administrative assistant (\$54,093), ROW utility inspector with vehicle (\$89,347), CCTV mainline inspection system (\$129,553), and replacement vehicles (\$945,000).

Beginning with the fiscal year 2021 budget, debt service payments will be transferred to the new water sewer debt fund to alleviate the fluctuation within the enterprise fund when bond refunding's occur. By doing this, transfers from impact fee funds to offset debt previously sold for impact fee projects will now be transferred to the water sewer debt fund instead of enterprise fund. The budget anticipates a water/sewer bond sale totaling \$63.55 million to fund infrastructure improvements in the capital improvement program.

Available ending balance at September 30, 2021 for the enterprise operating fund is expected to be \$19,582,161. Expenditures exceed revenues by \$14,515,448. Bond Coverage is 1.68 (1.40 minimum required) and cash reserves are 70% (25% minimum).

**ENTERPRISE (WATER & SEWER) FUND
EXPENSE SUMMARY
FY 2021 ADOPTED BUDGET**

EXPENSES BY DEPT/DIVISION	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
UTILITY CUSTOMER SERVICE	1,827,022	1,636,132	1,726,145	2,041,057
INFORMATION TECHNOLOGY	1,283,381	1,569,035	1,618,141	1,743,193
OTHER REQUIREMENTS	52,840,924	28,208,188	27,869,961	37,500,356
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WATER METER SERVICES	587,082	785,337	671,191	736,887
PRETREATMENT FOG	208,339	246,777	224,986	240,987
WATER & SEWER FUND TOTAL	77,051,917	56,575,666	55,374,791	64,399,919

EXPENSES BY CATEGORY	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
SALARIES & WAGES	8,452,073	9,305,435	9,298,848	10,150,379
MATERIALS & SUPPLIES	6,745,339	7,577,134	8,177,982	7,788,861
BUILDING & GROUNDS	63,110	358,699	296,491	215,818
REPAIR & MAINTENANCE	1,878,753	3,551,567	2,713,488	1,983,916
MISCELLANEOUS SERVICES	4,708,366	5,982,950	5,263,175	5,456,831
INVENTORY	42,342	65,780	70,500	143,345
TRANSFERS/OTHER CHARGES	54,711,433	29,484,101	29,154,902	38,531,216
CAPITAL OUTLAY	450,500	250,000	399,405	129,553
WATER & SEWER FUND TOTAL	77,051,917	56,575,666	55,374,791	64,399,919

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 2021 Include:

- ◆ Billing Specialist Team

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 2020 ACCOMPLISHMENTS

- ◆ Refreshed staff training of customer service through a refresher of “The Pearland Way” ideology.
- ◆ Developed process documentation of Standard Operating Procedures (SOPs).
- ◆ Implemented management style for better communication and production
- ◆ Implemented City-wide analytics reporting providing data for Public Works, Budget and Public Information Requests.
- ◆ Implemented review and contacting high consumption accounts based on upcoming unbilled usages
- ◆ Trained key staff to produce better business intelligence reports through Excel pivot table training.

FISCAL YEAR 2021 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.
- ◆ Continuous employee and customer education in an effort to provide service “The Pearland Way”.
- ◆ Transition to Automated Meter Infrastructure (AMI) meter reads.
- ◆ Implement and promote the customer portal with AMI project
- ◆ Verify all meters are installed and coded to the correct location.

FINANCE - UTILITY CUSTOMER SERVICE

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Annual meter reads	467,910	469,499	469,908	472,400
Percent of payments processed via credit cards	80.55%	81.88%	86.68%	90%
Annual number of cut-offs	1,984	3,244	1,341	2,200
Number of delinquent accounts*	1,409	2,439	5,621	3,000
Annual manual meter reads	3,214	3,628	3,586	1,200
Number of e-Bills as of September 30 th	5,555	6,472	10,295	12,000
Number of meters as of September 30 th	37,808	38,338	39,367	40,500

*FY 2020 increased number of delinquent accounts due to moratorium on delinquency process for COVID

Public Works (Water & Sewer)

Deputy City Manager

Public Works

Administration

Grounds Maintenance

Lift Stations

Wastewater Treatment

Backflow Compliance

Water Production

Distribution & Collections

Water & Sewer Construction

Meter Services

Pre-Treatment FOG

PUBLIC WORKS - UTILITIES

OVERVIEW

The Public Works Department manages the Water and Sewer Fund, which include Lift Stations, Wastewater Treatment, Water Production, Distribution and Collection, Construction, Water Meter Services, Environmental Services, and Right of Way Management services. These service areas manage all utility facilities, including, seventy-seven (69) lift stations, six (6) storm water stations, five (5) Water Reclamation Facilities, eleven (11) Groundwater Production Facilities, 2 Re-pressurization Stations, 456 miles of sanitary sewer and 551 miles of water distribution system.

The Lift Stations staff oversee pump, motor and panel repairs, and odor control systems. The Wastewater Treatment division provides effective process control standards, quality assurance, sludge de-watering and disposal, maintains compliance with state and federal regulation agencies, and perform general plant maintenance and repairs. Water Production maintains water plant operations, system pressure, adequate quantity, monitors water quality, and compliance of federal /state regulatory agencies for a Superior Public Water System TCEQ rating. Distribution and Collection staff performs water and sewer underground repairs, sewer line and manhole preventive maintenance programs. The Construction staff repairs concrete streets and sidewalk related to water /sewer repairs and aging utility infrastructure, installs water /sewer infrastructure, remove and replace transite water lines and aid on City projects. Water Meter Services staff manage the installation and deployment of the new meters as part of the Advanced Meter Infrastructure (AMI) project, all meter reading, meter maintenance and inspections. The Environmental Services Division manages solid waste operations, backflow prevention, cross connection control and pretreatment programs.

STRATEGIC COUNCIL PRIORITIES: The Water and Sewer Fund provides sustainable infrastructure by providing the installation, maintenance, operation and Capital Improvement of Water Production and Wastewater Reclamation infrastructure.

Key Budget Items for FY 2021 Include:

- ◆ CCTV Mainline Inspection System
- ◆ Administrative Assistant
- ◆ ROW Utility Inspector
- ◆ Utility Maintenance Worker - Irrigation Services

GOALS

Department Wide:

- ◆ 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.
- ◆ Maintain utility facilities to reduce unplanned shutdowns and minimize maintenance costs.
- ◆ 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.
- ◆ 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.
- ◆ 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.
- ◆ Continue to create preventative maintenance programs for the water and sanitary sewer system.
- ◆ Ensure TCEQ and EPA compliance for all water and wastewater operations.
- ◆ 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

FISCAL YEAR 2020 ACCOMPLISHMENTS

Environmental Services:

- ◆ Completed Backflow Ordinance and Fee Schedule Update, which was approved by Council; the updated ordinance and fee schedule included adding a Backflow Annual Backflow Tester fee and a Backflow report fee.
- ◆ Added an additional inspector to bring staffing to three, which includes two inspectors and the Coordinator.
- ◆ Implemented protocol for Backflow testers to submit Backflow test reports electronically.
- ◆ Acquired backflow devices and parts to be able to provide maintenance on City owned backflow devices as needed, in lieu of hiring a third-party contractor to make repairs.
- ◆ Consultant selected for solid waste contract renewal; solid waste survey was completed; request for proposals (RFP) was completed and proposals received for consideration for the solid waste contract.
- ◆ Debris management and debris monitoring contracts request for proposals, as required by FEMA, were completed and contracts updated.
- ◆ Pretreatment division also added an additional inspector to maintain staffing at three, which includes two inspectors and the Coordinator.
- ◆ Improved inspection procedures to increase the frequency of inspections from once a year to a minimum of twice a year for all fats, oil, and grease (FOG) facilities inspected.
- ◆ Completed 960 backflow inspections and 1060 pretreatment inspections.
- ◆ Backflow prevention devices identified on GIS to efficiently manage City owned devices.

Water Production:

- ◆ Purchased and installed new double wall bleach tanks to sustain the integrity of chemicals delivered
- ◆ Purchased chemical analyzers for all 13 water facilities to provide real-time data on parameters that affect the City's drinking water.
- ◆ Constructed new chemical feed systems at all 13 water facilities;
- ◆ Enhanced security at the water facilities by adding key card access and 360 camera views.
- ◆ Added two (2) new Ground Storage Tanks; Bailey Rd. water facility (500,000 gallons) and Shadow Creek Re-pump station (3 million gallons).
- ◆ Installed wireless pressure sensors on critical water mains in order to monitor pressure in real time and send alerts instantly.
- ◆ Installed backup alarming system at critical drinking water facilities; the system will alert operators when parameters at the water treatment facilities are not normal.

Surface Water:

- ◆ Approved 100% plans for all three packages
- ◆ Approved Construction Manager at Risk.
- ◆ Approved Membrane Filter manufacturer.
- ◆ Submitted laboratory and equipment list to Texas Water Development Board for approval.
- ◆ Selected furniture and office equipment.
- ◆ Completed SWTP Safety Management Program.
- ◆ Assisted with updated Sample Monitoring Plan.
- ◆ Certified AWIA and ERP to EPA
- ◆ Gathered missing documents on wells, such as drilling information and efficiency tests

Wastewater Treatment (including Lift Stations):

- ◆ All certified operators attended at least one (1) online class for training/renewal hours towards required licenses.
- ◆ Rehabilitated Marys' Creek and River Walk Lift Station.
- ◆ Lift Station fence repairs completed at Tranquility Lakes and Crystal Lakes West.
- ◆ Decommissioned Veterans II Lift Station.
- ◆ Continuation of rehabilitation of Royal Oaks, Miller Ranch and Cullen Lift Stations.
- ◆ Initiated recommendations from Wastewater Master Plan study for Water Reclamation and Lift Stations.
- ◆ Reflection Bay package plant removed from site.

PUBLIC WORKS - UTILITIES

Distribution and Collection:

- ◆ 1.5 miles of waterline replaced, including hydrants and valves.
- ◆ 60 manholes repaired that were considered to be trip hazards.
- ◆ 318 manholes rehabilitated.
- ◆ 4.5 miles of sanitary sewer line rehabilitated.
- ◆ Replaced 3 major waterline creek crossings.
- ◆ Fire hydrant maintenance program and repairs initiated.
- ◆ Integrated with Badger and Neptune drive-by read system.

Right of Way:

- ◆ Successfully completed 14,000 utility locate requests
- ◆ Received and reviewed 367 Right of Way permits.
- ◆ Implementation of Data Collection Application for the use of tracking amount locate request.
- ◆ Complete and amended the Right-of-Way Policy that governs the design, installation and fees related to the wireless ordinance adopted by city council.

FISCAL YEAR 2021 OBJECTIVES

Wastewater Treatment:

- ◆ Cross training of Staff within the Wastewater Division on emerging SBR and MBR technology operations.
- ◆ Continue identifying Lift Stations to be decommissioned and connected to gravity sanitary sewer system
- ◆ Continue certifying Lift Station Staff with TCEQ
- ◆ Implement Operator in training position.
- ◆ Maintain 100% TCEQ and EPA compliance.
- ◆ Continue expansion of the John Hargrove and Barry Rose wastewater reclamation facilities.
- ◆ Continue cross training with the intent to have staff dual licensed (Water and Wastewater).
- ◆ Begin implementation of SCADA system software, graphics and communication network for Regional and Sub-Regional Lift Stations.
- ◆ Complete New Mykawa Lift Station.
- ◆ Complete the rehabilitation of River Walk, Shadow Creek, Cullen and Royal Oaks Lift Stations.
- ◆ Continuing to maintain key equipment components at Barry Rose and Longwood.
- ◆ Decommission Old Orange, Shank, Old Mykawa, and Scott Lift Stations.
- ◆ Eliminate East and West Barnett Lift Stations by placing on gravity flow within the sanitary collection system.

Water Production:

- ◆ Install and integrate the chemical analyzers at all 13 water treatment facilities.
- ◆ Begin first phase of SCADA evaluation at all 13 water treatment facilities.
- ◆ Construction of a new 500,000-gallon water tank at South Down water facility.
- ◆ Rehab Bailey ground water facility into the city's first green sand filtration facility.

Surface Water:

- ◆ Continue plant construction; issuing "Invitation to Bid" as needed and approve vendors.
- ◆ Build Ground Storage Tank.
- ◆ Begin pipeline and transmission portions of project.
- ◆ Finalize staffing plan and job descriptions.
- ◆ Complete Conservation Strategy document.
- ◆ Work on Distribution Contamination Response Plan.
- ◆ Improve water related links on webpage; create fact sheets and brochures

Distribution and Collection:

- ◆ Identify aging water and sanitary sewer infrastructure and identify those assets for replacement and/or repair
- ◆ 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 underground infrastructure.

PUBLIC WORKS – UTILITIES

Right of Way:

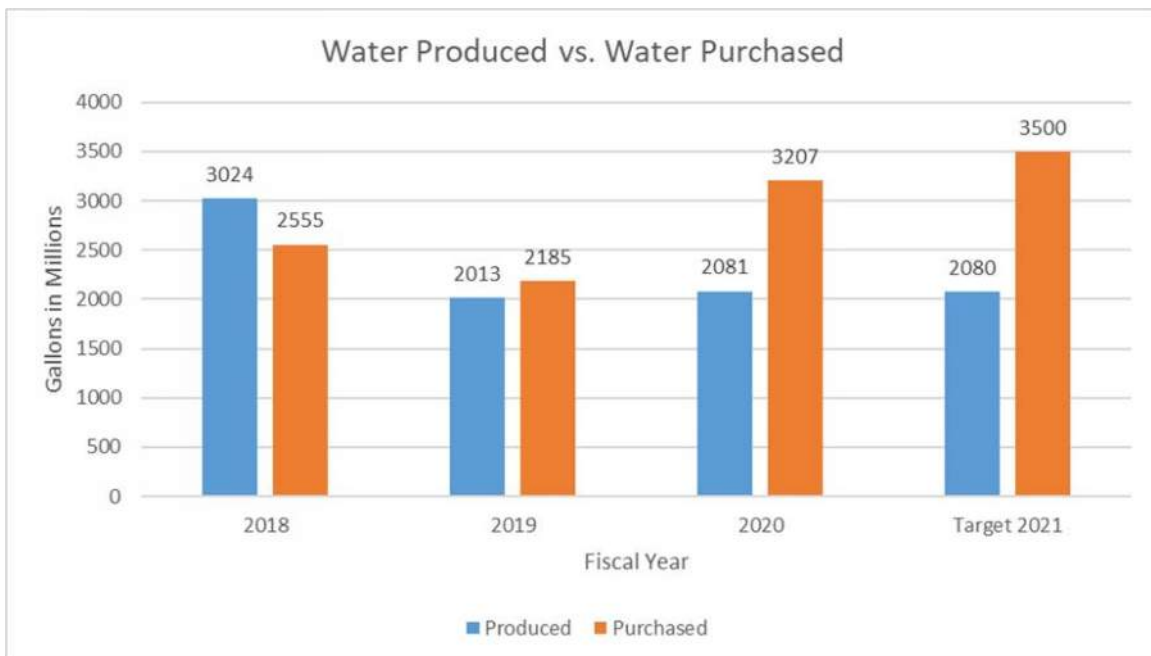
- ◆ Maintain and enhance the appearance of City water and wastewater facilities through regular landscape maintenance management practices.
- ◆ Protect the City’s existing utility infrastructure by effective management of the Right of Way utility permitting process, line locating process and field inspections.

Environmental Services:

- ◆ Pretreatment Program - prevent and monitor illicit discharges into the City’s sanitary sewer system and enforces the sanitary sewer discharge ordinances.
- ◆ Pretreatment Program - monitor and oversee environmental spills and overflows; report noncompliance notifications to the Texas Commission on Environmental Quality (TCEQ).
- ◆ Backflow Prevention Program - prevent and monitor illegal connections to water distribution system and protects the City’s drinking water by enforcing backflow ordinances.
- ◆ Renew the City’s solid waste contract by managing the Request for Proposals phase of the renewal process.
- ◆ Solid Waste - oversee all residential complaints and environmental response to spills/leaks from solid waste vehicles and communicate to Waste Management.
- ◆ Renew the City’s Debris Management and Debris Monitoring contracts for storm related debris; oversee and manage storm debris collection.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Wastewater gallons treated in billion gallons	3.513	3.832	3.800	4.1
Cost per gallon to treat wastewater	\$0.0011	\$0.0031	\$0.0033	\$0.0036
Water main installation (feet)	5,305	4,100	4,820	4,000
Sewer main installation (feet)	14,582	39,000	19,130	15,000
Cost per gallon of water purchased	\$0.0042	\$0.0019	\$0.00194	\$0.0025
Percent of time Waste Water Treatment Plant over capacity	0%	44%	28%	32%



WATER SEWER DEBT FUND

OVERVIEW

The debt service component of the operating budget for the City of Pearland utilities provides for payment of principal and interest on the City's indebtedness. All water and wastewater costs including debt requirements shall be paid for from utility revenues.

