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BRINGING RESOURCES TO
THE PEARLAND COMMUNITY

CITY OF PEARLAND, TEXAS

**2016
2017**

Fiscal Year Adopted

BUDGET

pearlandtx.gov



**CITY OF PEARLAND, TEXAS
ANNUAL BUDGET AND TAX RATE
OCTOBER 1, 2016 – SEPTEMBER 30, 2017
In accordance with SB 656**

This budget is estimated to raise more revenue from property taxes than last year's budget by \$7,190,998 which is a 12.2% increase from last year's budget. Of that amount, \$2,582,869 is estimated property tax revenue to be raised from new property added to the tax roll this year.

Property Tax Comparison:

	<u>FY 2016</u>	<u>FY 2017</u>
Adopted and Proposed Tax Rate	0.7053	0.6812
Effective Tax Rate	0.66037	0.6391
Effective Maximum Operating Rate	0.2026029	0.1992
Maximum Operating Rate	0.222511	0.2166
Debt Tax Rate	0.4828	0.4400
Rollback Tax Rate	0.705311	0.6566

Vote on Budget: For: Councilmembers Moore, Ordeneaux, Hill and Perez
Against: Councilmembers Carbone and Reed
Present and Not Voting: None
Absent: None

Vote on Tax Rate: For: Councilmembers Reed, Moore, Ordeneaux, Hill and Perez
Against: Councilmember Carbone
Present and Not Voting: None
Absent: None

Total amount of outstanding municipal debt obligations secured by property taxes for fiscal year 2017 is \$29,667,556.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Pearland
Texas**

For the Fiscal Year Beginning

October 1, 2015

A handwritten signature in cursive script, reading "Jeffrey R. Emmer".

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a distinguished Budget Presentation Award to the City of Pearland, Texas for its annual budget for the fiscal year beginning October 1 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

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

**CITY OF PEARLAND
ADOPTED BUDGET
FISCAL YEAR OCTOBER 1, 2016 - SEPTEMBER 30, 2017**



Tom Reid
Mayor



Clay Pearson
City Manager

CITY COUNCIL



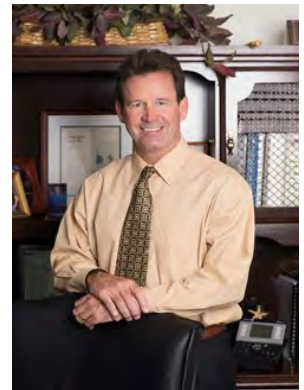
Tony Carbone
Position 1



Derek Reed
Position 2



Gary Moore
Position 3
Mayor Pro Tem



Jon Branson
Deputy City Manager



Keith Ordeneaux
Position 4



Greg Hill
Position 5



Trent Perez
Position 6



Trent Epperson
Assistant City Manager



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**CITY OF PEARLAND
ADOPTED BUDGET FY 2017
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July 29, 2016

September 29, 2016 updated NOTE: To avoid confusion and provide consistency with the balance of this document, the transmittal letter has been updated to reflect certified taxable value; corresponding updates to reflect budget decisions and new totals with the adopted tax rate and subsequent adopted revenues and expenditures.