Transfers in consists of \$4.87 million from Impact Fee Fund, \$222 thousand from Shadow Creek Impact Fee Fund, and \$27.5 million from Enterprise Fund. The Principal payments for FY 21 are \$16.3 million and interest expense \$7.1 million. Anticipated fund balance at September 30, 2021 is \$0, after accounting for the minimum requirement for debt service reserves.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
TRANSFERS IN				32,588,392
TOTAL	0	0	0	32,588,392
EXPENSES				
PRINCIPAL PAYMENT				16,310,000
INTEREST EXPENSE				7,109,293
BOND ISSUANCE COSTS				300,000
OTHER DEBT SERVICE				30,000
TOTAL	0	0	0	23,749,293
REVENUES OVER/(UNDER) EXPENSES	0	0	0	8,839,099
Beginning Cash Equivalents	0	0	0	0
Reserve for Debt Service				8,839,099
Ending Cash Equivalents	\$0	\$0	\$0	\$0
Bond Coverage - 1.4 minimum				1.68

**ENTERPRISE FUND DEBT MATURITY SCHEDULE
AS OF 9/30/2020**

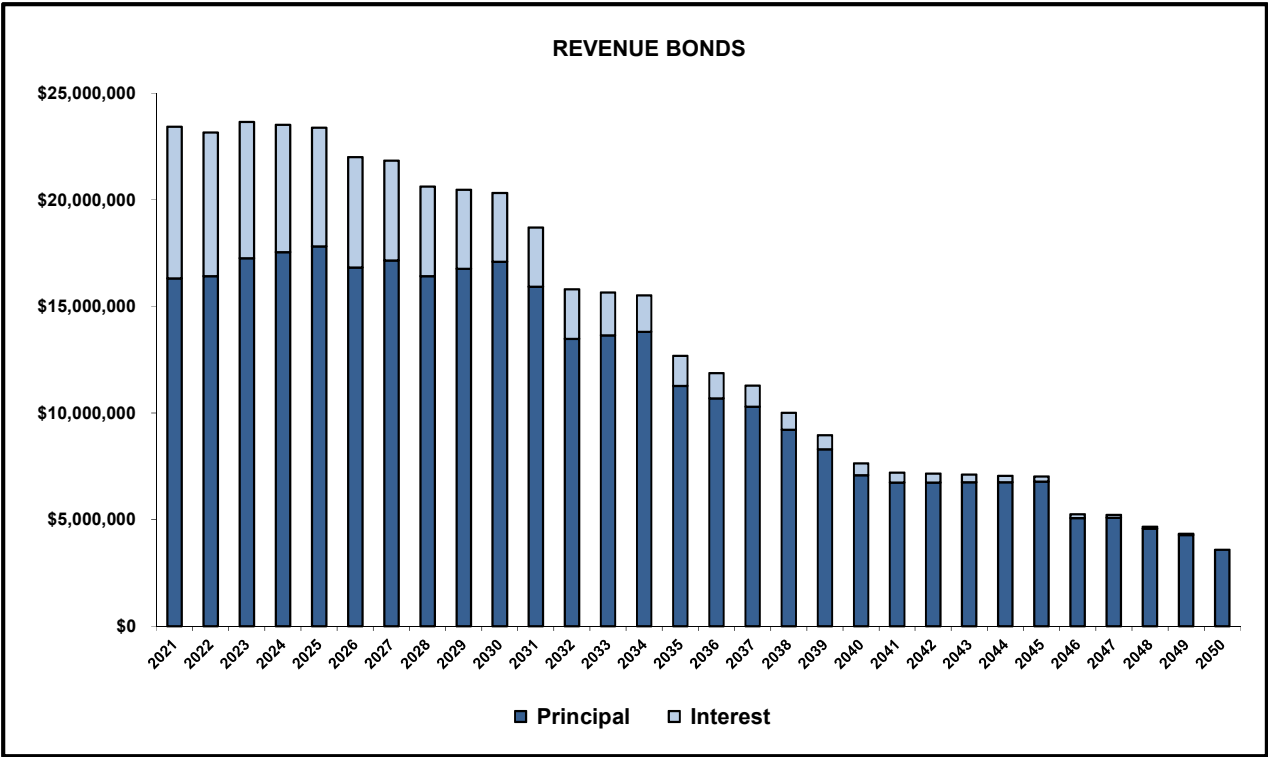
Fiscal Year	Principal	Interest	Total
2020 - 2021	16,310,000	7,109,292	23,419,292
2021 - 2022	16,420,000	6,736,716	23,156,716
2022 - 2023	17,260,000	6,384,860	23,644,860
2023 - 2024	17,545,000	5,964,303	23,509,303
2024 - 2025	17,815,000	5,563,410	23,378,410
2025 - 2026	16,830,000	5,162,883	21,992,883
2026 - 2027	17,150,000	4,687,632	21,837,632
2027 - 2028	16,420,000	4,196,710	20,616,710
2028 - 2029	16,760,000	3,709,394	20,469,394
2029 - 2030	17,090,000	3,232,249	20,322,249
2030 - 2031	15,930,000	2,769,742	18,699,742
2031 - 2032	13,470,000	2,334,393	15,804,393
2032 - 2033	13,640,000	2,016,793	15,656,793
2033 - 2034	13,810,000	1,702,474	15,512,474
2034 - 2035	11,275,000	1,407,305	12,682,305
2035 - 2036	10,685,000	1,190,326	11,875,326
2036 - 2037	10,295,000	994,643	11,289,643
2037 - 2038	9,210,000	807,440	10,017,440
2038 - 2039	8,305,000	659,726	8,964,726
2039 - 2040	7,090,000	546,468	7,636,468
2040 - 2041	6,735,000	477,506	7,212,506
2041 - 2042	6,735,000	421,094	7,156,094
2042 - 2043	6,750,000	362,699	7,112,699
2043 - 2044	6,760,000	302,549	7,062,549
2044 - 2045	6,780,000	240,800	7,020,800
2045 - 2046	5,075,000	177,724	5,252,724
2046 - 2047	5,085,000	133,147	5,218,147
2047 - 2048	4,575,000	87,852	4,662,852
2048 - 2049	4,285,000	52,824	4,337,824
2049 - 2050	3,590,000	22,617	3,612,617
TOTAL	339,680,000	69,455,567	409,135,567

Series Name	Principal Amount Outstanding
Permanent Improvement Refunding Bonds Series 2012*	4,110,000
Water & Sewer Revenue Bonds Series 2012	4,260,000
Water & Sewer Revenue Bonds Series 2014	7,965,000
Water & Sewer Revenue Bonds Series 2016	7,100,000
Water & Sewer Revenue Bonds Series 2016B (TWDB)	6,170,000
Water & Sewer Revenue Bonds Series 2016C (TWDB)	42,660,000
Water & Sewer Revenue Bonds Series 2017A (TWDB -DWSRF)	7,200,000
Water & Sewer Revenue Bonds Series 2017B (TWDB -DWSRF)	11,005,000
Water & Sewer Revenue & Refunding Bonds Series 2017C	54,940,000
Water & Sewer Revenue Bonds Series 2018A (TWDB -DWSRF)	8,070,000
Water & Sewer Revenue Bonds Series 2018B	17,140,000
Water & Sewer Revenue Bonds Series 2019A (TWDB -DWSRF)	20,300,000
Water & Sewer Revenue & Refunding Bonds Series 2019B	33,835,000
Water & Sewer Revenue & Refunding Bonds Series 2020A	107,600,000
Water & Sewer Revenue & Refunding Bonds Series 2020B	7,325,000
TOTAL	339,680,000

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 2021.

SOLID WASTE FUND

OVERVIEW

The Solid Waste Enterprise Fund is used to account for residential and commercial solid waste collection and disposable. 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 2020 amended budget is based on a current rate of \$18.58 per household per month from October 2019 through September 2020 pursuant to quarterly fuel adjustments provided for in the Waste Management contract.

Effective October 2020, the new rate is \$18.20 based on CPI in April 2020 and includes growth in the customer base of 75 to 95 new units per month. No rate adjustments for fuel are included.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
SALES TAX DISCOUNT	\$ 3,226	\$ 3,300	\$ 3,270	\$ 3,300
CHARGES FOR SERVICES	8,617,972	7,850,000	8,000,000	8,200,000
MISCELLANEOUS	1,497,430			
INTEREST INCOME	2,629		4,700	3,500
TOTAL	10,121,259	7,853,300	8,007,970	8,206,800
EXPENSES				
MISCELLANEOUS SERVICES	7,751,792	7,850,000	8,000,000	8,200,000
OTHER EXPENSES				
INTER-FUND TRANSFERS				
TOTAL	7,751,792	7,850,000	8,000,000	8,200,000
REVENUES OVER (UNDER) EXPENSES	2,369,467	3,300	7,970	6,800
BEGINNING CASH EQUIVALENTS	(747,249)	765,603	1,622,218	1,630,188
ENDING CASH EQUIVALENTS	\$ 1,622,218	\$ 768,903	\$ 1,630,188	\$ 1,636,988

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 solid waste and recycling public education and awareness to residents and businesses.
- ◆ Provide proactive client notification of changes that affect all customer services to City designee.
- ◆ Meet 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.
- ◆ Renew the City's solid waste contract by managing the Request for Proposals phase process.
- ◆ Oversee all residential complaints and environmental response to spills/leaks from solid waste vehicles and communicate to Waste Management.
- ◆ Renew the City's Debris Management and Debris Monitoring contracts for storm related debris; oversee and manage storm debris collection.

FISCAL YEAR 2020 ACCOMPLISHMENTS

- ◆ Improved response time to customer issues regarding garbage collection and curbside recycling.
- ◆ Consultant selected for solid waste contract renewal; solid waste survey was completed; Request for Proposals (RFP) was completed and proposals received for consideration for the solid waste contract.
- ◆ Worked with existing solid waste provider to resolve customer service issues and to oversee environmental response to vehicle leaks.
- ◆ Worked with Code Enforcement to address issues with excessive residential solid waste and to incorporate assistance with Waste Management to remove debris.
- ◆ Debris Management and Debris Monitoring contracts Request for Proposals were completed and contracts were updated. These contracts are FEMA required should the City be impacted with a declared emergency due to a weather-related event.
- ◆ Managed storm debris monitoring and collection after seasonal storms.

FISCAL YEAR 2021 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 and select provider for solid waste contract for FY21.
- ◆ Begin transition of new solid waste contractor by communications to residential and commercial customers, updating solid waste website, and ensuring a smooth transition for City staff, residents, and commercial customers.
- ◆ Review and update City's Debris Management and Monitoring contracts.

PERFORMANCE MEASURES

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Solid Waste Land-Filled (tons)	75,543	75,381	469,908	472,400
Recycled Waste (tons)	8,599	8,584	9,585	9,873
Green Waste (tons)	3,809	4,524	4,901	5,048
Household Hazardous Waste (pounds)	21,514	18,841	21,517	22162

CAPITAL PROJECT FUNDS

The City of Pearland's Capital Improvement Program (CIP) has been developed in order to further our commitment to the citizens of Pearland by working to meet today's needs, as well as those of the future by ensuring, high-quality sustainable infrastructure. From underground water and sewer lines to more visible projects such as street paving, street extensions, and new community facilities, the five-year CIP addresses the needs of the City through responsible City Government with a comprehensive and fiscally responsible approach.

A capital improvement is a major, non-routine expenditure for new construction, improvements to existing buildings, facilities, land, streets, storm sewers, and expansion of the City's park system, to name a few. Capital projects have a relatively high monetary value (\$100,000+), long-life expectancy, and result in the creation of a new asset or significantly extends the life of existing assets. The cost of the capital improvement includes design, legal fees, land, operating equipment, furniture, construction, etc. needed to put the asset into service. A capital improvement project is not the purchase of a piece of equipment such as a fire truck, vehicle, etc.

A long-term capital improvement program has many benefits derived from its organized approach to planning projects. First, the program can focus attention on community and City strategic priorities and needs, allowing projects to be prioritized based on need. Second, the CIP can be an effective tool for achieving goals set forth in the City's Comprehensive Plan, as well as the City's various master plans. Through proper planning, the need for bond referendums, bond issues or other revenue production measures can be foreseen, and action can be taken to fund the projects.

The development of a capital improvement program is a continual process and, consequently, should be viewed as a working document. Therefore, while the document covers a five-year planning perspective, it is revised every year in order to accommodate new projects, reflect changes in ongoing projects, and extend the program's strategic influence an additional year.

Relationship Between Operating and Capital Budgets

Although the CIP is prepared separately from the operating budget, the two budgets have a direct relationship. Capital budget appropriations continue until the project is finished and capitalized. As capital improvement projects are completed, operation and maintenance of these facilities must be incorporated into the operating budget to provide ongoing services to citizens. It is the City's policy that new capital projects are not constructed if operating revenues are not available to cover the increased level of operating costs.

As part of the CIP process, city departments are asked to describe and quantify any anticipated operating costs associated with each of the projects. These costs are then incorporated into the City's five-year forecast for the appropriate operating fund. Operating costs associated with capital projects include one-time items such as operating equipment, or ongoing items such as: addition of new positions (full or part-time), contractual services, utility costs, custodial or landscaping maintenance, and office or chemical supplies. All ongoing costs are reviewed annually to accommodate growth and inflation in maintaining or improving service levels. When possible, these extra costs are absorbed within the division's existing budget. Most often, additional resources are needed for operating expenses associated with capital projects. The City Manager and City Council must consider these additional costs, along with other supplemental budget requests, based on available funding.

City Council adopted the CIP on July 27, 2020 with resolution number R2020-135, but the CIP budget was approved along with the City's annual budget with ordinance number 1595 on September 28, 2020. The 5-year CIP is summarized below, with additional detail available in the City's 2021 - 2025 Capital Improvement Program.

USE	2021	2022	2023	2024	2025	TOTAL
DRAINAGE	23,198,247	2,430,903	3,114,000	4,640,000		33,383,150
PARKS	1,825,000	9,600,000	500,000	1,236,000	10,140,000	23,301,000
FACILITIES	62,336,750	6,447,750	3,461,000	9,319,750	7,977,000	89,542,250
STREETS	21,459,287	45,060,580	1,600,000	6,180,000	750,000	75,049,867
<i>Enterprise Funds – Public Utilities</i>						
WATER	14,965,000	9,875,000	12,440,000	15,577,000	13,450,000	66,307,000
WASTEWATER	173,171,000	19,650,000	9,323,500	18,121,000	20,384,000	240,649,500

SOURCE SUMMARY

NON-DEBT FUNDED	2021	2022	2023	2024	2025	TOTAL
General Revenue - Cash			368,000	204,875	351,000	923,875
PEDC - Cash						
System Revenues - Cash	3,821,000	4,311,375	2,402,000	1,537,875	1,696,000	13,768,250
Impact Fees - Cash			360,000	541,000		901,000
Other Funding Sources	1,477,997	3,337,278				4,815,275
Non-Debt Total	\$ 5,298,997	\$ 7,648,653	\$ 3,130,000	\$ 2,283,750	\$ 2,047,000	\$ 20,408,400

LEVERAGED OUTSIDE FUNDS	2021	2022	2023	2024	2025	TOTAL
TIRZ Reimbursable	27,541,964	16,970,000				44,511,964
HGAC - TIP	29,929,600	8,927,343				38,856,943
Leveraged Outside Funds Total	\$ 57,471,564	\$ 25,897,343	\$ -	\$ -	\$ -	\$ 83,368,907

TAX SUPPORTED DEBT (DEBT SERVICE FUND)	2021	2022	2023	2024	2025	TOTAL
Certificates of Obligation	7,917,400	33,468,489	4,836,626	11,705,000	8,025,000	65,952,515
2007 General Obligation Bonds	881,600	7,275,176	2,327,258			10,484,034
2019 General Obligation Bonds	18,526,000	27,732,000	7,429,000	15,875,000		69,562,000
Future GO Bond Package				1,236,000	10,140,000	11,376,000
Less CO's & GO's Previously Appropriated						(39,770,415)
Tax Supported Debt Total	27,325,000	68,475,665	14,592,884	28,816,000	18,165,000	117,604,134

WATER/SEWER SUPPORTED DEBT (ENTERPRISE FUND)	2021	2022	2023	2024	2025	TOTAL
W/S Revenue Bonds	63,553,500	131,538,000	73,252,826	31,824,000	32,489,000	332,657,326
Less Projects Appropriated in Previous Year						(25,806,000)
Water/Sewer Debt Total	\$ 63,553,500	\$131,538,000	\$ 73,252,826	\$ 31,824,000	\$ 32,489,000	\$306,851,326

Note: The totals above reflect when the debt is issued so it does not tie by year to when the funds are allocated, as the City sometimes appropriates funds for projects in one year and then sells the bonds in the next year.

Although capital improvement projects are scheduled throughout the 5-year plan, only those projects scheduled during the first year of the CIP are financed and adopted as part of the Annual Budget. Improvements identified in subsequent years are approved only on a planning basis and do not receive expenditure appropriation. Cost estimates for years two through five are also for planning purposes only, to be used in conjunction with the City's long-range financial plan for operations. The remainder of the 5-year plan is financially balanced with revenue source(s) identified for every project included, except for Independence Park Phase II.

Impact of the CIP on the Long-Range Forecast

In addition to incorporating new operating and maintenance costs into the current budget for approved capital projects, the specific impacts of projects on future operating budgets are detailed by project in the 2021 - 2025 CIP.

Estimated operations and maintenance costs are built into the long-range forecasts for the respective operating fund to make sure it can be accommodated within future projections, be considered for deferral until operating funds are available, or prompt a decision to reduce other operating costs to fund these requirements. The following tables provides a summary of the impact of the 2021 - 2025 CIP on the annual operating budget over the next four years.

CIP Operation & Maintenance	2022	2023	2024	2025
Piper Road Drainage	3,165	3,165	3,165	3,165
West Lea Subdivision Drainage Improvements	1,856	2,475	2,475	2,475
D. L. Smith Area Drainage Improvements	1,125	4,500	4,500	4,500
Clear Creek Trail		14,244	16,724	17,682
Shadow Creek Ranch Park Phase II	24,397	28,984	172,220	180,831
Shadow Creek Trail Phase II - Along Clear Creek Relief Ditch & Library Trail		5,000	5,000	5,000
Independence Park Phase II				25,154
Orange Street Service Center Phase 1	87,263	112,460	107,046	112,398
Animal Services Shelter			364,291	382,506
Fire Station #7	39,938	65,715	1,041,863	176,436
Shadow Creek Library	1,628	106,352	65,297	64,053
Orange Street Service Center Phase 2	96,108	100,914	446,677	469,011
Fire Station #4			105,959	111,257
Fire Station #11	391	391	1,041,863	476,746
Fire Training Field		50,186	391	391
Police Training Center	96,333	96,333	75,576	75,576
City Hall Back-Up Power Redundancy for Critical Facility		203,092	75,576	75,576
Mykawa Road Widening - BW8 to FM 518			100,372	100,372
Hughes Ranch Road (CR 403) - Cullen to Smith Ranch Road			99,333	99,333
McHard Road Extension (Mykawa Road to Cullen Parkway)			206,092	206,092
Smith Ranch Road Extension (CR 94) - Hughes Ranch Rd to Broadway	2,000	2,000	40,772	42,810
Safe Routes to School Improvements	1,600	5,200	2,000	2,000
SH 288 Northbound Frontage Road - CR 59 to FM 518 (Broadway)	3,500	3,500	2,000	2,000
Intersection Improvements - Windward Bay/Broadway, Oakridge/Pearland Parkway, and Long Oak/Dixie Farm		4,802	2,000	2,000
Broadway at Dixie Farm Intersection Improvements			5,200	5,200
Street Reconstruction - Linwood Oaks and Orange Circle		1,080	3,500	3,500
Pearland Parkway Traffic Circle Modifications	3,500	3,500	4,802	4,802
Bailey Road Expansion (Veterans Dr to Main)				41,590
Shadow Creek Parkway Landscaping, Street Lighting & Sidewalks			1,080	1,080
Street Reconstruction - Sleepy Hollow			3,500	3,500
Shadow Creek Ranch Sidewalk Extensions				1,500
Broadway Expansion - SH 288 to SH 35				59,044
Street Reconstruction - Sherwood				3,939
Total	\$362,805	\$813,892	\$3,999,273	\$2,761,520

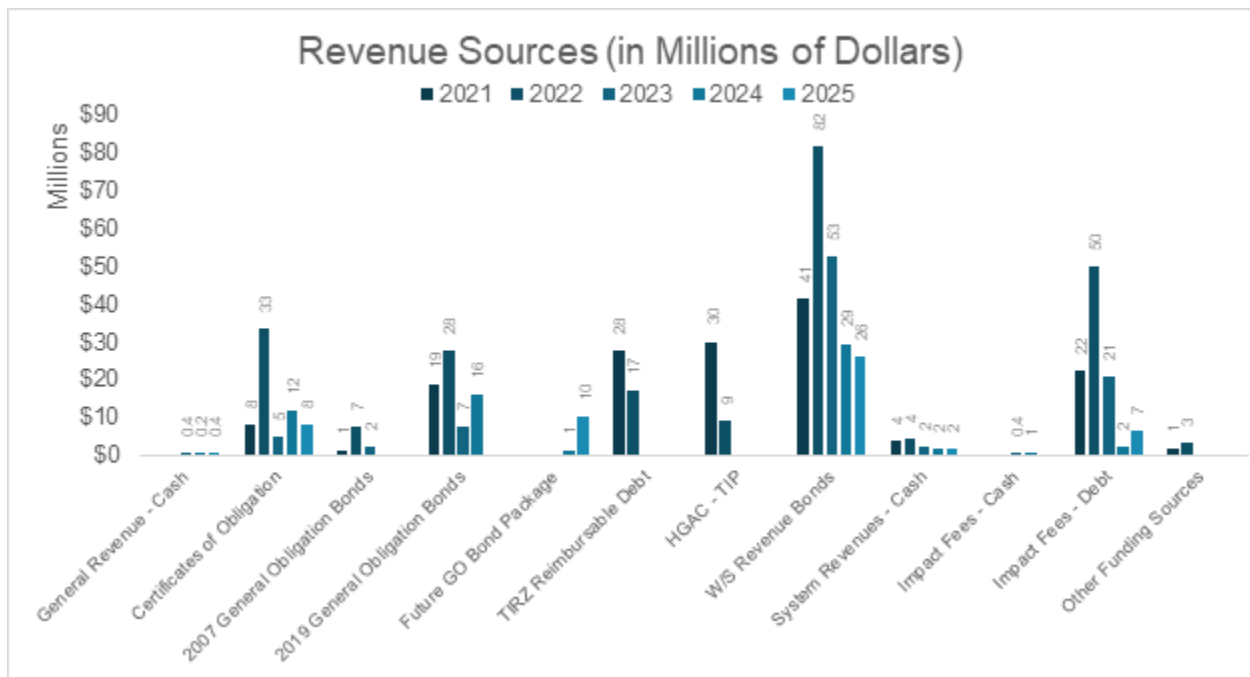
The staffing projections, measured in Full-Time Equivalent Positions or FTEs, include new positions needed for operating any capital facilities constructed within four years. Salaries and benefits are included.

CIP Personnel	2022	2023	2024	2025
Clear Creek Trail			52,451	108,049
<i>Number of FTE</i>			1	1
Shadow Creek Ranch Park Phase II		101,846	209,804	216,098
<i>Number of FTE</i>		2	2	
Animal Services Shelter	115,875	201,571	207,618	213,847
<i>Number of FTE</i>	3	1		
Fire Station #7				2,207,573
<i>Number of FTE</i>				12
Fire Station #11				308,783
<i>Number of FTE</i>				13
Total	\$115,875	\$303,417	\$469,873	\$3,054,349
Number of FTE	3	3	3	26

These costs, along with any new debt service payments accruing on debt issuances, are included in each fund's projection with the ongoing departmental operating costs. Debt service payments for capital projects are discussed in detail in the Debt section for tax supported debt and the Enterprise Fund Water Sewer Debt Service Fund.

Major Capital Program Revenues

All funding sources that may be used for various capital improvement projects and potential CIP items are reviewed each year. Revenues for the capital budget generally comes from voter-authorized bonds, system development or impact fees, grants, or enterprise fund user fees. In addition, some capital improvements are included in the capital budget on a “pay-as-you-go” basis by using one-time allocations from current General Fund or Enterprise Fund revenue.



**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES**

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*	FUND 509 2021 GENERAL OBLIGATION*
REVENUES:							
INTEREST INCOME	35,000	50,000		200,000	250,000	100,000	200,000
BOND PROCEEDS							35,678,600
IMPACT FEES							
MISCELLANEOUS	1,000,000						
INTERGOVERNMENTAL TRANSFERS IN							
TOTAL REVENUES	1,035,000	50,000		200,000	250,000	100,000	35,878,600
EXPENDITURES:							
DRAINAGE							485,000
PARKS							500,000
FACILITIES	1,008,713						9,511,000
STREETS				358,723			8,646,600
WATER							
SEWER							
TOTAL PROJECTS	1,008,713			358,723			19,142,600
ISSUANCE COSTS							
OTHER NON-OPERATING TRANSFERS OUT	140,000	206,717	1,732	328,296	349,969	130,821	175,186
TOTAL NON-OPERATING	140,000	206,717	1,732	328,296	349,969	130,821	175,186
TOTAL EXPENDITURES	1,148,713	206,717	1,732	687,019	349,969	130,821	19,317,786
REVENUES OVER/(UNDER) EXPENDITURES	(113,713)	(156,717)	(1,732)	(487,019)	(99,969)	(30,821)	16,560,814
BEGINNING BALANCE	1,246,807	392,135	1,732	1,083,679	(122,654)	(21,532)	(16,544,609)
Ending Fund Balance ⁽¹⁾	\$ 1,133,094	\$ 235,418	\$ (0)	\$ 596,660	\$ (222,623)	\$ (52,353)	\$ 16,205

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.

**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES**

GOVERNMENTAL FUND

FUND 511 PEDC PAY-AS- YOU-GO	FUND 512 2021 CERTIFICATES OF OBLIGATION*	FUND 513 2022 GENERAL OBLIGATION*	FUND 515 2020 CERTIFICATES OF OBLIGATION - TIRZ*	FUND 516 2021 CERTIFICATES OF OBLIGATION - TIRZ*	FUND 517 2022 CERTIFICATES OF OBLIGATION*	FUND 518 2022 CERTIFICATES OF OBLIGATION - TIRZ*	TOTAL
	200,000		100,000				1,135,000
	22,249,812						57,928,412
							1,000,000
	22,449,812		100,000				60,063,412
	3,900,000						4,385,000
	7,297,884			5,825,000			13,622,884
	1,200,000	3,000,000		13,040,000	9,100,000	7,500,000	44,359,713
				8,676,964			17,682,287
	12,397,884	3,000,000		27,541,964	9,100,000	7,500,000	80,049,884
	120,703	37,171	53,814	110,520	21,865	21,107	1,697,901
	120,703	37,171	53,814	110,520	21,865	21,107	1,697,901
	12,518,587	3,037,171	53,814	27,652,484	9,121,865	7,521,107	81,747,785
	9,931,225	(3,037,171)	46,186	(27,652,484)	(9,121,865)	(7,521,107)	(21,684,373)
	(9,851,928)	(6,000,000)	25,000				(29,791,371)
\$	-	\$ 79,297	\$ (9,037,171)	\$ 71,186	\$ (27,652,484)	\$ (9,121,865)	\$ (7,521,107)
							\$ (51,475,744)

**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES**

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	FUND 567 2020 WATER DRINKING BONDS
REVENUES:							
INTEREST INCOME		1,000	1,000	500	120,000	100,000	500,000
BOND PROCEEDS							
IMPACT FEES		1,000,000	775,000				
MISCELLANEOUS							
INTERGOVERNMENTAL							
TRANSFERS IN							
TOTAL REVENUES		1,001,000	776,000	500	120,000	100,000	500,000
EXPENDITURES:							
DRAINAGE							
PARKS							
FACILITIES							
STREETS							
WATER							
SEWER							
TOTAL PROJECTS							
ISSUANCE COSTS							
OTHER NON-OPERATING							
TRANSFERS OUT	4,984,468			221,887	35,725	79,229	40,177
TOTAL NON-OPERATING	4,984,468			221,887	35,725	79,229	40,177
TOTAL EXPENDITURES	4,984,468			221,887	35,725	79,229	40,177
REVENUES OVER/(UNDER)							
EXPENDITURES	(4,984,468)	1,001,000	776,000	(221,387)	84,275	20,771	459,823
BEGINNING BALANCE	18,904,323	1,000,550	775,500	665,800	(59,385)	(18,223)	90,598
ENDING BALANCE	\$ 13,919,855	\$ 2,001,550	\$ 1,551,500	\$ 444,413	\$ 24,890	\$ 2,548	\$ 550,421

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.

**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES**

ENTERPRISE FUND

FUND 568 2021 REVENUE BONDS*	FUND 569 2022 REVENUE BONDS*	FUND 570 PAY-AS-YOU- GO	FUND 571 2021 TWDB REVENUE BONDS*	FUND 572 2022 TWDB REVENUE BONDS*	FUND 573 2023 TWDB REVENUE BONDS*	FUND 575 MUD 4 CAPITAL PROGRAM	TOTAL	GRAND TOTAL
150,000		25,000					897,500	2,032,500
19,396,000							19,396,000	77,324,412
							1,775,000	1,775,000
							-	1,000,000
							-	-
		3,821,000					3,821,000	3,821,000
19,546,000		3,846,000					25,889,500	85,952,912
							-	4,385,000
							-	13,622,884
	8,400,000						8,400,000	52,759,713
								17,682,287
10,305,000		2,340,000					12,645,000	12,645,000
7,561,000		1,551,000	45,687,500	79,945,000	50,427,500		185,172,000	185,172,000
17,866,000	8,400,000	3,891,000	45,687,500	79,945,000	50,427,500		206,217,000	286,266,884
							-	-
138,266	73,653	228,086	34,678	37,340	15,401		5,888,910	7,586,811
138,266	73,653	228,086	34,678	37,340	15,401		5,888,910	7,586,811
18,004,266	8,473,653	4,119,086	45,722,178	79,982,340	50,442,901		212,105,910	293,853,695
1,541,734	(8,473,653)	(273,086)	(45,722,178)	(79,982,340)	(50,442,901)		(186,216,410)	(207,900,783)
(1,553,144)	(29,138,396)	469,377				63	(8,862,937)	(38,654,308)
\$ (11,410)	\$ (37,612,049)	\$ 196,291	\$ (45,722,178)	\$ (79,982,340)	\$ (50,442,901)	\$ 63	\$ (195,079,347)	\$ (246,555,091)

**Impact of the Capital Improvement Program
on the FY 2021 Operating Budget**

It is Pearland’s philosophy that new capital projects should not be constructed if operating revenues are not available to cover the increased level of operating costs. The table below shows how the estimated operating costs associated with capital projects will impact the General Fund in FY 2021. Operating costs that will affect future years are included within the long-range financial forecast.

In most cases, additions to operating budgets do not start until a project is completed. The following list includes the approved projects impacting the FY 2021 operating budget.

CIP Operation & Maintenance Budget Impacts	FY 2021
Recreation Center & Natatorium Generator & Improvements	\$ 3,100
Fire Station #8	389,009
Hughes Ranch Road (CR 403) - Cullen to Smith Ranch Road	89,125
Smith Ranch Road Extension (CR 94) - Hughes Ranch Rd to Broadway	30,047
Intersection Improvements - Windward Bay/Broadway, Oakridge/Pearland Parkway, and Long Oak/Dixie Farm	2,000
Total	\$ 513,281

In addition to operation & maintenance, the FY 2021 budget also includes the following personnel costs.

CIP Personnel Services	2021
Fire Station #8	2,941,155
<i>Number of FTE</i>	30

Capital Improvement Project Summaries for FY 2021

The following Summary of Capital Projects is a list of CIP projects pulled from the City’s five-year plan for appropriation in the FY 2021 budget. The 2021 Budget amount shown reflects new fiscal year funding only. The project impact on the operating budgets is incorporated into the FY 2021 budget and into the long-range financial forecast.

Project #	Project Name	Project Description
Drainage Projects		
DR1903	Willowcrest Subdivision Drainage Improvements	The project area, located in Willowcrest Subdivision, is bounded by Cherry St, Woody Rd, W Plum St and Mykawa Road. Drainage improvement and street reconstruction for the subdivision, will require removal/replacement of curb inlets, upsizing of the storm sewer system, and may require the purchasing drainage easements in order to be able to replace the storm sewer system.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$15,926,000	\$13,840,000	\$0 \$0 \$0 \$0 \$0

Project #	Project Name	Project Description
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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	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$5,492,000	\$4,892,000	\$0 \$1,856 \$2,475 \$2,475 \$2,475

DR1905	Hickory Slough Regional Detention Pond	The project will be to excavate and provide regional detention to an area that is in need of stormwater mitigation. The City and BDD4 partnered to purchase and excavate the property to its ultimate capacity and will provide approximately 230 acre-feet of storage along the Hickory Slough located between Hatfield Road and Woody Road.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$4,625,000	\$3,000,000	\$0 \$0 \$0 \$0 \$0

DR2101	Cowarts Creek Detention Pump Station Generator	Cowarts Creek Pump Station is located at a critical detention pond that requires a permanent back up diesel generator with automatic transfer switch during times of power loss.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$900,000	\$900,000	\$0 \$0 \$0 \$0 \$0

Project #	Project Name	Project Description
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DR2102	Brookland Acres Drainage Improvements	Brookland Acres subdivision is located north of Hickory Slough between Mykawa Road and Woody Rd. The project will include regrading of the ditch as well as replacement of culverts and driveways along Scott Ln and Woody Street right of way. The regrading of the ditch along with properly sized culverts will improve conveyance capacity of the ditches which will help reduce the flooding in Brookland Acres subdivision. The subdivision lies within the CDBG target area and was identified in the Harvey Drainage Assessment Report for a local drainage improvement project.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$1,072,108	\$138,192	\$0 \$0 \$0 \$0 \$0

DR2103	Garden Road/O'Day Road Drainage Improvements	Drainage ditch improvement along Garden Road and O'Day Road from Broadway Street to approximately 5,700' North. The project will include regrading of the ditch as well as replacement of culverts and driveways within the road right of way. The regrading of the ditch along with properly sized culverts will improve conveyance capacity of the ditches which will help reduce the flooding in the neighborhoods located between Garden Rd and O'Day Rd. The area was identified in the Harvey Drainage Assessment Report for a local drainage improvement project.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$1,156,054	\$144,067	\$0 \$0 \$0 \$0 \$0

DR2104	Woody Road Drainage Improvements	Drainage ditch improvement along Woody Road between Broadway Street and Orange Street. The project will include regrading of the ditch as well as replacement of culverts and driveways within the road right of way. The regrading of the ditch along with properly sized culverts will improve conveyance capacity of the ditches which will help reduce the flooding in Mimosa Acre Subdivision and Corrigan North Subdivision. The area was identified in the Harvey Drainage Assessment Report for a local drainage improvement project.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$283,988	\$283,988	\$0 \$0 \$0 \$0 \$0

Drainage Total Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$29,455,150	\$23,198,247	\$0	\$1,856	\$2,475	\$2,475	\$2,475

Project #	Project Name	Project Description
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Parks Projects						
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	2021 Budget	O & M Impact				
\$1,575,000	\$1,325,000	2021	2022	2023	2024	2025
		\$0	\$0	\$5,000	\$5,000	\$5,000

PK2101	Park Equipment Recapitalization Program	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, irrigation & dog park amenities. FY21 will focus on repairs to amenities and improvements to accessibility of the park system. These efforts will enhance the user-experience of our current offerings, providing our citizens with a functioning & exceptional park experience. Types of improvements will include restroom replacements & improvements, fencing repairs, replacement of amenities such as concrete pads, benches & trash cans, ADA connections in older parks that address playground safety surfaces, access to areas such as sidewalk connections & improving crossings, & replacement of aging park signage for visibility, safety & enforceable compliance.				
Project Budget	2021 Budget	O & M Impact				
\$500,000	\$500,000	2021	2022	2023	2024	2025
		\$0	\$0	\$0	\$0	\$0

Parks Total Budget	2021 Budget	O & M Impact				
\$2,075,000	\$1,825,000	2021	2022	2023	2024	2025
		\$0	\$0	\$5,000	\$5,000	\$5,000

Project #	Project Name	Project Description
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Facility Projects						
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FA1803	Shari D. Coleman Animal Shelter and Adoption Center	Construct a 21,000 sq. ft. animal shelter at the Public Safety Complex located at Cullen Rd and Freedom Drive to house 16 staff members, dog runs to house approximately 103 canines, and space for approximately 98 felines. Quarantine and isolation areas will be in compliance with State Law. An adoption center with rooms for potential adoption interaction and observation, veterinary service room, medical suite, laundry room, food storage areas, freezer, and a generator are also planned for the facility.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$13,037,000	\$11,341,000	\$0	\$276,940	\$424,065	\$571,910	\$596,353

FA1805	Shadow Creek Library	Construct a permanent County Library facility on the west side consisting of approximately 39,000 square feet, using space requirements and usage information similar to that developed for the renovations to the Tom Reid Library. Other features include: a 100-seat teaching theater, 2,500 sq. ft. space for the Brazoria County Tax Office, humidity control system for HVAC, specialized chill water systems, exterior security lighting, generator, and specialized library furnishings. Current planning has the facility located on a 3.2-acre site owned by the City on Shadow Creek Parkway west of Kirby Drive. Collaboration with Brazoria County Tax office for space within the building. Timing for the project coincides with the expiration of the lease on the existing facility within the shopping center at Broadway and Business Center Drive.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$23,500,000	\$20,540,000	\$0	\$39,938	\$65,715	\$65,297	\$64,053

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 80,000 sf 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, kitchen, and backup generator.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$25,350,000	\$21,000,000	\$0	\$1,628	\$425,407	\$446,677	\$469,011

Project # Project Name

Project Description

FA2001	Fire Station #4	Construction of approximately 13,500 sq. ft. station east of current location on existing site. Station will be outfitted to house one – 4-person Engine Crew, one – 2-person Ambulance Crew, 1 Shift Commander, and 1 Fire Captain – EMS. This station will be designed for future expansion to house future command vehicle and rescue truck due to central location. Station will include a generator, 10 sleeping rooms, restrooms with showers, kitchen area, dayroom, exercise room, and three offices. Equipment area will consist of 4 – 80-foot-deep apparatus bays, bunker gear storage area, medical supply storage, and EMS decontamination area. The station will support a separation of dirty/clean areas for firefighter health which will include shower areas for decontamination.				
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$8,619,000	\$7,184,000	\$81,849	\$96,108	\$100,914	\$105,959	\$111,257