Honorable Mayor Reid and City Council members,

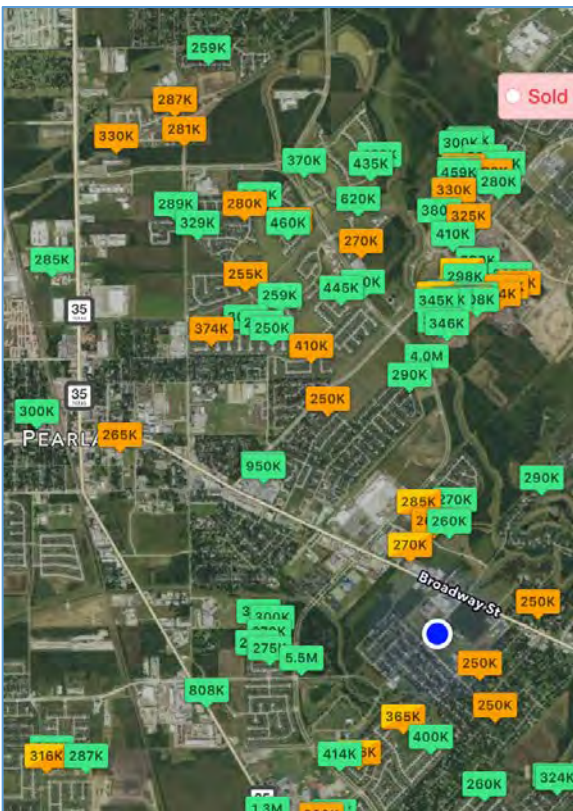
The value that Pearland brings

Matt Buchanan, President of the Pearland Economic Development Corporation (PEDC) and Executive Manager of Development Services for the City was one of our presenters during our second year of organization-wide 'Road Shows.' Road Shows are employee-presented information sessions to fellow City of Pearland colleagues. Matt shared the importance of economic development to a community along with the strategic priorities and recent accomplishments of the PEDC. All of which were related back to a simple formula that is so important to the vitality of our Community:

$$v * tr = r$$

The property and sales value (v) of the community multiplied by the tax rate (tr) brings financial resources (r).

The proposition is that, as far as financial resources to the City are concerned, our tax rates will not change much (more on that later). What we can affect through our efforts every day increases the **value**. Communities that are strategically focused on increasing value create a place where demand for quality real estate and services drives up values. Year-over-year those communities are successful in generating the financial resources to provide essential public services. This is a simple concept but one that powers the City of Pearland and local governmental entities' ability to provide quality services to our residents.



There are many things outside of the direct control of City government that drive value in our community. The overall regional and global economy -- the price of oil, health care costs, and interest rates are a few that come to mind -- move value trends up or down. Closer to home, quality public education is likely the single-most important factor in the home buying decisions. Long term, the quality of our schools will be a major determining factor of value that will sustain our City. Other factors are an available workforce that's flexible and trained, and a superior quality of life along with access to markets/customers.

So, what can be done by the City of Pearland to enhance sustainable growing value? We do have options within City responsibilities for decision-making to enhance value. Mobility and infrastructure improvements are most often recognized. We have an aggressive and successful capital improvements plan for roads such as McHard and are building a surface water treatment plant, both of which are among the \$545 million in projects within the 2017 - 2021 Capital Improvements Program.

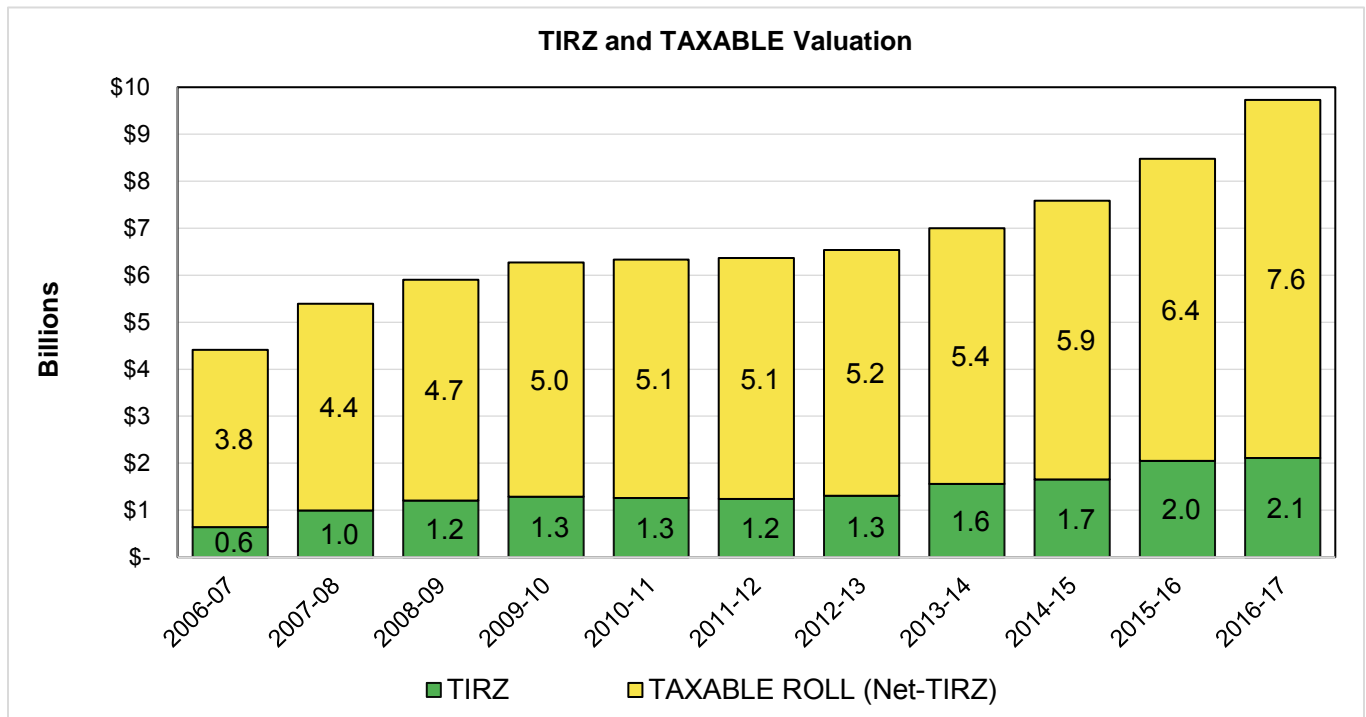
Additionally, investment in corridor development and entryway enhancement make Pearland more attractive to both new businesses and new residents.