FA2003	Fire Training Burn Building Phase 1	Construction of a 2,800 SF two story reinforced concrete live fire training burn building and concrete pad on the existing Pearland Fire Department (PFD) Fire Training Field east of the David L. Smith Fire Administration Building. This facility will provide the versatility to change scenarios as needed to simulate a single-family residential occupancy, retail or commercial storefront, or vehicle garage, with multiple burn rooms, interior and exterior staircases, doors, windows, sloped roof, and roof opening.				
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$1,300,000	\$1,170,000	\$98	\$391	\$391	\$391	\$391

FA2101	Fiber Backbone - Magnolia from Harkey Rd to Cullen Parkway	To extend and build out the fiber network to reach all city facilities, parks, traffic signals, and storm water facilities and supports the SCADA network along Magnolia from Harkey Rd to Cullen Parkway for approximately 12,000 LF. This fiber run will pick up two intersections and is part of two loops that will provide redundancy for all communications.				
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$591,750	\$591,750	\$0	\$0	\$0	\$0	\$0

Project #	Project Name	Project Description
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FA2102	Police Training Center	Repurpose former Fire Station #4 structure to accommodate the Police Academy and Fitness Center. Includes a 40+ training room, break room area, approximately 2600 sq. ft. of fitness area shared with Fire Station #4, cubical office area, and associated restroom/shower facilities.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$3,160,000	\$510,000	\$0 \$18,894 \$75,576 \$75,576 \$75,576

Facility Total Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$75,557,750	\$62,336,750	\$81,947 \$433,900 \$1,092,067 \$1,265,810 \$1,316,641

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, landscape and irrigation, and a 10' shared use path. 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	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$15,568,303	\$990,323	\$0 \$0 \$50,186 \$100,372 \$100,372

TR1602	Safe Routes to School Improvements	As identified in the Safe Routes to School Plan, sites may include the installation of sidewalks, crosswalk improvements to meet ADA requirements and other traffic control improvements. Improvements planned for H.C. Carlestone Elementary, Barbara Cockrell Elementary and Junior High South. Challenger Elementary was identified but will be done with Hughes Ranch Rd project.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$3,762,000	\$3,327,000	\$0 \$0 \$0 \$2,000 \$2,000

Project #	Project Name	Project Description
TR1905	Shadow Creek Parkway Landscaping, Street Lighting & Sidewalks	This project will provide enhanced landscaping, irrigation, 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	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$7,140,000	\$6,225,000	\$0	\$0	\$1,080	\$1,080	\$1,080

TR2002	Street Reconstruction - Sleepy Hollow	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 street or neighborhood identified for FY 21 includes Sleepy Hollow. 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.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$3,265,000	\$2,765,000	\$0	\$3,500	\$3,500	\$3,500	\$3,500

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.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$1,137,701	\$932,464	\$0	\$0	\$0	\$0	\$1,500

Project #	Project Name	Project Description
TR2101	Broadway Expansion - SH 288 to SH 35	This project widens Broadway from the intersection with State Highway 288 to State Highway 35. The project will provide three lanes each direction, raised medians, new signals and additional turn lanes where required for traffic management purposes. Relocation of City owned utilities within the right of way will be at City's cost. Construction will likely be phased with the first phase from SH288 to Cullen and the second phase from Cullen to the eastern terminus.

Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$5,000,000	\$5,000,000	\$0	\$0	\$0	\$0	\$0

TR2102	Clear Creek Bridge Replacement	The project will be to replace the County Club Road bridge over Clear Creek at the entrance to Green Tee Subdivision with a two-lane bridge with a 10' multi-use path. The replacement would be conducted through the TxDOT off-system bridge program where the City contribution would be 10% of the project plus any upgrades beyond the standard Federal and State requirements.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$250,000	\$250,000	\$0	\$0	\$0	\$0	\$0

TR2103	Intersection Improvements (BCD/SCP, BCD/Broadway, etc.)	This project will be to provide intersection improvements to help reduce vehicular congestion and improve mobility throughout the business & residential area. Improvements include the installation of dual lefts at several intersections along Shadow Creek Parkway traffic signal at Kirby/Discovery Bay, Kingsley/Regents Bay, Kingsley/ Trinity Bay and a round-a-bout at Memorial & Business Center.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$10,989,500	\$1,519,500	\$0	\$0	\$0	\$0	\$0

Project #	Project Name	Project Description
TR2106	Traffic Signal Upgrades Program FY21	The Traffic Signal update will include replacement of the existing outdated signal management system to conform to the City of Pearland specifications. Budget for the 2021 Fiscal Year will include the upgrade of traffic signal management equipment along the Broadway Corridor from Business Center Drive to FM521. Additionally, the Traffic Division will upgrade two intersections along Pearland Parkway, Province Village Dr. and Oiler Dr. TxDOT will be upgrading the Liberty/518 traffic signal. The project will also include the participation with TxDOT to upgrade to City standards

Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$450,000	\$450,000	\$0	\$0	\$0	\$0	\$0

Streets Total Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$47,562,504	\$21,459,287	\$0	\$3,500	\$54,766	\$106,952	\$108,452

Water Projects

WA1901	Bailey Water Plant Improvements	Elevated levels of organic manganese and iron cause taste, odor, and appearance issues though the water product itself remains safe for consumption. Phase 1 of this project is the installation of a new 1 MG concrete Ground Storage Tank to replace the existing welded steel tank. Phase 2 of this project will be the construction of a Water Treatment Plant and the installation of a waterline to transport water from the Magnolia Water Plant to the Treatment Plant.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$9,140,000	\$6,600,000	\$0	\$16,845	\$160,106	\$161,606	\$176,606

WA2004	Sleepy Hollow Waterline	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 - Sleepy Hollow.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$480,000	\$420,000	\$0	\$0	\$0	\$0	\$0

Project #	Project Name	Project Description
WA2101	Liberty Elevated Storage Tank Rehabilitation	A full assessment of all Elevated Storage Tank (EST) coatings to assess and rank for interior/exterior coating replacement. Typical coating life expectancy is between 7-15 years. It is recommended to replace the interior and exterior coating systems and perform any minor vent and pipe work necessary to maintain this asset. Also, it is recommended that a water mixer is added to this structure to circulate volume and eliminate thermal stratification.

Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$975,000	\$975,000	\$0	\$0	\$0	\$0	\$0

WA2102	Liberty Ground Storage Tank Rehabilitation	A full assessment of 15 Ground Storage Tank (GST) coatings to assess and rank for interior/exterior coating replacement. Typical coating life expectancy is between 7-15 years. It is recommended to replace the interior and exterior coating systems, restore/update city logo and perform any minor vent and pipe work necessary to maintain this asset. Also, it is recommended that a water mixer is added to this structure to circulate volume and eliminate thermal stratification.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$775,000	\$775,000	\$0	\$0	\$0	\$0	\$0

WA2103	FM 518 Utility Relocations - SH 288 to Cullen Parkway	This project will relocate approximately 12,100 LF of 16" water main from SH 288 to Cullen Parkway. This waterline is in TxDOT ROW of FM 518 and will need to be relocated for the roadway widening. The project will also include relocating approximately 11,800 LF of fiber.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$7,490,000	\$100,000	\$0	\$0	\$0	\$0	\$0

Project #	Project Name	Project Description
WA2104	Water Production Facilities Rehabilitation	Based upon preliminary engineering report findings, priority improvements will be made for the following water plants: FM 521 (Shadow Creek) – replace underground isolation valves, replace leaking discharge piping, provide chemical tank pad, replace site fencing; Country Place – paint well site piping, replace well site fencing, replace three underground isolation valves, paint booster station piping; Alice plant – install three isolation valves (30" and 2 ea-18"); Cullen Plant – replace leaking isolation valve, paint booster piping, install plug on underground valve.

Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$1,152,595	\$250,000	\$0	\$0	\$0	\$0	\$0

WA2105	South Corrigan Subdivision Transite Pipe Water Line Replacement	The City has approximately 63 miles of failing transite pipe water lines to be replaced over a period of years. This project will strategically replace approximately 3.5 miles of transite water line infrastructure in the South Corrigan subdivision.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$3,350,000	\$3,350,000	\$0	\$0	\$0	\$0	\$0

WA2106	Westwood Village 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.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$925,000	\$925,000	\$0	\$0	\$0	\$0	\$0

Project #	Project Name	Project Description				
WA2107	SCADA	City's Supervisory Control and Data Acquisition (SCADA) project that will update/replace an antiquated system that was installed in the early 2000's. The project will evaluate the existing facilities with the goal of standardizing the water and wastewater facilities infrastructure components and software and begin the migration from the existing system to the updated system (GE iFix 6) that will incorporate the SCADA system at Reflection Bay and complete the centralization of data storage at the Public Safety Building.				
Project Budget	2021 Budget	O & M Impact				
\$2,250,000	\$1,500,000	2021	2022	2023	2024	2025
		\$0	\$0	\$0	\$0	\$0

WA2108	Magnolia Parkway Water Line Looping (Kirby Drive to Granite Trace Lane)	The project will provide for the looping of two dead end water lines located on Kirby Drive and Granite Trace Lane to provide for improved water circulation and water quality. A 12" water line will be used to connect these two water lines and will provide for extension west on Magnolia Parkway to CR48 when development occurs.				
Project Budget	2021 Budget	O & M Impact				
\$70,000	\$70,000	2021	2022	2023	2024	2025
		\$0	\$0	\$0	\$0	\$0

Water Total Budget	2021 Budget	O & M Impact				
\$26,607,595	\$14,965,000	2021	2022	2023	2024	2025
		\$0	\$16,845	\$160,106	\$161,606	\$176,606

Waste Water Projects						
WW1502	Barry Rose WRF Expansion	This project consists of an expansion from 3.1 MGD to 8.5 MGD. The expansion will be a new treatment plant utilizing membrane bio-reactors (MBR's) as the primary treatment technology with construction through the CMAR process. The existing plant will remain online until the new plant is commissioned. The new plant will retain the existing aeration basin as equalization basins, replace existing influent lift station and reconfigure the site around the new process. A parallel project also includes the decommissioning of the 2 MGD Longwood WRF, construction of a transfer lift station at the Longwood site and approximately 25,000 linear feet of force main to the expanded Barry Rose WRF.				
Project Budget	2021 Budget	O & M Impact				
\$95,563,209	\$87,030,000	2021	2022	2023	2024	2025
		\$0	\$0	\$150,400	\$451,201	\$451,201

Project #	Project Name	Project Description				
WW1603	JHEC WRF Expansion	This project consists of a 2 MGD expansion to the existing 4 MGD Sequential Batch Reactor (SBR) water reclamation facility that will increase the treatment capacity to 6 MGD (plus peak) at the John Hargrove Water Reclamation Facility and includes critical infrastructure to be sized for the ultimate capacity of 8 MGD. The expansion project will be construction via the CMAR procurement process.				
Project Budget	2021 Budget	O & M Impact				
\$75,645,000	\$69,940,000	2021	2022	2023	2024	2025
		\$0	\$0	\$372,228	\$496,304	\$496,304

WW1906	Longwood Water Reclamation Facility Decommissioning	The project consists of the decommissioning of the Longwood Water Reclamation Facility (LWRF) and construction of a regional lift station to transfer the 2 MGD flows (plus peak) to the expanded Barry Rose Water Reclamation Facility (BRWRF) via a new force main. The Longwood force main's anticipated length is approximately 25,000 linear feet to run within the Harris County Flood Control District Clear Creek limits.				
Project Budget	2021 Budget	O & M Impact				
\$20,556,000	\$6,500,000	2021	2022	2023	2024	2025
		\$0	\$0	\$0	\$0	\$0

WW2001	Miller Ranch Regional Lift Station Odor Control & Rehabilitation	This project will rehabilitate the aging regional lift station and will include rehabilitation of the wet well removing the T-Lock and replacing with Sewpercoat lining, provide temporary by-pass pumping, replace existing two 20 year old submersible pumps with City standard Flygt submersibles adding the required third pump including guiderails, replace valves and blast and re-coat piping, provide odor control, provide new City standard electrical control panel along with new electrical rack and new upgraded electrical service, provide a new automatic transfer switch for permanent generator connection and generator.				
Project Budget	2021 Budget	O & M Impact				
\$1,769,000	\$1,540,000	2021	2022	2023	2024	2025
		\$0	\$5,000	\$20,000	\$20,000	\$20,000

Project #	Project Name	Project Description
WW2002	Royal Oaks Lift Station	This project will rehabilitate the aging lift station and will include removal of the existing wet well and replace with an 8 foot wet well with SewperCoat lining, replace two self-priming Gorman Rupp pumps with Flygt submersibles including guiderails and new wet well top, replace valves and discharge piping, provide new city standard electrical control panel along with new electrical rack and provide a new City standard manual transfer switch for mobile generator connection. Additional items include replacement of the concrete work slab surrounding the wet well and install new 8-foot cedar picket fence.

Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$868,000	\$748,000	\$0	\$2,050	(\$8,200)	(\$8,200)	(\$8,200)

WW2004	Shadow Creek Regional Lift Station Rehab and Generator	This project will rehabilitate the aging regional lift station and will include rehabilitation of the wet well removing existing T-Lock that is failing and replacing with SewperCoat lining, provide temporary by-pass pumping, replace existing two 20 year old submersible pumps with City standard Flygt submersibles including guiderails, replace valves and piping, install plug valve for emergency by-pass pumping, provide new City standard electrical control panel along with new electrical rack and new upgraded electrical service, provide a new automatic transfer switch for permanent generator connection and generator.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$1,796,000	\$1,570,000	\$0	\$0	\$0	\$0	\$0

WW2005	Sleepy Hollow Sanitary Sewer Rehab	This project includes 2,900 LF of 8" sanitary sewer rehabilitation / replacement by the most cost-effective method. The project schedule is coordinated with the 2019 approved bond project.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$335,000	\$295,000	\$0	\$0	\$0	\$0	\$0

Project #	Project Name	Project Description
WW2006	Mykawa Road Sewer Relocation - Jasmine to S Orange Circle	Install approximately 400 feet of 15-inch gravity sewer line from 300 feet north of Jasmine to the manhole at South Orange Circle. Includes installation of two manholes, the abandonment and fill of the existing 12-inch sanitary syphon under Mykawa ditch. Work includes traffic control and dewatering.

Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$294,000	\$242,000	\$0	\$0	\$0	\$0	\$0

WW2007	Bailey Sewer Line - Veterans to Bailey Water Plant	Construct a sanitary sewer from the Natatorium to the Bailey WTP site to transfer waste to the City's sanitary sewer system and also plan for the construction of Fire Station #7.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$630,000	\$600,000	\$0	\$0	\$0	\$0	\$0

WW2101	Sanitary Sewer Rehabilitation - Old Town District	Inflow and infiltration program to rehabilitate failing sanitary collections system over thirty years of age in the following basins over a period of years. The Barry Rose and John Hargrove Reclamation Facilities have areas within the sanitary sewer basins that has reached an age where I&I has increased the flows at critical areas like lift stations and the treatment plants. In FY 21, the team will focus on the essential and immediate sanitary sewer rehabilitation needs in Old Town District, North and South of FM 518 and east of FM 35. There is approximately 11,200 feet of sewer line that has reached its useable life. This would be rehab using trenchless technology along with manhole rehabilitation.
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Project Budget	2021 Budget	O & M Impact				
		2021	2022	2023	2024	2025
\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0

Project #	Project Name	Project Description
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WW2102	East & West Barnett Lift Stations Rehabilitation	This project will replace two aging lift stations and will include coating of the wet well with Sewper Coat lining, replace the single small grinder pump with a 6 foot wet well and new submersibles including guiderails and new wet well top, replace valves and discharge piping, provide new city standard electrical control panel along with new electrical rack and provide a new City standard manual transfer switch for mobile generator connection. Additional items include replacement of the concrete work slab surrounding the wet well and install new 8-foot cedar picket fence.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$1,566,000	\$206,000	\$0 \$0 \$0 \$0 \$0

WW2103	SCADA	City's Supervisory Control and Data Acquisition (SCADA) project that will update/replace an antiquated system that was installed in the early 2000's. The project will evaluate the existing facilities with the goal of standardizing the water and wastewater facilities infrastructure components and software and begin the migration from the existing system to the updated system (GE iFix 6) that will incorporate the SCADA system at Reflection Bay and complete the centralization of data storage at the Public Safety Building. This phase of the project will focus on the 70 lift stations to connect them on the system.
Project Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$2,000,000	\$500,000	\$0 \$0 \$0 \$0 \$0

WW Total Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$205,022,209	\$173,171,000	\$0 \$7,050 \$534,428 \$959,305 \$959,305

Grand Total Budget	2021 Budget	O & M Impact
		2021 2022 2023 2024 2025
\$386,280,208	\$296,955,284	\$81,947 \$463,151 \$1,848,843 \$2,501,148 \$2,568,479

Capital Replacement Budget by Department

The other aspect of the capital budget is the capital replacement funds. These include: The Infrastructure Reinvestment Fund, which develops, maintains, and operates a transportation system that promotes the safe and efficient mobility of people and goods, and the Motor Pool Fund which allows for ongoing maintenance and replacement of the City's 649 vehicles and pieces of rolling stock. In addition to these funds, capital expenditures can be found in the General Fund, Enterprise Fund, and Special Revenue Funds.

	2019 Actual	2020 Adopted	2020 Estimated	2021 Adopted
General Fund				
Information Technology			36,086	
Police	95,525	10,000	28,253	
Fire	165,350	180,000	221,378	148,090
Public Works	244,263	459,486		
Parks & Recreation	248,391	144,820	148,219	75,500
General Fund Total	753,529	794,306	433,936	223,590
Enterprise Fund				
Public Works	450,500	250,000	399,405	129,553
Enterprise Fund Total	450,500	250,000	399,405	129,553
Special Revenue Funds				
Convention & Visitors Bureau				500,000
City Wide Donation	44,456		50,000	
Tree Trust		200,000	200,000	
Police State Seizure	146,657		60,686	
Federal Police			129,470	
Parks Development	494,732	250,000	532,546	118,754
Grant Fund				43,642
Community Development Block Grant			211,938	
CDBG Disaster Recovery			4,565,660	
Hazard Mitigation		4,168,508		2,700,543
Coronavirus Relief			300,000	
Municipal Channel	26,796	200,000	150,000	
Infrastructure Reinvestment			538,718	525,019
Special Revenue Funds Total	712,641	4,818,508	6,559,018	3,887,958
Internal Service Funds				
Risk Management	28,858			
Motor Pool	1,080,101	2,259,293	3,557,101	2,151,000
Internal Service Funds Total	1,108,959	2,259,293	3,557,101	2,151,000
Total	3,025,629	8,122,107	5,049,460	6,392,101

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 – Senate Bill 346 created the Local Consolidated Fee totaling \$14 of which \$4.90 is allocated to the Local Building Security Fund. A fund created by this bill 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 – Senate Bill 346 created the Local Consolidated Fee totaling \$14 of which \$4.00 is allocated to the Local Court Technology Fund. A fund designated by this bill 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.

Parks Financial Assistance – A fund created through donations from Forever Parks Foundation to assist individuals who are financially unable to participate in programs provided by the Parks & Recreation department.

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.

Hazard Mitigation Fund – The Texas Division of Emergency Management administers public assistance to localities with post-disaster recovery needs.

Coronavirus Relief Fund – The allocation of Coronavirus Aid, Relief and Economic Security (CARES) Act funding for COVID-19 preparedness, response, prevention and recovery, issued by the State of Texas-Division of Emergency Management for the Brazoria County portion of the City.

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

Truancy Prevention & Division Fund – Senate Bill 346 created the Local Consolidated Fee totaling \$14 of which \$5.00 is allocated to the Local Truancy Prevention Fund. Monies in this fund as designated by Senate Bill 346 are to be used to finance the salary, benefits, training, travel expenses, office supplies, and other necessary expenses relating to the position of a juvenile case manager. Any remaining funds can be used to implement programs directly related to the duties of the juvenile case manager.

Municipal Jury Fund – Senate Bill 346 created the Local Consolidated Fee totaling \$14 of which \$0.10 is allocated to the Local Municipal Jury Fund. Money collected may only be used to fund juror reimbursements and otherwise finance jury services.

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.

Infrastructure Reinvestment Fund – A fund used to account for the repair and maintenance of streets and sidewalks.

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 & promotion, a 15% maximum expenditure for the arts and a maximum 50% maximum expenditure for historical 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 2021 revenue is anticipated to be \$932,700 with occupancy tax revenue of \$921,900 and total expenditures of \$1,427,271. 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 2020, the CVB planned a reallocation of a \$500,000 contribution originally designated for the restoration of the Gulf, Colorado, & Santa Fe Railroad Depot to a CVB Recovery Grant Program to help sustain the hotels amid the pandemic's impact. In fiscal year 2021 money is designated for the restoration of the Gulf, Colorado, & Santa Fe Railroad Depot.

Fund balance at September 30, 2021 is estimated to be \$4,397,898.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Hotel/Motel Occupancy Tax	\$ 1,395,334	\$ 1,450,000	\$ 649,000	\$ 921,900
Investment Earnings	126,357	10,800	50,719	10,800
Miscellaneous	71,021		24,458	
TOTAL REVENUES	1,592,711	1,460,800	724,177	932,700
EXPENDITURES				
Salaries & Wages	258,103	295,798	120,471	291,778
Materials & Supplies	108,436	127,250	94,250	98,250
Miscellaneous Services	498,484	677,633	992,566	532,665
Transfers	665	665	665	16,640
Inventory				
Capital Outlay				500,000
TOTAL EXPENDITURES	865,688	1,101,346	1,207,952	1,439,333
REV OVER/(UNDER) EXP	727,024	359,454	(483,775)	(506,633)
BEGINNING FUND BALANCE	4,661,282	4,544,574	5,388,306	4,904,531
ENDING FUND BALANCE	\$ 5,388,306	\$ 4,904,028	\$ 4,904,531	\$ 4,397,898

COURT BUILDING SECURITY FUND SUMMARY

OVERVIEW

Effective January 1, 2020, Senate Bill 346 created the Local Consolidated Fee totaling \$14 of which \$4.90 is allocated to the Local Building Security Fund. Senate Bill 346 repeals City Ordinance 812. Money deposited in a courthouse security fund may be used only for security personnel, services, and items related to buildings that house the operations of district, county, or justice courts, and money deposited in a municipal court building security fund may be used only for security personnel, services, and items related to buildings that house the operations of municipal courts.

Expenditures in FY 20 include 48% of the salaries and benefits for one court security officer, wearing apparel for court security officers, body cams, and professional development. The FY 21 budget includes salary and benefits for 48% of one court security officer, wearing apparel for court security officers, key card access, and professional development. The fund balance at September 30, 2021 is estimated to be \$33,993.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Fines & Forfeitures	\$ 48,304	\$ 48,000	\$ 25,300	\$ 48,000
Investment Earnings	593	700	350	350
	48,897	48,700	25,650	48,350
EXPENDITURES				
Salaries & Wages	28,909	22,448	24,459	24,657
Materials & Supplies	947	3,529	3,529	3,819
Repair & Maintenance	7,560	8,000	8,000	8,000
Miscellaneous Services	842	1,850	1,850	2,000
Inventory			-	
	38,257	35,827	37,838	38,476
REV OVER/(UNDER) EXP	10,641	12,873	(12,188)	9,874
BEGINNING FUND BALANCE	25,666	35,835	36,307	24,119
ENDING FUND BALANCE	\$ 36,307	\$ 48,708	\$ 24,119	\$ 33,993

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 2020 expenditures included the Mobile Command Post, Bluetooth microphones for Firefighters, and veterinary expenses for Animal Services. Planned expenditures for FY21 include miscellaneous items and veterinary expenses for Animal Services.

The total fund balance estimated is \$84,564 on September 30, 2021.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Investment Earnings	\$ 3,619	\$ 1,000	\$ 1,055	\$ 1,000
Miscellaneous Donations	108,444	29,967	56,108	29,967
TOTAL REVENUES	112,063	30,967	57,163	30,967
EXPENDITURES				
Materials & Supplies	1,800	8,700	26,700	24,499
Buildings & Grounds				
Repair & Maintenance				
Miscellaneous Services	1,923	24,800	24,800	40,052
Inventory				
Capital Outlay	44,456		50,000	
TOTAL EXPENDITURES	48,179	33,500	101,500	64,551
REV OVER/(UNDER) EXP	63,884	(2,533)	(44,337)	(33,584)
BEGINNING FUND BALANCE	98,601	57,202	162,485	118,148
ENDING FUND BALANCE	\$ 162,485	\$ 54,669	\$ 118,148	\$ 84,564

COURT TECHNOLOGY FUND SUMMARY

OVERVIEW

Effective January 1, 2020, Senate Bill 346 created the Local Consolidated Fee totaling \$14 of which \$4.00 is allocated to the Local Court Technology Fund. Senate Bill 346 repeals City Ordinance 989-1. Money in the court technology fund may be used only to finance the cost of continuing education and training for county court, statutory county court, or district court judges and clerks regarding technological enhancements for those courts; and the purchase and maintenance of technological enhancements for a county court, statutory county court, or district court, including computer systems, computer networks, computer hardware, computer software, imaging systems, electronic kiosks, and docket management systems.

Expenditures include the annual fee to access law enforcement warrant data, court software annual maintenance and internet service. Fund balance at September 30, 2021 is estimated to be \$259.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Fines & Forfeitures	\$ 55,081	\$ 55,000	\$ 25,000	\$ 45,000
Investment Earnings	168	300	125	100
TOTAL REVENUES	55,249	55,300	25,125	45,100
EXPENDITURES				
Materials & Supplies	3,894	7,494	3,600	3,600
Repair & Maintenance	19,464	40,000	40,000	20,000
Miscellaneous Services	10,016	14,097	14,623	14,934
Inventory				
TOTAL EXPENDITURES	33,374	61,591	58,223	38,534
REV OVER/(UNDER) EXP	21,876	(6,291)	(33,098)	6,566
FUND BALANCE - BEGINNING	4,915	20,246	26,791	(6,307)
FUND BALANCE - ENDING	\$ 26,791	\$ 13,955	\$ (6,307)	\$ 259

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 2021 budget reflects no activity.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 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 2020 and 2021 expenses are for special events across the Parks programs.

Fund balance at September 30, 2021 is estimated to be \$67,850.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Investment Earnings	\$ 2,050	\$ 2,000	\$ 600	\$ 2,000
Miscellaneous	96,647	126,000	70,157	105,550
TOTAL REVENUES	98,697	128,000	70,757	107,550
EXPENDITURES				
Materials and Supplies	111,653	122,500	74,636	98,550
Miscellaneous Services	3,909		53	
TOTAL EXPENDITURES	115,562	122,500	74,689	98,550
REV OVER/(UNDER) EXP	(16,864)	5,500	(3,932)	9,000
BEGINNING FUND BALANCE	79,646	64,868	62,782	58,850
ENDING FUND BALANCE	\$ 62,782	\$ 70,368	\$ 58,850	\$ 67,850

TREE TRUST FUND SUMMARY

OVERVIEW

Ordinance 772 established a Tree Trust Fund to protect healthy trees, preserve the natural ecological environment and aesthetic qualities of the City, and to protect and increase the value of residential and commercial properties within the City. The fund is used to account for tree trust donations from developers who cannot mitigate for trees removed during development. The fee is determined by a tree survey and how many caliper inches they have to mitigate. Funds can be used to plant and replace trees in City right-of-ways and in City parks.

Fiscal year 2020 and 2021 expenditures include planting of trees, tree trimming, and a tree grant program. Fund balance at September 30, 2021 is estimated to be \$174,869.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Tree Trust	\$ 44,850	\$	\$ 5,000	\$ 2,000
Investment Earnings	12,359	7,800	4,100	3,000
TOTAL REVENUES	57,209	7,800	9,100	5,000
EXPENDITURES				
Buildings & Grounds	27,022	50,750	55,750	50,750
Inventory				
Capital Outlay		200,000	200,000	
TOTAL EXPENDITURES	27,022	250,750	255,750	50,750
REV OVER/(UNDER) EXP	30,187	(242,950)	(246,650)	(45,750)
BEGINNING FUND BALANCE	437,082	519,540	467,269	220,619
ENDING FUND BALANCE	\$ 467,269	\$ 276,590	\$ 220,619	\$ 174,869

PARKS FINANCIAL ASSISTANCE DONATIONS

OVERVIEW

The Financial Assistance Program, funded by the Forever Parks Foundation, assists individuals who are financially unable to participate in programs provided by the Parks & Recreation department. This includes memberships and paid-recreational-programs. In fiscal year 2021, the expenses will be related to covering memberships and programs for individuals who are financially unable to participate in these programs.

The total fund balance estimated is \$50 on September 30, 2021.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Investment Earnings	\$ -	\$ -	\$ -	\$ 50
Miscellaneous Donations			-	2,500
TOTAL REVENUES				2,550
EXPENDITURES				
Materials & Supplies				2,500
TOTAL EXPENDITURES				2,500
REV OVER/(UNDER) EXP	-	-	-	50
BEGINNING FUND BALANCE				
ENDING FUND BALANCE		\$	\$	\$ 50

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 2020, funds were utilized for undercover vehicles, costs for informants, and part of the Mobile Command Post purchase. In fiscal year 2021 planned expenses are for undercover vehicles and the cost of informants.

Fund balance at September 30, 2021 is estimated to be \$20,978.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Investment Earnings	\$ 4,214	\$ 4,000	\$ 800	\$ 4,000
Seizure Funds	32,361		33,931	
Miscellaneous				
TOTAL REVENUES	36,575	4,000	34,731	4,000
EXPENDITURES				
Materials & Supplies	1,200	16,200	16,200	16,200
Repair & Maintenance				
Miscellaneous	16,525	21,000	21,000	21,000
Capital Outlay	146,657		60,686	
TOTAL EXPENDITURES	164,382	37,200	97,886	37,200
REV OVER/(UNDER) EXP	(127,807)	(33,200)	(63,155)	(33,200)
BEGINNING FUND BALANCE	245,139	43,375	117,333	54,178
ENDING FUND BALANCE	\$ 117,333	\$ 10,175	\$ 54,178	\$ 20,978

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 2020 funds were used to purchase a Mobile Command Post. In fiscal year 2021 planned expenses include the purchase of a GrayKey license to assist in Investigations.

Fund balance at September 30, 2021 is estimated to be \$129,465.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Police Drug Revenue	\$ 21,939	\$ -	\$ 152,587	\$ -
Investment Earnings	3,805	1,200	900	1,200
TOTAL REVENUES	25,744	1,200	153,487	1,200
EXPENDITURES				
Materials and Supplies				38,500
Inventory Items			12,465	-
Capital Outlay			129,470	-
TOTAL EXPENDITURES			141,935	38,500
REV OVER/(UNDER) EXP	25,744	1,200	11,552	(37,300)
BEGINNING FUND BALANCE	129,470	23,900	155,213	166,765
ENDING FUND BALANCE	\$ 155,213	\$ 25,100	\$ 166,765	\$ 129,465

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 2020 major expenditures included completing the Natatorium timing system replacement, a replacement bridge at Independence Park, and remodeling a restroom at Independence Park. In fiscal year 2021 planned projects include replacement of the dog park fencing at Independence Park. Other expenses include year 2 of 3 on the Parks Efficiency Package.

Estimated fund balance as of September 30, 2021 is \$745,757.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Parkland Fees/Donations	\$ 579,199	\$ 120,000	\$ 128,000	\$ 95,000
Investment Earnings	40,969	18,000	9,000	18,000
Miscellaneous Reimbursements	1,818			207,154
TOTAL REVENUES	621,986	138,000	137,000	320,154
EXPENDITURES				
Buildings & Grounds	29,873		1,094	
Miscellaneous				
Capital Outlay	494,732	250,000	532,546	118,754
Transfers	162,000			
TOTAL EXPENDITURES	686,605	250,000	533,640	118,754
REV OVER/(UNDER) EXP	(64,619)	(112,000)	(396,640)	201,400
BEGINNING FUND BALANCE	1,005,616	520,462	940,997	544,357
ENDING FUND BALANCE	\$ 940,997	\$ 408,462	\$ 544,357	\$ 745,757

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 at the designated area that required the payment. 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.

Fund balance at September 30, 2021 is estimated to be \$51,851.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Investment Earnings	\$ 191	\$ 200	\$ 400	\$ 200
Sidewalk Revenue	43,814	5,000		5,000
TOTAL REVENUES	44,005	5,200	400	5,200
EXPENDITURES				
Interfund Transfers	4,220			
Other Expenses				
TOTAL EXPENDITURES	4,220			
REV OVER/(UNDER) EXP	39,785	5,200	400	5,200
BEGINNING FUND BALANCE	6,466	12,446	46,251	46,651
ENDING FUND BALANCE	\$ 46,251	\$ 17,646	\$ 46,651	\$ 51,851

GRANT FUND SUMMARY

OVERVIEW

Grant funds are accounted for specifically with the fund source and applicable grant rules for reporting, including an appropriate segregation of funds. The FY 2020 Grant Fund expenditures totalled \$777,405. These included \$724,562 in personnel costs related to two years of federal funding for two (2) Crime Victim Liaisons (\$293,094), the remainder of unspent funds will be carried over for use in FY 2021; and \$423,185 for 75% of the costs of seven (7) months of 12 full-time firefighters. The City receives an annual formula allocation of Emergency Management Performance Grant (EMPG) funding for a portion of personnel costs for an Emergency Management Planner, totaling \$46,641. A total of \$50,678 in expenditures is included for FY 2020 for police professional development from the Texas Commission on Law Enforcement (TCOLE), \$38,358 of which is for Fire Department personnel professional development related to firefighter participation in a National Development Research Institute (NDRI) health assessment program.

Revenues for FY 2020 total \$2,288,230, which exceed the budgeted expenditures for FY 2020 due to grant-awarded funding from the Staffing for Adequate Fire Emergency Response (SAFER), in an amount that will carry over for the purpose of meeting multi-year use of the funds in 2021 and 2022. A recurring administrative cost for \$825 in annual expenditures is also included in FY 2020, as well as a non-recurring administrative expense in the amount of \$2,000, both related to a staff addition in the form of a Project Coordinator.

The budget for FY 2021 includes \$11,000 in anticipated TCOLE funding for police professional development and training. All FY 2020 multi-year grant funding budgetary items will be administered on a carryover basis, which will be presented for Council adoption during the FY 2021 Budget Amendment #1. This will include the carryover of unspent multi-year funding for two (2) Crime Victim Liaisons from a Criminal Justice Division (CJD) VOCA grant (Victims of Crime Act) and 12 full-time firefighters as part of a three-year grant from FEMA (Staffing for Adequate Fire Emergency Response - SAFER). Finally, a \$43,642 Solid Waste Grant Program award from the Houston-Galveston Area Council (HGAC) for equipment replacements at the Stella Roberts Recycle Center will be used to purchase a new forklift and a sandbagging machine that feeds off of an existing grant-funded glass crusher. A recurring administrative costs of \$1,320 is included in FY 2021.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Grant Revenue	\$ 457,170	\$ 350,735	\$ 2,288,230	\$ 192,298
Investment Earnings	2,245	75		75
TOTAL REVENUES	459,414	350,810	2,288,230	192,373
EXPENDITURES				
Salaries & Wages	153,498	339,735	724,562	932,823
Materials & Supplies	3,000			
Miscellaneous Services	12,559	11,660	50,843	12,320
Inventory			2,000	
Transfers				
Capital Outlay				43,642
TOTAL EXPENDITURES	169,057	351,395	777,405	988,785
REV OVER/(UNDER) EXP	290,357	(585)	1,510,825	(796,412)
BEGINNING FUND BALANCE	(73,279)	147,692	217,078	1,727,903
ENDING FUND BALANCE	\$ 217,078	\$ 147,107	\$ 1,727,903	\$ 931,491

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 2020 CDBG expenditures totalled \$1,123,313, 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 \$123,502 for an urgent expansion of the Pearland Neighborhood Center, and a \$14,000 allocation to Counseling Connections for Change for mental health counseling to uninsured Pearland residents. A total of \$109,828 was spent to provide materials for replacement of Transite waterlines in the City's Old Townsite, with an additional \$220,250 awarded to the Forgotten Angels Foundation to construct a 4,000 square foot vocational training facility at its Day Hab Center. A total of \$185,000 was spent on housing rehabilitation. Other expenditures include allocations of CDBG funds towards Coronavirus relief funding for the Pearland Neighborhood Center, ActionS of Brazoria, and additional mental health services funding for Counseling Connections for Change, each agency receiving an equal share of \$60,000 disbursed for this purpose (COVID-19). Program administration expenditures totalled \$78,000 and unprogrammed/unspent funding for infrastructure improvements pending completion will be carried over for use in fiscal year 2021.