The City of Pearland tax base remains dominated by residential uses, nearly ¾ of the total. The screen shot at left from a Houston Association of Realtors application shows areas of new construction and houses for sale. The snapshot in time also shows established residential neighborhoods that are stable and continue to invite newcomers, move-ups and downsizers.

Values do not always rise. After the national financial crisis, from 2010 through 2013, the values remained relatively flat for three years. However, the extraordinary jump from revaluations in a quality community and new growth have brought the taxable roll (excluding the Shadow Creek Ranch TIRZ) to \$7.62 billion, an 18.6% jump from the prior year. There is definitely positive momentum. There is past precedent for high velocity growth, excluding value from annexation, for the three years from 2005 through 2008 of compounding 20% growth, but the last year’s community attainment is notable.

Of course, cities in Texas are mandated to have a process for operating revenue growth to be capped at 8% (excluding new valuation) before an additional process is required for the adopted rate. The implications and opportunity from this are described later in this document.

As we navigate through the inevitable development cycle every city experiences, our paradigm will continue to shift away from relying on new development and move toward cultivating value in our existing assets. This can be a difficult transition for cities to make but one that can and should be planned for by making sound financial decisions and strategic investments in our community. Commitments made today in infrastructure, mobility, public safety, technology, exceptional services and sustainable, high quality development will pay dividends in the future as Pearland continues to be a growing city; less in terms of population and more in terms of growing value.



Big picture

When our budget team met over the last several months to review department requests and rationale and make funding decisions, the chart template below through many iterations drove much of the subsequent discussions.

General Fund Overview (dollars in millions)	FY 2014/15 Actual	FY 2015/16 Amended Budget	FY 2016/17	
			At Rollback Property Tax Rate	w/ 2.4 cents Additional to O&M
Beginning Fund Balance	\$19.5	\$21.4	\$14.4	\$ 14.4
Revenue	\$65.9	\$71.3	\$ 72.1	\$ 74.3
Expenditures (including transfers)	\$64.0	\$78.2	\$74.9	\$ 76.5
Operating Net	\$1.9	\$(6.9)	\$ (2.8)	\$(2.2)
Ending Fund Balance	\$21.4	\$14.4	\$ 11.6	12.2
Targeted minimum fund balance (2 months of recurring operating expenditures)		\$11.2	\$11.5	\$11.6
<p>Totals may not add due to rounding. Amended FY 2015/16 Budget through July 2016 amendments. 2.4 cents additional to O&M shown in green reflects \$2.2 million additional revenue from property tax and spending \$1.6 million; targeted fund balance of 15.1% estimated on new expenditure total. When the budget was presented to Council on August 8, 2016, the Rollback Tax Rate was believed to be \$0.6612. The certified Rollback tax rate of \$0.6566 was received after that date from the Brazoria County Tax Assessor – Collector.</p>				

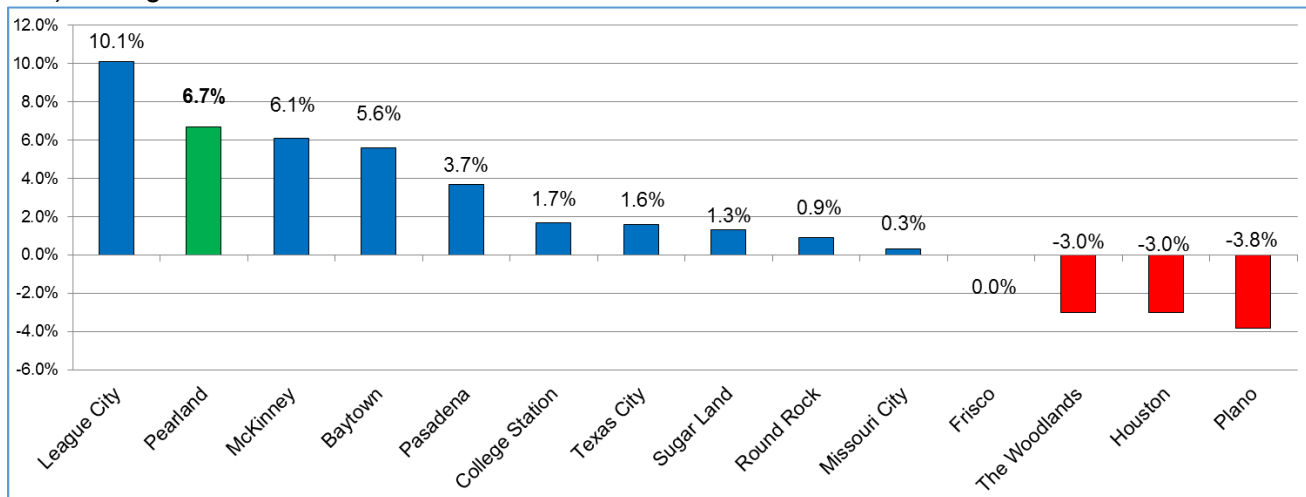
Net revenues are less than expenditures for FY 2016/17 by \$2.2 million. Though some of that is attributable to the recommended supplemental requests for non-recurring items, **most of that negative net for the upcoming fiscal year results from ongoing expenditures exceeding revenues.** The operating deficit remains a manageable concern for the next fiscal year ending September 30, 2017. However, without continued substantial value and sales tax revenue growth, it will continue to hamper our ability to serve community needs.

A significant portion of this imbalance is driven by the increases seen in last year’s budget. The City undertook major service expansions with Police and Fire (two new stations opening with associated 24-hour operations and eight additional police officers, in fiscal year 2016) that are being absorbed financially. Continued growth and revenue expansion are planned to provide us with structural balance in future years. The notation for the big picture above is that with property tax at the rollback rate, the ending fund balance at end of FY 2016/17 is only at the targeted minimum fund balance. Moreover, to get the expenditures down to a level to even achieve that minimum balance, the streets and sidewalks maintenance expenditures had to be cut below the last two years’ amount.

Revenue -- Sales Tax

While property tax is the sole resource for debt service, **the largest operating revenue to the General Fund is sales and use tax**, which is based upon the value of goods and services sold within the community. The Pearland Economic Development Corporation (PEDC), an extension of the City with specific outcomes, relies almost entirely on sales tax revenue.