The 2021 fiscal year allocation of CDBG funding totals \$428,160. Of that amount, the City's available allocation for general program administration is \$85,632, 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 is being proposed for spending \$150,089 on the expansion of the Melvin Knapp Senior Center and additional housing rehabilitation/repair activities totaling \$100,000.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Grant Revenue	\$ 239,408	\$ 429,719	\$ 973,216	\$ 428,160
TOTAL REVENUES	239,408	429,719	973,216	428,160
EXPENDITURES				
Salaries & Wages	25,910	83,243	112,112	94,842
Materials & Supplies			110,100	
Repair & Maintenance				
Miscellaneous Services	86,215	82,157	168,283	183,229
Capital Outlay	26,189	264,319	732,818	150,089
TOTAL EXPENDITURES	138,314	429,719	1,123,313	428,160
REV OVER/(UNDER) EXP	101,094		(150,097)	
BEGINNING FUND BALANCE	49,003	48,063	150,097	0
ENDING FUND BALANCE	\$ 150,097	\$ 48,063	\$ 0	\$ 0

CDBG DISASTER RECOVERY FUND SUMMARY

OVERVIEW

The Texas General Land Office administers the State's funding from the U.S. Department of Housing & Urban Development (HUD) for the purpose of Community Development Block Grant - Disaster Recovery (CDBG-DR) funding; specifically, Hurricane Harvey federal disaster no. DR-TX-4332. The City of Pearland experienced flooding during Hurricane Harvey, which affected a number of local residential properties, in some cases due to aged infrastructure in need of repair or improvement. The DR-TX-4332 disaster recovery funding from HUD provides the State with funding for disbursement to local communities impacted by Hurricane Harvey, mostly for local buyouts of flood-affected properties and drainage infrastructure improvements. The City of Pearland was awarded a total of \$5,384,499 for disaster recovery, in the form of two allocations: \$2,727,372 for buyouts of flood-damaged property owned by low-moderate income Pearland residents affected by Hurricane Harvey; and, \$2,657,127 for drainage infrastructure projects located in the Pearland CDBG Target Area.

The GLO CDBG-DR program will cover 100% of the costs of eligible property acquisitions, with the exception of those that also qualify for the City's HMGP land acquisition program (TDEM Buyouts), as budgeted for in Fund 354. The matching portion of Fund 354 HMGP expenditures that low-moderate income program participants would otherwise incur, can be covered with applicable Fund 352 grant funds, and those land acquisition expenditures will be classified in part to this Fund (25%).

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Grant Revenue	\$ -	\$ -	\$ 5,353,621	\$ 30,878
TOTAL REVENUES			5,353,621	30,878
EXPENDITURES				
Salaries & Wages			332,619	30,878
Materials & Supplies				
Repair & Maintenance				
Miscellaneous Services				
Other			455,342	
Capital Outlay			4,565,660	
TOTAL EXPENDITURES			5,353,621	30,878
REV OVER/(UNDER) EXP				
BEGINNING FUND BALANCE				
ENDING FUND BALANCE	\$	\$	\$	\$

HAZARD MITIGATION FUND SUMMARY

OVERVIEW

The Texas Division of Emergency Management administers public assistance to localities with post-disaster recovery needs; specifically, buyouts of flood-damaged residential property, elevation of flood-damaged homes, generators for public safety and emergency management facilities, and other eligible mitigation investments. The City of Pearland is repetitively impacted by hurricanes, tropical storms and other severe weather events that produce damages to private and public property via high winds, wind-driven rain, torrential rain, flooding, and other harmful meteorological conditions.

Revenues for the FY 2020 Fund 354 budget include reimbursement for 75% of pre-award costs incurred in 2017 and 2018 for emergency purchases and demolition of four (4) flood-damaged properties in the Special Flood Hazard Area (SFHA), as well as related expenses for the completion of the HMGP grant application, all totaling \$490,104. Additional revenue will come from the reimbursement of actual FY 2020 personnel costs totaling \$22,776. Revenues for the FY 2020 Fund 354 budget total \$512,979. Revenue received for pre-award costs will be transferred out to the applicable capital fund from whence they originated.

For FY 2021, revenue and expenditures include 75% of the total costs of land acquisition and demolition involving approximately 15 flood-damaged properties in the Special Flood Hazard Area (SFHA), totaling \$3,285,181. The remaining 25% of land acquisition costs will fall upon the homeowner, with the exception of those that qualify for additional funding assistance from a Community Development Block Grant - Disaster Recovery (CDBG-DR) grant via the Texas General Land Office (GLO). Those portions of expenditures will be classified into Fund 352 accordingly.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Grant Revenue	\$ -	\$ 4,168,508	\$ 512,979	\$ 3,285,181
TOTAL REVENUES		4,168,508	512,979	3,285,181
EXPENDITURES				
Salaries & Wages			22,776	30,879
Miscellaneous Services			99	553,759
Capital Outlay		4,168,508		2,700,543
Transfers Out			490,104	
TOTAL EXPENDITURES		4,168,508	512,979	3,285,181
REV OVER/(UNDER) EXP				
BEGINNING FUND BALANCE				
ENDING FUND BALANCE	\$	\$	\$	\$

CORONAVIRUS RELIEF FUND SUMMARY

OVERVIEW

The City of Pearland is the recipient of a direct allocation of Coronavirus Aid, Relief and Economic Security (CARES) Act funding for COVID-19 preparedness, response, prevention and recovery, issued by the State of Texas - Division of Emergency Management (TDEM) for the Brazoria County portion of the City. This allocation of funds is based on the U.S. Treasury method of distribution outlined in the CARES Act, which is \$55 per capita for the applicable population within the jurisdiction. For the Brazoria County portion of population within the City of Pearland city limits, this amounts to \$6,374,005 for the 2019 Census Bureau 115,891 population.

Section 601(d) of the Social Security Act provides the federal regulations for use of the funds, which includes compliance with 2 CFR 200 Uniform Administrative Requirements (UAR) for federal grants and agreements. These provisions allow the City to use these funds for local public health, economic/business recovery, local emergency management and continuity of government operations, as well as assistance to social service agency priorities that benefit the community. The City has adopted a COVID-19 Community Impact Recovery Plan that outlines local priorities, which include: \$2.6 million for social services activities; \$200,000 for public health priorities; \$2.5 million for local economic/business recovery, and \$2,074,005 for the City's expenditures related to Coronavirus pandemic response and recovery.

Rental assistance, mental health programs, distance learning resources for workforce development activities and food delivery for the elderly and disabled are the identified social service priorities. Economic recovery principles include allocations for losses incurred due to closing orders impacting small businesses in Pearland, including expenditures necessary to protect employees and customers from Coronavirus. The City will establish some level of local public health epidemiology expertise, including possible reimbursement for unmet needs where Coronavirus testing is concerned. Finally, City expenditures related to dedicated personnel, hazard pay, pandemic leave, technology enhancements, facility improvements and cleaning/sanitizing public buildings and office spaces will be covered with the CARES Act funding via this Coronavirus Relief Fund (CRF).

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Grant Revenue	\$ -	\$ -	\$ 6,374,005	\$ -
TOTAL REVENUES			6,374,005	
EXPENDITURES				
Salaries & Wages			1,450,000	
Materials & Supplies			599,005	
Miscellaneous Services			4,025,000	
Capital Outlay			300,000	
TOTAL EXPENDITURES			6,374,005	
REV OVER/(UNDER) EXP				
BEGINNING FUND BALANCE				
ENDING FUND BALANCE	\$	\$	\$	\$

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 2020 revenues total \$5,400. Fiscal year 2021 revenues total \$5,000 and expenditures are \$214,920 for the expansion of County Road 58 to be constructed by Brazoria County and funds transferred through an interlocal agreement. The fund balance at September 30, 2021 is estimated to be \$408,383 obligated for a number of other miscellaneous projects.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Miscellaneous	\$	\$	\$	\$
Investment Earnings	15,856	11,000	5,400	5,000
TOTAL REVENUES	15,856	11,000	5,400	5,000
EXPENDITURES				
Miscellaneous Services				214,920
Transfers	1,141			
TOTAL EXPENDITURES	1,141			214,920
REV OVER/(UNDER) EXP	14,715	11,000	5,400	(209,920)
BEGINNING FUND BALANCE	598,188	608,247	612,903	618,303
ENDING FUND BALANCE	\$ 612,903	\$ 619,247	\$ 618,303	\$ 408,383

TRUANCY PREVENTION & DIVERSION FUND SUMMARY

OVERVIEW

Effective January 1, 2020, Senate Bill 346 created the Local Consolidated Fee totaling \$14 of which \$5.00 is allocated to the Local Truancy Prevention Fund. Senate Bill 346 repeals City Ordinance 1404-3. Money allocated under Section 134.103 (Local Consolidated Fee on Conviction of Nonjailable Misdemeanor) to the local truancy prevention and diversion fund maintained in the county or municipal treasury as required by Section 134.151 (Maintenance of Funds and Accounts) may be used by a county or municipality to finance the salary, benefits, training, travel expenses, office supplies, and other necessary expenses relating to the position of a juvenile case manager employed under Article 45.056, Code of Criminal Procedure. If there is money in the fund after those costs are paid, subject to the direction of the governing body of the county or municipality and on approval by the employing court, a juvenile case manager may direct the remaining money to be used to implement programs directly related to the duties of the juvenile case manager, including juvenile alcohol and substance abuse programs, educational and leadership programs, and any other projects designed to prevent or reduce the number of juvenile referrals to the court.

The fund balance at September 30, 2021 is estimated to be \$1,458.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Fines & Forfeitures	\$ 79,509	\$ 72,500	\$ 33,000	\$ 52,500
Investment Earnings	990	1,000	400	200
TOTAL REVENUES	80,499	73,500	33,400	52,700
EXPENDITURES				
Salaries & Wages	63,900	61,870	59,009	62,760
Materials & Supplies	661	1,460	715	715
Miscellaneous Services	1,449	3,955	1,760	1,780
TOTAL EXPENDITURES	66,009	67,285	61,484	65,255
REV OVER/(UNDER) EXP	14,490	6,215	(28,084)	(12,555)
BEGINNING FUND BALANCE	27,607	44,927	42,097	14,013
ENDING FUND BALANCE	\$ 42,097	\$ 51,142	\$ 14,013	\$ 1,458

MUNICIPAL JURY FUND SUMMARY

OVERVIEW

Effective January 1, 2020, Senate Bill 346 created the Local Consolidated Fee totaling \$14 of which \$0.10 is allocated to the Local Municipal Jury Fund. Money allocated under Section 134.101, 134.102, or 134.103 to the county or municipal jury fund maintained in the county or municipal treasury, as applicable, and as required by Section 134.151 may be used by a county or municipality only to fund juror reimbursements and otherwise finance jury services.

The fund balance at September 30, 2021 is estimated to be \$135.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Fines & Forfeitures	\$	\$	\$ 110	\$ 1,000
Investment Earnings				25
TOTAL REVENUES			110	1,025
EXPENDITURES				
Miscellaneous Services				1,000
TOTAL EXPENDITURES				1,000
REV OVER/(UNDER) EXP			110	25
BEGINNING FUND BALANCE				110
ENDING FUND BALANCE	\$	\$	\$ 110	\$ 135

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 2020 expenditures included new equipment (cameras, mics, switches, etc.) and Council A/V equipment. Expenditures for fiscal year 2021 include studio furniture, studio lighting, AV maintenance, and digital signage. Fund balance at September 30, 2021 is anticipated to be \$1,029,957.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Franchise Fees	\$ 235,300	\$ 265,000	\$ 230,000	\$ 235,000
Investment Earnings	21,161	20,000	12,000	15,000
Miscellaneous				
TOTAL REVENUES	256,461	285,000	242,000	250,000
EXPENDITURES				
Materials & Supplies	12,044	21,600	21,600	21,600
Repair & Maintenance	5,552	27,500	40,390	27,500
Miscellaneous Services	7,380	10,000	10,000	10,000
Inventory	52,691	45,000	45,000	45,000
Capital Outlay	26,796	200,000	150,000	
Transfers Out				
TOTAL EXPENDITURES	104,465	304,100	266,990	104,100
REV OVER/(UNDER) EXP	151,997	(19,100)	(24,990)	145,900
BEGINNING FUND BALANCE	757,050	843,418	909,047	884,057
ENDING FUND BALANCE	\$ 909,047	\$ 824,318	\$ 884,057	\$ 1,029,957

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 \$29,845 was transferred in fiscal year 2019 and \$30,951 in 2020 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 2021.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Charges for Services	\$ 26,502	\$	\$ 30,951	\$
Investment Earnings	179			
TOTAL REVENUES	26,681		30,951	
EXPENDITURES				
Transfers	29,845		30,951	
TOTAL EXPENDITURES	29,845		30,951	
REV OVER/(UNDER) EXP	(3,164)			
BEGINNING FUND BALANCE	3,164			
ENDING FUND BALANCE	\$	\$	\$	\$

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)	1,655,072	622,513
Hooper Rd (R2014-119 & R2016-40)	5,069,267	
Kirby Ditch (R2015-136 & R2015-203)	2,021,046	
South Spectrum (R2015-147)	122,992	86,124
North Spectrum (R2015-204)	318,525	
LK TxDOT Ditch (R2016-51)	326,402	125,053
South Spectrum West (R2017-37)	83,975	1,228,378
LK West Conveyance Pond (R2017-93)	80,800	246,044
SH288 Waterline & LK Park Imp. (R2017-95)	1,127,227	
LK Beltway 8 Water Line (R2018-185)	217,133	
LK MDP Land Acquisition (R2019-92)	15,000	155,951
	\$ 11,037,439	\$ 2,308,112

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Investment Earnings	\$ 1,033	\$	\$	\$
Intergovernmental	441,518		344,420	
TOTAL REVENUES	442,551		344,420	
EXPENDITURES				
Intergovernmental	441,518		344,420	
Transfers	1,033			
TOTAL EXPENDITURES	442,551		344,420	
REV OVER/(UNDER) EXP				
BEGINNING FUND BALANCE				
ENDING FUND BALANCE	\$	\$	\$	\$

INFRASTRUCTURE REINVESTMENT FUND SUMMARY

OVERVIEW

The City of Pearland develops, maintains and operates a transportation system that promotes the safe and efficient mobility of people and goods, enhances the quality of life, environment, and economy of the City. The City maintains approximately 980 lane miles of streets, 37 bridges, and 653 miles of sidewalk.

The FY 20 expenditures included 61,529 square feet of sidewalk mud jacking 1,631 linear feet of sidewalk replacement, overlay of O'Day Road, and the skin patch of both Stone Road and Max Road. Fund balance at September 30, 2021 is anticipated to be \$0.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Investment Earnings	\$	\$	\$	\$
Transfers			1,605,788	1,462,471
TOTAL REVENUES			1,605,788	1,462,471
EXPENDITURES				
Streets			1,004,522	1,000,000
Sidewalks			538,718	525,019
TOTAL EXPENDITURES			1,543,240	1,525,019
REV OVER/(UNDER) EXP			62,548	(62,548)
BEGINNING FUND BALANCE				62,548
ENDING FUND BALANCE	\$	\$	\$ 62,548	\$

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.

Risk Management Fund

Accounts for the activities of the City's property insurance, casualty insurance, and worker's compensation claims.

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.

RISK MANAGEMENT FUND SUMMARY

OVERVIEW

The Risk Management Fund has been created to account for the activities of the City's property and casualty insurance, along with worker's compensation claims. 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 as well as worker's compensation claims.

Premiums for fiscal year 2021 total \$1,574,072 which amounts to a \$157,073 increase from FY20 projected premiums. The FY21 budget also includes \$20,000 for an assessment of the City's Schedule of Values, which is used to calculate premiums. In addition, FY 21 is the first year for the workers' compensation risk fund. Fund balance at September 30, 2021 is estimated to be \$445,206.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Transfers	\$ 1,160,000	\$ 1,503,381	\$ 1,503,381	\$ 1,664,003
Workers' Compensation				\$ 463,817
Insurance Recovery	268,831	175,000	175,000	175,000
Interest	7,077	3,000	6,000	3,000
TOTAL REVENUES	1,435,908	1,681,381	1,684,381	2,305,820
EXPENSES				
Salaries & Benefits	42,591	60,273	58,421	60,110
Materials & Supplies	-	600	550	600
Repair & Maintenance		100	100	100
Insurance Premiums	1,233,747	1,443,460	1,416,999	1,574,072
Claims	199,172	183,750	183,750	433,750
Miscellaneous Services	2,069	23,600	23,600	173,600
Capital Outlay	28,858			
Transfer Out		38	37	110
TOTAL EXPENDITURES	1,506,437	1,711,821	1,683,457	2,242,342
REV OVER/(UNDER) EXP	(70,529)	(30,440)	924	63,478
BEGINNING NET ASSETS	451,333	104,158	380,804	381,728
ENDING NET ASSETS	\$ 380,804	\$ 73,718	\$ 381,728	\$ 445,206

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.