City operations have benefitted from the symbiotic growth in the number of retail establishments and rooftops. With energy, a big driver of the metro economy, having a cooling effect on the economies of many Texas cities, Pearland's sales growth remains robust as shown in a rolling last 12-month (from May 2016) average for Pearland and selected other Texas cities:



Keeping in mind the uncertainty surrounding the price of oil and the relative volatility of sales tax, this budget is presented with a projected 4% sales tax growth for FY2016/17 in the General Fund. **Sales and Use revenues are budgeted for \$20.5 million (sales tax is \$20.3m and use tax is \$240,000) in FY 2016/17, 28% of the total revenue.** The Pearland Economic Development Corporation is budgeted for another \$10.2 million. We believe this to be an appropriate estimate with our current retail and population growth.

Revenue – Property Tax: Our Two Cent, or more, opportunity

Values of the City's tax base have grown such that **the City's required tax rate for debt service requirement will decline for FY 2016/17 by 4 ¼ cents, from \$0.4828 to \$0.4400 per \$100 valuation.** The growth in taxable value is complemented by interest rate savings through the City's successful refinancing of existing debt, using the same debt structure.

When we made future estimates during budget preparation in 2015, the forecast showed the anticipated 2017 General Fund Levy at \$0.2394 and Debt Service at \$0.4900 for a \$0.7294 total, increasing to \$0.7494 total projected out to FY 2017/18 at the time. The adopted rates came down slightly less through the budget process for 2016 than initially shown during the budget presentation. Regardless, looking at the available information from last year to now, the rates are about seven cents less – the power of momentum on the tax base value has significant effects.

The value power is also felt for the school districts, which have twice the total rate as the City's rate. For instance, Alvin ISD had a total rate going up just *three* pennies following a large voter-approved capital bond program. Projections from the new bond issue for additional school buildings in that growing district were described to voters as an *eight* penny increase when it went to the voters. In essence, AISD will fund their bond program next year using less than half of the planned tax rate increase. Likewise, Brazoria County Drainage District #4 is planning a flat 15.5 cents/\$100 rate; Pearland ISD is planning a rate no higher than current (although they have a bond issue likely to come for voter consideration in the next year).

For the upcoming FY 2016/17 annual budget, the lowered debt service rate presents O&M rate options for the City. The effective tax rate brings in the same operating revenue as last year, excluding new properties. A tax rate at the State rollback rate decreases the overall rate by over four cents due to the reduction in the debt service component of the tax rate. Two additional options are shown below. If the overall rate is kept constant, the General Fund operations would be able to move up to 0.2653. However,

the opportunity is that given the increase in valuations, the ongoing needs of current operations and the need to put more resources into preventative maintenance and pay-as-you-go work, the City adopt a property tax rate of at least 0.6812. That would mean a 2.4 cent reduction from the FY 2015/16 rate, while simultaneously increasing operating revenue.

General Fund and Debt Service property Tax Rates	FY 2015/16 Actual Rates	FY 2016/17*			
		Effective Tax Rate	Rollback Rate (8% revenue cap)	Reduce Total Rate 2 cents and Improve O&M rate with two cents	Keep Total Rate Constant
O&M	0.2225	0.1992	0.2166	0.2412	0.2655
Debt service	0.4828	0.4400	0.4400	0.4400	0.4400
Total	0.7053	0.6392	0.6566	0.6812	0.7053
G.F. Property Tax Revenue + TIRZ Administrative Fee (in millions)	\$13.8 + \$9.2 = \$23.1	\$15.0+ \$ 8.6 = \$ 23.6	\$ 16.4+ 8.8 = \$ 25.2	\$ 18.2+ \$ 9.1 = \$ 27.3	\$ 20.1+ \$ 9.4 = \$ 29.5

*For FY 2016/17, the estimated rollback rate of \$0.6612 was used in the recommended budget revenue as originally presented to Council. The certified rollback rate of \$0.6566 is shown in purple. The additional revenue by reducing the current total City property tax levy by two cents, yet still add two cents to operations and maintenance is shown in green.

FY 2016/17 estimated rollback rate is an estimate and relies upon best information before getting final numbers from County Assessor offices in August.

Apart from the positive revenue implications, **providing a new total of at least 2.4 cents per 100 valuation to City operations begins to better balance the operating tax rate versus debt service.** The ratio has been discussed at early input sessions on the budget as Pearland works to become long-term sustainable for the city we are becoming. In FY 2015/16, 68% of the total tax rate was allocated to debt service and 32% allocated to operations. The debt service is fixed, but by using an additional two cents to fund operations as opposed to a total four-cent cut, the percentage would be 65% and 35% respectively, a slight move to a better long-term ratio as we mature. Comparisons are difficult based on varying values, tax bases, and sales taxes; taking that into mind, the comparison city demographics table in this document show operations tax rates of 0.4100, 0.1703, and 0.4010, 0.4500, for McKinney, Sugar Land, League City, and Baytown respectively.

From a City property tax revenue perspective, using an additional pennies in our operations rate annually is significant. With our tax base, **the resulting \$1.5 million to City operations, we would recommend looking among a combination of areas:**

1. Additional streets and sidewalk maintenance and replacement.
2. Additional fund balance in excess of minimum for emergencies and economic contingency; narrow the operating net deficit.
3. Future capital improvements and capital outlay pay-as-you-go as opposed to debt issuance or other financing.
4. Accelerate fleet upgrades
5. Add additional staff – Community Development

Please note that there is nothing magical about the whole numbers of two cents; 2.5 or some other agreed numbers accomplishes much. More detail is shown below for additional two cents operating revenue to the General Fund from the rollback rate:

Outline of Potential Additional Items

Item	Description	Item Amount	Running Total	(.2166) Rollback Rate
1	Contribution to Police Fleet Replacement Fund Allocating additional funding to the Police Department Fleet Replacement Program will allow for needed additional replacement vehicles in future years.	225,000	225,000	
2	Additional Mowing This amount will cover additional Facilities Maintenance for HVAC repairs.	200,000	425,000	
3	Maintain Streets & Sidewalks Funding In order to remain within policy for required minimum fund balance, funding for Streets & Sidewalks was reduced in the recommended budget. This amount would re-establish the reduction and allocate an additional \$135,000 to the Streets and Sidewalks program.	635,000	1,060,000	
4	Community Development Staffing The City continues to be among the fastest growing in the country. This funding would be used to hire additional positions to facilitate that continued development. This additional Planner will help alleviate workload of existing staff and provide a more expedient experience for applicants.	200,000	1,260,000	
5	Fund Balance This additional funding would bring the General Fund up from 1,728 over minimum fund balance to 420,000 over minimum fund balance. With the price of oil remaining low, it will be important to maintain an adequate amount of fund balance in case revenue is impacted. This would also reduce our functional operating deficit from \$2.9 million to \$2.3 million.	310,669	1,570,669	(.2412) Additional 2.4¢ to O&M
6	Additional Street & Sidewalks This funding would be split between the Streets and Sidewalks Recapitalization programs. This funding, in addition to the funding outlined above in item #3, would bring the total combined budget for the Streets and Sidewalks Recapitalization programs to <u>\$1,729,272</u> .	200,000	1,770,669	
7	Sidewalk Gap Program The Sidewalk Gap program provides funding to connect existing segments of sidewalks. This funding would allow the program to expand in FY17.	300,000	2,070,669	
8	Pay-as-you-go Future Equipment/Capitalization of City Facilities This expansion of facility maintenance funding would allow the Facilities Division to extend the life of existing City facilities by increasing investment in the short term.	400,000	2,470,669	(.2512) Additional 3.5¢ to O&M
9	Fund Balance This additional funding, along with item #6, would bring the General Fund up from 1,728 over minimum fund balance to 2.8 million over minimum fund balance. With the price of oil remaining low, it will be important to maintain an adequate amount of fund balance in case revenue is impacted. This would also reduce our functional operating deficit from \$2.9 million to \$800,000.	1,729,331	4,200,000	(.2655) Current Rate Additional 4.9¢ to O&M

In Texas budget law, the property tax revenue can simply be raised up to 8% from the prior year, excluding revenue from new construction. Beyond the 8% threshold, City Council can raise that rate based on the local situation and local decision, but there are provisions for citizens to petition for a vote on the additional revenue. According to information from the Texas Municipal League, that happens each year with about 10% of cities, some smaller places, but others higher growth (Frisco, Plano, North Richland Hills, Rowlett) similar to Pearland working to meet public service needs that the straight math of a revenue limit does not address. In 2014, according to TML, there were 67 of 704 cities adopting a rate bringing in revenue over 8%.