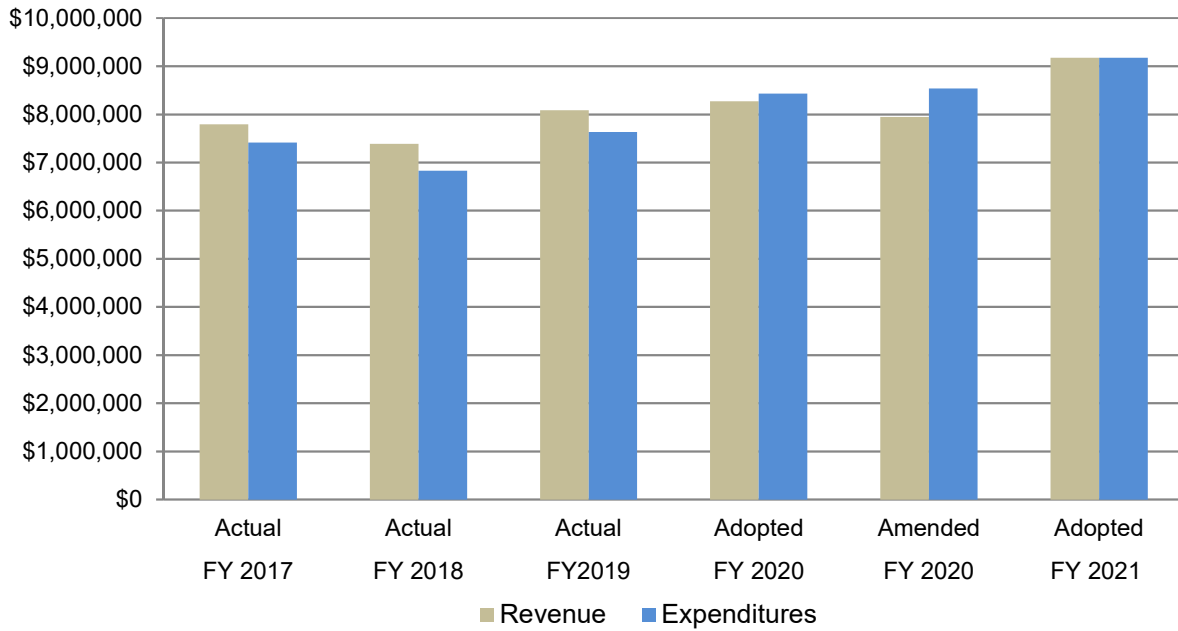
Effective October 2018, the city adopted unblended retiree medical rate and subsidizes based on age and years of service at retirement. For FY21 the City is budgeting for an increase in claims based on the total number of full-time eligible employees, including vacant positions. As in previous years, \$25,000 has been budgeted for the Wellness Program. The estimated fund balance as of September 30, 2021 is \$2,897,269 or 32% of total expenditures.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Interest Income	\$ 74,004	\$ 74,528	\$ 36,627	\$ 36,627
Contributions - Employee	1,287,065	1,384,793	1,397,618	1,455,941
Contributions - City	6,526,114	6,581,860	6,227,943	7,261,974
Retiree And Cobra Contributions	26,662	60,000	24,304	30,000
Miscellaneous	166,973	166,849	260,385	387,278
TOTAL REVENUES	8,080,820	8,268,030	7,946,877	9,171,820
EXPENSES				
Administrative Fees	1,058,718	1,221,536	1,247,410	1,316,717
Claims	6,515,067	7,154,517	7,223,983	7,799,040
Miscellaneous	56,118	55,000	62,503	56,063
TOTAL EXPENDITURES	7,629,903	8,431,053	8,533,896	9,171,820
REV OVER/(UNDER) EXP	450,917	(163,023)	(587,019)	
BEGINNING NET ASSETS	3,033,371	3,484,288	3,484,288	2,897,269
ENDING NET ASSETS	\$ 3,484,288	\$ 3,321,265	\$ 2,897,269	\$ 2,897,269
NET ASSETS AS % OF EXPENSES	43%	40%	36%	32%

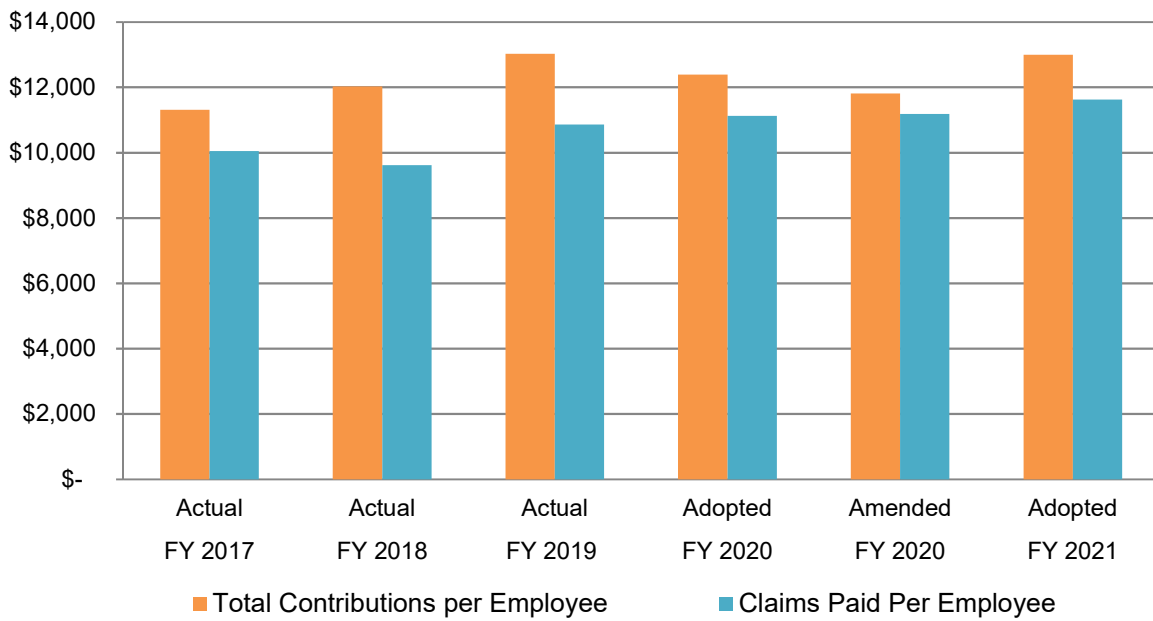
	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
Number of Employees on Medical Insurance:	600	643	646	671
City-Paid Contributions per Employee: \$	2,145	\$ 2,154	\$ 2,163	\$ 2,170
Employee-Paid Contributions: \$	10,877	\$ 10,236	\$ 9,641	\$ 10,823
Total Contributions per Employee: \$	13,022	\$ 12,390	\$ 11,804	\$ 12,992
Claims Paid per Employee: \$	10,858	\$ 11,127	\$ 11,183	\$ 11,623

MEDICAL SELF INSURANCE FUND SUMMARY

Revenues vs Expenditures



Contributions vs Claims Per Employee



MOTOR POOL FUND SUMMARY

OVERVIEW

The Motor Pool fund was started in FY19. The purpose of the Motor Pool Fund is to provide for the maintenance and replacement of the city's 649 vehicles and pieces of rolling stock with an approximated value of \$29.5 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 vehicles purchased in FY19 began in FY20.

Approximately \$1.5 million was carried over from FY 19 to pay for vehicles received in FY 20. Expenditures for FY 21 include the replaclement of seventeen Crown Victorias and two new positions. Estimated fund balance as of September 30, 2021 is \$3,027,555.

	FY 2019 ACTUAL	FY 2020 ORIGINAL BUDGET	FY 2020 YEAR END AMENDED	FY 2021 ADOPTED BUDGET
REVENUES				
Investment Earnings	\$ 24,542	\$ 40,000	\$ 17,400	\$ 40,000
Sale Of Property	136,136	50,000	200,000	1,207,145
Transfer In	4,816,248	4,196,674	4,196,674	4,467,949
TOTAL REVENUES	4,976,926	4,286,674	4,414,074	5,715,094
EXPENDITURES				
Salaries & Wages	426,914	450,430	451,286	612,896
Materials & Supplies	18,830	36,924	49,376	15,508
Buildings & Grounds	8,624	22,000	74,123	16,000
Repair & Maintenance	1,498,799	949,413	1,204,763	846,627
Miscellaneous Services	14,616	28,200	23,409	21,250
Capital Outlay	1,080,101	2,259,293	3,557,101	2,151,000
Transfer Out				7,317
TOTAL EXPENDITURES	3,047,883	3,746,260	5,360,058	3,670,598
REV OVER/(UNDER) EXP	1,929,043	540,414	(945,984)	2,044,496
NET POSITION		1,929,043	1,929,043	983,059
TOTAL NET POSITION	\$ 1,929,043	\$ 2,469,457	\$ 983,059	\$ 3,027,555



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COMPONENT UNITS

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

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

**PEARLAND ECONOMIC DEVELOPMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE**

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 the SH 288 and the SH 35 corridor redevelopment take years to develop and complete. Fund balance at September 30, 2021 is estimated to be \$7,118,798.

	FY 2019 Actual	FY 2020 Original Budget	FY 2020 Year End Amended	FY 2021 Adopted Budget
OPERATING REVENUES				
Sales Tax	\$ 11,048,959	\$ 11,354,116	\$ 10,667,741	\$ 11,017,128
Interest Income	629,714	250,000	290,000	200,000
Intergovernmental	453,518	571,000	698,000	12,000
Miscellaneous	488,417	568,000	481,942	261,000
TOTAL	12,620,608	12,743,116	12,137,683	11,490,128
OPERATING EXPENDITURES				
Operating	2,163,879	2,712,617	2,421,506	2,727,204
Bond Payments	11,307,132	291,300	291,300	285,400
Inventory		5,000	5,000	5,000
Capital Outlay	472,318	95,000	459,800	515,000
TOTAL	13,943,329	3,103,917	3,177,606	3,532,604
REVENUES OVER/(UNDER) EXPENDITURES	(1,322,721)	9,639,199	8,960,077	7,957,524
OTHER FINANCING SOURCES (USES):				
Transfers Out	(8,029,868)	(14,448,979)	(5,074,584)	(18,747,128)
Incentives	(1,228,981)	(2,408,890)	(1,004,140)	(1,708,390)
Bond Proceeds	184,186			
TOTAL	(9,074,663)	(16,857,869)	(6,078,724)	(20,455,518)
NET CHANGE IN FUND BALANCE	(10,397,384)	(7,218,670)	2,881,353	(12,497,994)
BEGINNING FUND BALANCE	27,132,823	13,965,707	16,735,439	19,616,792
ENDING FUND BALANCE	\$ 16,735,439	\$ 6,747,037	\$ 19,616,792	\$ 7,118,798

Pearland Economic Development Corporation

PEDC Board

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.
- ◆ Continue to advance the development of a hotel/conference center and an indoor sports facility, seeking to develop these facilities near existing or planned mixed-use centers and development sites.
- ◆ 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 2020 ACCOMPLISHMENTS

- ◆ Opened 29 business attraction projects and conducted 13 visits with potential primary employers. In February, HCA Houston Healthcare broke ground on a 48,400 square-foot HCA Healthcare Center for Clinical Advancement in the Pearland Town Center. The facility will help standardize training among the health system's 13 Houston-area hospitals and serve as a hub for all HCA Houston Healthcare new hire orientations and leadership training. Interim Healthcare, a privately held company that has been operating in the Houston market for five years, selected Pearland in June 2020 for its new operational headquarters after an exhaustive search in the Houston market. The company, which provides home health care targeted to seniors, is leasing 4,600 square feet of office space in the Trinity Professional Building on Country Place Parkway. The new offices, which opened in summer 2020, are home to Interim Healthcare's skilled nurses, therapists, aides and other health care personnel who service the Houston area.
- ◆ Opened 11 business retention and expansion projects and conducted 77 visits with existing employers. Announcements included Cobb Fendley's third expansion in Pearland over the past seven years, with an 11,000 square-foot lease space in the Trinity Professional Building. Lonza also expanded operations by constructing additional clean rooms in its facility and has also purchased additional land for expansion.
- ◆ Opened 8 new development/redevelopment projects, The Modern Green Ivy Development project continues to move forward and South Spectrum east of Kirby has been completed, providing additional access from State Highway 288. In January, construction began on the public park and amenities surrounding the East Conveyance Pond at the Ivy Development, including a trail along Clear Creek, which will serve active and passive recreation needs of those who live, work, or visit within the District. The trail, sidewalks, and terraced lawn and overlook deck are nearing completion and the playground equipment and covers, along with the pavilion and trellis are being erected. The pedestrian bridge is expected to be installed early next year.
- ◆ Continued the implementation of City Gateway Beautification Strategy. Construction has been completed on the Lower Kirby entryway monument on South Spectrum Blvd and the Pearland entryway monument on Scarsdale.
- ◆ The SH 35 Redevelopment Strategy & Streetscape project was completed in late 2019. Also stemming from the State Highway 35 Redevelopment Strategy is the redevelopment of the Rice Drier area, identified as Catalyst No 2 – Business Park North. In 2020, PEDC funded the reconstruction of Rice Drier west of Main, including 38-foot wide concrete road with curb and gutter, storm sewers, new waterlines, shared detention facility, and a six-foot sidewalk with brick pavers.
- ◆ 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 median improvements for the Harris County section of the project and coordinating plant procurement for the next phase of improvements
- ◆ 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, eleven of the thirteen

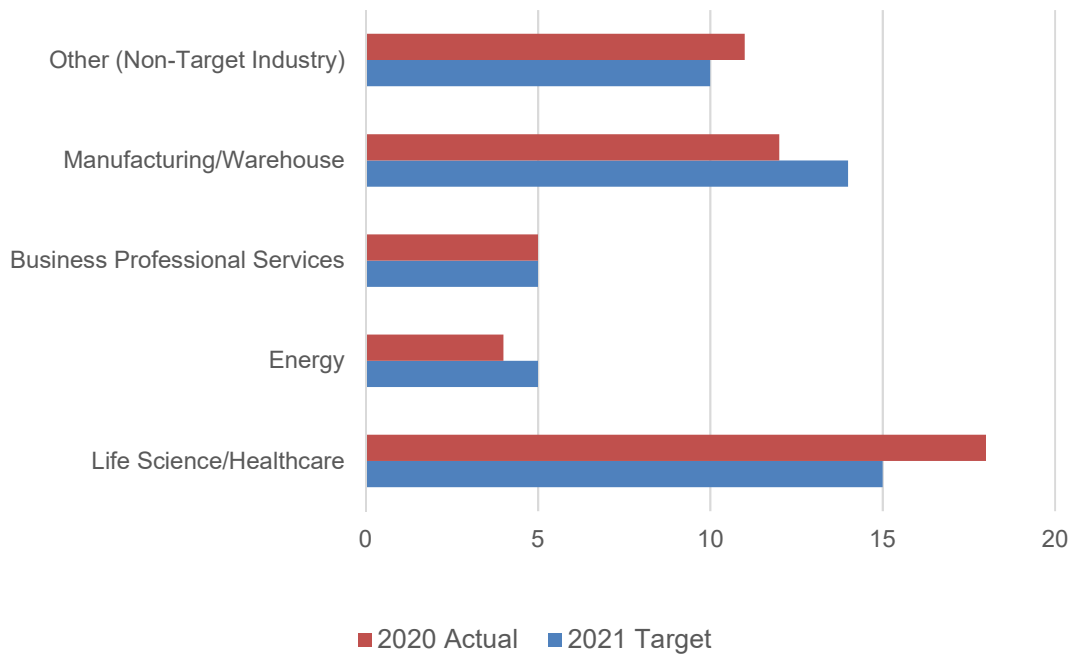
parcels have been acquired along the TxDOT drainage ditch. PEDC worked with LKPMD to complete design engineering for the West Conveyance Pond. Additionally, the City acquired property to be used for a detention pond and has transferred it to the Lower Kirby Pearland Management District (LKPMD) and Pearland Municipal Management District #1 (PMMD#1).

- ◆ Completed the development of and began implementation efforts for Pearland Prosperity, a new economic development strategic plan for Pearland.
- ◆ Completed the Broadway Corridor Development Plan to evaluate the impact of Broadway's reconstruction and widening, an \$88 million TxDOT project, scheduled to begin in 2024.
- ◆ As part of overall marketing strategy, developed and launched three digital marketing campaigns targeted at local employers, overall community branding and showcasing Pearland's diverse workforce. Campaigns resulted in over 5 million total impressions.

FISCAL YEAR 2021 OBJECTIVES

- ◆ Recruit new primary employers to the community.
- ◆ Reach out to existing targeted primary employers to offer assistance, including expansion assistance, access to local and state resources and regulatory compliance.
- ◆ Collaborate with community partners to evaluate the feasibility of providing additional entrepreneurship and small business assistance in Pearland. Create a development plan that includes a range of desired initial programming and potential opportunities for expansion, an operation structure, an assessment of resources, program and facility branding, and an initial budget and resource development strategies.
- ◆ Provide assistance to developers looking to make investments in our community.
- ◆ Continue to assist developers and prospective investors such as Ivy District in the Lower Kirby Area.
- ◆ 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 #2, Business Park North, by completing the Rice Drier Redevelopment Area, North Main Business Park, and working with developers on other projects in the corridor.
- ◆ 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.
- ◆ Examine potential development sites along the corridor and identify those that have the highest potential for development and work to assemble sites with fractured ownership.
- ◆ Continue implementation efforts for the Pearland Prosperity strategic plan.
- ◆ Continue implementation of the community marketing campaign to increase awareness and promotion of Pearland and its assets, including targeted campaigns that utilize 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.

PEDC New Projects By Industry



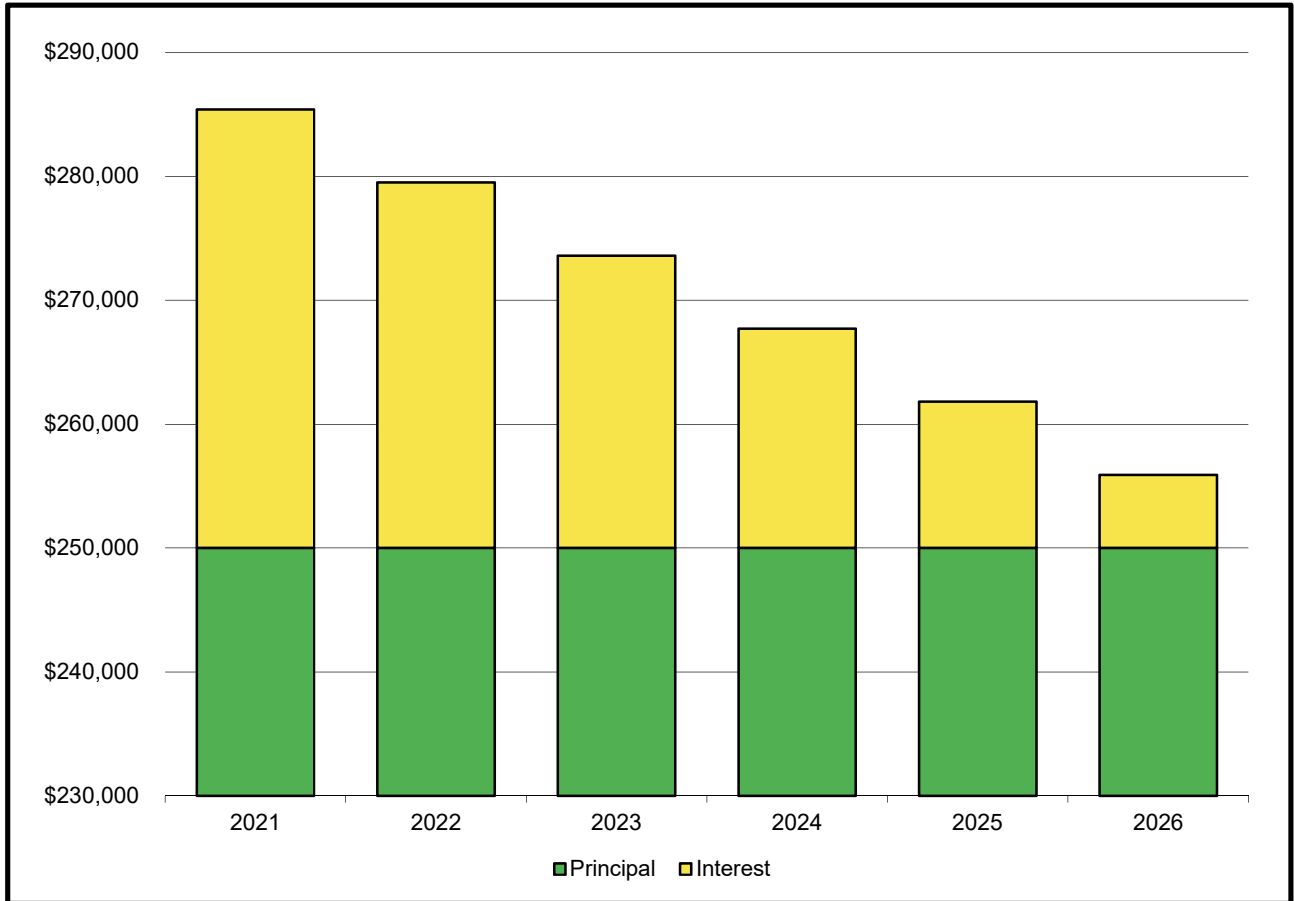
	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target
Number of announced projects	5	7	21	7
Number of new projects	52	56	50	50
Number of visits	149	149	98	115

**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
DEBT TO MATURITY**

Year	Principal	Interest	Total
2020-2021	250,000	35,400	285,400
2021-2022	250,000	29,500	279,500
2022-2023	250,000	23,600	273,600
2023-2024	250,000	17,700	267,700
2024-2025	250,000	11,800	261,800
2025-2026	250,000	5,900	255,900
TOTAL	\$1,500,000	\$123,900	\$1,623,900

Series	Principal Amount Outstanding
Series 2016	1,500,000
TOTAL	\$1,500,000

**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
DEBT TO MATURITY**



CITY OF PEARLAND, TEXAS



COMPREHENSIVE FINANCIAL MANAGEMENT POLICY STATEMENTS

ADOPTED SEPTEMBER 2011

REVISED June 2020

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 using a structured principal in order to manage the property tax rate.