The budget that's formally presented originally in the filed budget for the City Council's consideration did not include the additional revenue or expenditures associated with the two, three and four cents outlined above. All of the above scenarios exceed the estimated rollback tax rate; all but the last provides a lower overall City property tax rate from the adopted FY 2015/16 amount.

If the policy decision is to exceed the rollback rate, then qualified voters, by petition, may require an election to be held to reduce the adopted tax rate to the rollback rate. The petition must be signed by 7% of the number of registered voters based on the most official list and must be submitted by or before the 90th day after the date on which the tax rate is adopted. For the June 18, Runoff Election we had 64,896 registered voters and 7% is 4,543. If the election passes, the adopted tax rate is reduced to the rollback rate and correct tax bills are mailed. If the election fails, the adopted property tax rate stands. Given the option for an election, additional expenses associated with the amount over the roll back rate would need to be clearly identified so they could be removed if reduced by the voters.

For future years beyond the FY 2016/17 Budget, the multi-year budget estimate with available information is that future debt service requirements can be held at \$0.4400 for at least one additional year, shown in the multi-year forecast. Those projections make estimates of future taxable value, which continue to perform strongly through calendar year 2016, but cannot be projected with certainty for out years.

A City taxable value of \$187,000 in tax year 2015, payable in 2016 is a fair average. **If the overall City tax rate goes down by 2.4 cents (still giving two more cents to operations), and the value of that same house goes up 10%, to \$205,700, the City tax bill goes up \$40 from that two cent rate difference, \$1,327 to \$1,367.**

Expenditures for investment and services

The adopted FY 2016/17 budget has total General Fund expenditures of \$76.5 million. That's a 2.3% decrease from the estimated current FY 2015/16 expenditures which includes the roll-overs and amendments recognized during the fiscal year. The \$76.5 million for FY 2016/17 is 4.3% more than the \$73.3 million in the original FY 2015/2016 adopted budget.

General Fund Expenditures (in millions)	FY 2014/15 Actual	FY 2015/16	FY 2016/17
Salaries and Wages	\$ 42.8	\$ 47.8	\$ 51.2
Materials and Supplies	1.8	2.7	2.4
Building and Grounds	1.5	3.1	2.8
Repair and Maintenance	2.4	3.2	2.8
Misc. Service	10.0	13.9	12.0
Inventory items	.3	.5	.4
Capital Outlay	3.9	4.5	3.7
Transfers out	1.3	2.6	1.2
Total	\$ 64.0	\$ 78.2	\$ 76.5
Totals may not equal due to rounding. FY 2016/17 in purple uses base expenditures, with addition available from additional property tax rate to O&M beyond rollback rate.			

The table illustrates clearly that City government is a people business, so far as the General Fund resources are committed. **A full 67% of total General Fund expenditures are dedicated to staff wages and benefits.**

For FY 2016/17, our projected employee health care plan (assuming 611 full-time employees on the plan) with the City-funding 68% of dependent coverage and 100% of the Kelsey Care 80/20 employee-only, totals \$ 7.5 million. The City contribution is \$6.1 million of that total, or 82% while employees contribute in aggregate \$1.4 million, the remaining 18%.

For half of our staff team this year, those in the employee-only coverages, there is zero cost for their health care, as long as they are in the base Kelsey 80/20 program and have completed a wellness visit in FY 2015/16. For the other half, the City still bears the vast majority of costs at 83%. While employees' contributions for FY 2016/17 rose moderately, the increase is far less than prior years. That reigning-in of costs has been jointly achieved with plan changes, reduced major claims, and keeping current with the health care industry generally in regularly amending the program.