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.1596

An Ordinance adopting a tax rate of \$0.72000 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 2020.

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 2020 upon all property, real, personal, and mixed within the corporate limits of said City subject to taxation, a tax of \$0.72000 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 \$0.305000 on each \$100 valuation of property, and
- (2) For the Interest and Sinking Fund, the sum of \$0.415000.

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.1596

PASSED and APPROVED ON FIRST READING this the 14th day of September, A.D.,
2020.



TOM REID
MAYOR

ATTEST:



CRYSTAL ROAN, TRMC, CMC
CITY SECRETARY



PASSED and APPROVED ON SECOND and FINAL READING this the 28th day of
September, A. D., 2020.



TOM REID
MAYOR

ATTEST:



CRYSTAL ROAN, TRMC, CMC
CITY SECRETARY



APPROVED AS TO FORM:



DARRIN M. COKER
CITY ATTORNEY

ORDINANCE NO.1595

An appropriation Ordinance adopting a budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021, and pay plans for fiscal year 2021.

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

Section 1. That the City Manager's proposed 2020-2021 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,

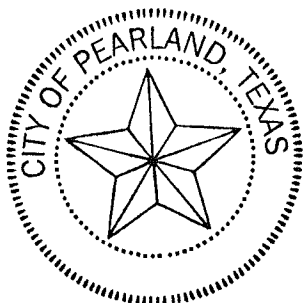
Section 2. That City Council hereby appropriates certain sums, more specifically identified on Exhibit "A" attached hereto, for the proposed fiscal year 2020-2021 Budget.

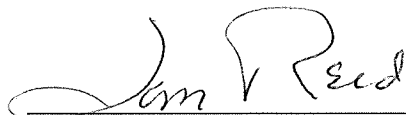
Section 3. That the City Council hereby confers upon the City Manager general authority to contract for expenditures, within appropriated fund amounts, for all budgeted items the cost of which do not exceed the constitutional and statutory requirements for competitive bidding.

Section 4. That the City Council deems the Pay Plans and Organizational Plan, attached hereto as Exhibit "B", contained in the 2020-2021 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 14th day of September, A. D., 2020.





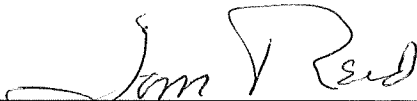
TOM REID
MAYOR

ORDINANCE NO.1595

ATTEST:


CRYSTAL ROAN, TRMC, CMC
CITY SECRETARY


PASSED and APPROVED ON SECOND and FINAL READING this the 28th day of
September, A. D., 2020.


TOM REID
MAYOR

ATTEST:


CRYSTAL ROAN, TRMC, CMC
CITY SECRETARY

APPROVED AS TO FORM:


DARRIN M. COKER
CITY ATTORNEY

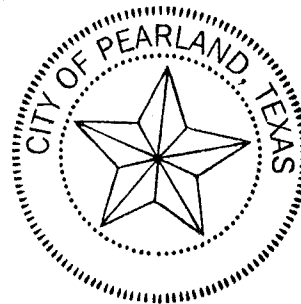


EXHIBIT A
City of Pearland
Fiscal Year 2020-2021 Budget

Fund Description	Revenues	Expenses
	Adopted Budget Ord No. 1595	Adopted Budget Ord No. 1595
OPERATIONS		
100 General	90,278,680	89,471,205
200 Debt Service-General	42,029,472	43,149,685
900 PEDC	11,490,128	23,988,122
<u>Special Revenue Funds</u>		
305 Hotel/Motel	932,700	1,439,333
310 Municipal Court Security	48,350	38,476
315 Citywide Donation	30,967	64,551
320 Court Technology	45,100	38,534
330 Parks Donations	107,550	98,550
331 Tree Trust	5,000	50,750
332 Parks Financial Assistance Donations	2,550	2,500
335 Police State Seizure	4,000	37,200
336 Federal Police	1,200	38,500
340 Park & Recreation Development	320,154	118,754
345 Sidewalk	5,200	-
350 Grant	192,373	988,785
351 Community Development	428,160	428,160
352 CDBG - Disaster Recovery Fund	30,878	30,878
354 Hazard Mitigation Fund	3,285,181	3,285,181
355 Coronavirus Relief Fund		
360 Traffic Impact Improvement	5,000	214,920
365 Truancy Prevention and Diversion	52,700	65,255
366 Municipal Jury Fund	1,025	1,000
370 Municipal Channel	250,000	104,100
380 Regional Detention		
510 Lower Kirby		
514 Infrastructure Reinvestment Fund	1,462,471	1,525,019
<u>Internal Service Fund</u>		
700 Property/Liability Insurance	2,305,820	2,242,342
702 Medical Self-Insurance	9,171,820	9,171,820
703 Motor Pool	5,715,094	3,670,598
<u>Proprietary Funds</u>		
600 Water and Sewer	49,884,471	64,399,919
601 Water and Sewer Debt Fund	32,588,392	23,749,293
610 Solid Waste	8,206,800	8,200,000
SUB TOTAL - OPERATIONS	258,881,236	276,613,430
CAPITAL IMPROVEMENT PROGRAM		
<u>Water/Sewer Capital Projects Funds</u>		
550 Utility Impact Fee		4,984,468
551 Water Impact Fee	1,001,000	
552 Sewer Impact Fee	776,000	
555 Shadow Creek Impact Fee	500	221,887
565 1999 W & 5 Revenue Bonds	120,000	35,725
566 W & 5 Revenue Bonds 2020	100,000	79,229
567 Water Drinking Bonds 2020	500,000	40,177
568 W & 5 Revenue Bonds 2021	19,546,000	18,004,266
569 W & 5 Revenue Bonds 2022		8,473,653
570 Water/Sewer Pay As You Go	3,846,000	4,119,086
571 TWDB Bonds 2021		45,722,178
572 TWDB Bonds 2022		79,982,340
573 TWDB Bonds 2023		50,442,901
575 MUD 4 Capital Program		
<u>Capital Projects Funds</u>		
500 Capital Projects	1,035,000	1,148,713
501 Capital Projects-CO 2001	50,000	206,717
503 Capital Projects-CO 2006		1,732
506 Capital Projects-GO 2009	200,000	687,019
507 Capital Projects-GO 2020	250,000	349,969
508 Capital Projects-CO 2020	100,000	130,821
509 Capital Projects-GO 2021	35,878,600	19,317,786

511	PEDC Projects		
512	Capital Projects-CO 2021	22,449,812	12,518,587
513	Capital Projects-GO 2022	-	3,037,171
515	Capital Projects-CO 2020 (TIRZ)	100,000	53,814
516	Capital Projects-CO 2021 (TIRZ)		27,652,484
517	Capital Projects-CO 2022		9,121,865
518	Capital Projects-CO 2022 (TIRZ)		7,521,107
SUB TOTAL - CIP		85,952,912	293,853,695
GRAND TOTAL:		344,834,148	570,467,125

FY21 COP PAY PLAN

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
111	\$30,161.63	\$36,194.36	\$45,242.95	CUSTOMER SERVICE REPRESENTATIVE I
	\$14.50	\$17.40	\$21.75	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
				POLICE RECORDS CLERK
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
				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 CLERK
				CUSTODIAN OF RECORDS
				ANIMAL SHELTER ATTENDANT
115	\$36,661.99	\$43,993.58	\$54,992.48	HEAVY EQUIPMENT OPERATOR
	\$17.63	\$21.15	\$26.44	LEAD COURT SECURITY OFFICER
				QUARTERMASTER

FY21 COP PAY PLAN

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	BACKFLOW COMPLIANCE INSPECTOR
	\$18.51	\$22.21	\$27.76	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	COMMUNICATIONS SPECIALIST
	\$19.43	\$23.32	\$29.15	CRIME VICTIM LIAISON
				DEPUTY CITY SECRETARY
				IT SUPPORT SPECIALIST
				PAYROLL SPECIALIST
				PD - POLICE CADET
				ROW INSPECTOR
				TELECOMMUNICATIONS OPERATOR
				TRAFFIC SIGNAL TECHNICIAN
118	\$42,440.00	\$50,928.00	\$63,661.31	ACCOUNTS PAYABLE SUPERVISOR
	\$20.40	\$24.48	\$30.61	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

FY21 COP PAY PLAN

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
119	\$44,562.21	\$53,475.46	\$66,843.82	AQUATICS SUPERVISOR
	\$21.42	\$25.71	\$32.14	AQUATICS TECHNICIAN
				BUYER
				COMMUNITY OUTREACH COORDINATOR
				CONSTRUCTION INSPECTOR
				CRIME SCENE TECHNICIAN
				CUSTOMER SERVICE SUPERVISOR
				FACILITY SUPERVISOR
				PLANNER I
				PLANS EXAMINER
				PW INFRASTRUCTURE LIAISON
				SENIOR CENTER COORDINATOR
				TELECOMMUNICATIONS TEAM LEADER
120	\$46,790.27	\$56,148.93	\$70,185.91	APPLICATION SUPPORT SPECIALIST
	\$22.50	\$26.99	\$33.74	ADDRESSING COORDINATOR
				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
				SALES MANAGER
				ANIMAL SERVICES SUPERVISOR
122	\$51,586.76	\$61,903.91	\$77,380.14	BENEFITS COORDINATOR
	\$24.80	\$29.76	\$37.20	BUDGET ANALYST
				BUSINESS ADMINISTRATOR
				CONTRACT ADMINISTRATOR
				CRIME ANALYST
				GIS SPECIALIST
				MARKETING MANAGER
				NATURAL RESOURCE MANAGER
				SENIOR ACCOUNTANT
				SPECIAL EVENTS COORDINATOR
				STORMWATER COORDINATOR
				COMMUNICATIONS SUPERVISOR
				TREASURY ANALYST
				TREATMENT PLANT SUPERVISOR

FY21 COP PAY PLAN

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
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
				RECORDS MANAGER
				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
				OPERATIONS MANAGER
				RESOURCE DEVELOPMENT COORDINATOR
				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
				JAIL MANAGER
				MUNICIPAL COURT ADMINISTRATOR
				COMMUNICATIONS MANAGER
				PARKS DEVELOPMENT & OPERATIONS SUPERINTENDENT
				SR. HR BUSINESS PARTNER
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	ACCOUNTING 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
				CYBER RISK SPECIALIST
				PUBLIC WORKS SUPERINTENDENT
				RECREATION SUPERINTENDENT
				TREASURY MANAGER
127	\$65,838.87	\$79,007.25	\$98,758.81	MARKETING DIRECTOR (EDC)
	\$31.65	\$37.98	\$47.48	MUNICIPAL COURT PROSECUTOR
				SURFACE WATER PLANT MANAGER
				WATER BILLING & COLLECTION MANAGER
				ANIMAL SERVICES MANAGER

FY21 COP PAY PLAN

Grade	Minimum	Market	Maximum	Class Title
				Most positions use 2080 hours however * indicates positions to use 2756 hours in determining hourly rate.
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
				FINANCIAL ANALYST
				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)
				INTERNAL SERVICES ADMINISTRATOR
				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
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 OFFICER
				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 2021

	1	2	3	4	5	6	7	8	9	10	11	12
Police Officer	\$28.69	\$29.58	\$30.48	\$31.41	\$32.37	\$33.35	\$34.37	\$35.42	\$36.50	\$37.62	\$38.77	\$39.95
143*	\$59,680.61	\$61,526.40	\$63,392.14	\$65,327.88	\$67,321.76	\$69,376.32	\$71,494.53	\$73,676.38	\$75,925.06	\$78,242.70	\$80,631.62	\$83,092.46

	1st year	2nd year	3rd year	4th year	5th year	6th year
Sergeant	\$40.82	\$42.09	\$43.39	\$44.72	\$46.10	\$47.52
21*	\$84,906.43	\$87,543.16	\$90,241.83	\$93,025.37	\$95,893.94	\$98,851.50
	1st year	2nd year	3rd year	4th year		
Lieutenant	\$48.99	\$50.44	\$51.93	\$53.47		
5*	\$101,908.72	\$104,918.42	\$108,017.02	\$111,208.12		
	1st year	2nd year	3rd year			
Captain	\$55.04	\$56.69	\$58.38			
4*	\$114,487.26	\$117,911.74	\$121,439.32			

* Indicates number of authorized positions in each classification

All college degrees must be issued by an approved institution of higher education which is duly accredited by one of the regional accreditation agencies. No mail order degree will be approved.

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.

Education / Incentive Pay

All officers shall receive certification pay as follows, after successful completion of their probationary period:

TCOLE BASIC CERTIFICATE	\$.00/hr.
TCOLE INTERMEDIATE CERTIFICATE	\$.29/hr.
TCOLE ADVANCED CERTIFICATE	\$.58/hr.
TCOLE MASTER PEACE CERTIFICATE	\$.87/hr.

In addition, add the following to the above, if the officer holds an Intermediate, Advanced or Master Certificate and has:

ASSOCIATE DEGREE	\$.58/hr.
BACHELORS DEGREE	\$.87/hr.
MASTERS DEGREE	\$1.15/hr.

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

POLICE

Accident Report (As may be amended from time to time by State Statute)	\$ 6.00
Notarized Accident Report (As may be amended from time to time by State Statute)	\$ 8.00
Clearance Letter (As may be amended from time to time by State Statute)	\$ 5.00
Copies	\$ 0.10 per page
CD/DVD	\$ 1.00
Crafted Precious Metal Dealer License fee	\$100.00 annually
Alarm Permit:	
Residential	Rates provided in
Commercial	Ordinance No 569-3
False Alarm Fee:	
Police Department (per occurrence after 5 per yr)	Rates provided in
Fire Department (per occurrence after 5 per yr)	Ordinance No 569-3

UTILITY BILLING

Delinquent Fees:

Processing Fee	\$ 30.00
“Red Flag” Identity Report	\$ 3.00
New Service Fee 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
After-Hours Processing Fee	\$75.00
Broken Lock Fee	\$100.00
Containment Traps	\$100.00/year
Including but not limited to grease, grit, grass, oil, lint and other contaminants.	
Backflow Prevention Assembly Testing	
Test Report Fee	\$ 40.00Annual Registration
	\$100.00/year

Meter Inspection/Installation	
Initial	\$ 40.00
Re-inspection	\$ 75.00
Temporary Fire Hydrant Meter Deposit (\$100.00 non-refundable)	\$1,500.00
Temporary Fire Hydrant Location Change	\$ 50.00
Hydrant Meter Cost Recovery	\$ 50.00/month
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 and Sewer Rates-Residential and Commercial

<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 Water Volumetric</i>		
0 - 2,290 gallons	In base	
2,291 - 6,860 gallons	\$4.06	
6,861 – 17,150 gallons	\$5.09	
17,151 – 28,580 gallons	\$6.11	
28,581+ gallons	\$8.14	
<i>Residential Sewer Volumetric</i>		
0-2,000 gallons		In base
2,001+ gallons		\$5.00
<i>Commercial/Multi-Unit Volumetric</i>		
0 - 2,290 gallons	In base	In base

2,291+ gallons	\$5.09	\$5.00
<i>Irrigation Volumetric</i>		
0 - 2,290 gallons	In base	
2,291+ gallons	\$6.11	

Residential Wastewater Billing for Existing Customers

Monthly volumetric billing amount (gallons) to be based on the lesser of the customer’s 1) monthly metered water usage used for water billing, or 2) Winter Quarter Average (WQA), which is the average consumption of the months of December, January, February, which are typically billed in Jan, Feb, Mar, not to exceed 12,000 gallons. The WQA will be adjusted each April or May.

Residential Wastewater Billing for New Residents

Monthly volumetric billing amount (gallons) to be based on the customer’s monthly metered water usage used for water billing, not to exceed 12,000 gallons until a WQA can be established.

Billing Adjustments

Water adjustments may be given for leaks, excluding irrigation leaks, for all customers. Residential customer sewer adjustments may be given only after evaluating the residential customer’s billed consumption, determined in accordance with 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 3/4" Short Tap	\$1,300
5/8" and 3/4" Long Tap	\$1,700
3/4" U-branch Assy w/2 nd 3/4 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

Facility	1/2 Day			Full Day		
	Resident	Non-Resident	Non-Profit	Resident	Non-Resident	Non-Profit
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*
Student	\$231.00	\$346.50
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*
Student	\$24.20	\$36.50
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
Student	12-24 enrolled as a student. Over 18 must provide Student ID.
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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