Public safety investment

Around our country, there have been too many instances of loss in law enforcement. Nearby Dallas lives were senselessly ripped forever. Now Baton Rouge. The ceremonies that followed were close to home as just weeks before, the City of Pearland lost one of our own. **Police Officer Endy Ekpanya** was killed in a car crash on duty, Endy's life of service and family continues to be recognized, his accomplishments and commitments now known for what he quietly achieved. Our Chief Chris Doyle summarized things

well, noting **Endy as a “man of value” and challenging us all to emulate that characteristic.** Not an economic value as this budget is necessarily focused, but **value in public service, the kind of value that all of our City staff should strive to exemplify.**

The City of Pearland public safety efforts are headlined by our organization’s Police and Fire departments, supported by the entire City organization and our community’s residents, businesses and other governmental agencies. In Pearland, we have grown the staff resources, training, and technology to be even more modern and professional, a long-standing Pearland commitment.

Expenditures for Police and Fire in FY 2016/17 represent 53% of our \$76.5 million in General Fund expenditures at \$40.3 million, about equal to the FY 2015/16 estimate. However, **the \$40 million level for police and fire is \$6.6 million, 20%, more than the FY 2014/15 actual amount.** The additional personnel for improving service levels with additional police and fire represent a continuing commitment to this highest priority.

The table illustrates the number of employees for the last several years in a snapshot of each year, showing the success from Human Resources, Police and Fire administrations and the Communications Department with their marketing efforts - in recruiting quality candidates to join us.

Not willing to rest on our laurels, recognizing the realities of a large geography, and a complex community of residents and business, a Police staffing and utilization study was budgeted for FY 2015/16. That study was awarded to the Berkshire group in January 2016 with results received in August 2016. The report

City of Pearland – sworn police officers and non-civilian fire/ems Actual number on payroll for June of each year				
	June 2013	June 2014	June 2015	July 2016*
Police Peace Officers	141	144	155	161
Fire (reflects Fire and EMS)	42	53	73	81
Total and Change from prior year	183	197 +14	228 +31	242 +14
July is shown for 2016 and includes the three new officers sworn in the TCOLE certification, plus also includes eight officers coming out of police academy in August. As of July 2016, there are 163 positions used in budgeting and awaiting two slots to fill.				

details a growing, professional department rapidly transitioning to a complex environment.

In this budget, we have included funds, \$100,000, to begin implementation of the Berkshire study. There is also funding for four additional officers and additional vehicles.

This budget includes fleet replacements in police with 22 replacement police vehicles and three motorcycles. There is a replacement ambulance (\$160,000) and two replacement vehicles in the Fire Department.

The Fire Department continues to grow and evolve rapidly as an all-hazards organization and is making great strides at catching up with City growth. Recent reorganization created a Community Risk Reduction Division with strong emphasis on community risk reduction to prevent illness, injury, property damage and use of code enforcement to improve value as mentioned in the economic formula above. Problem property abatement work is beginning to see more success. A full-time emergency manager will provide someone dedicated to developing the contingency plans and resources, partnerships, and paperwork that’s necessary before, during, and after an emergency.

Adding two Fire Stations and attending personnel to the Operations Division for incidents that occur beyond prevention is improving response times. A Training Division has been created to maintain and improve proficiency of all personnel across all Divisions and Administration. Groundbreaking for a new relocated Fire Station 1 at McHard and Old Alvin will occur in FY 2016/17. There will not be additional

personnel necessary for this station move, nor are there additional firefighter positions over what we have added recently, but we do look forward to improved fire station facilities and better response times with Station 1 located on those arterial roads.

PFD continues its reputation of bringing nationally-renowned public safety speakers to our facilities for regional participation. Our citywide commitment to quality training and development builds and builds.

The results of a Standards of Cover and Staffing Utilization Study, awarded to Citygate Associates, should be available by February of 2017 in time to prepare for the FY2018 budget, if not before. In addition, we have the Medicare payment of \$558,188 budgeted) additional revenue from contribution by Brazoria County (\$100,000) towards City-provided Fire services into the unincorporated portion of Brazoria County that is our ETJ. Discussions are ongoing with the County as the City provides an estimated additional \$1 million in service outside our City limits.

Parks, recreation and events

Parks improve the local tax base and increase property values. It is proven that private property values increase closer to parks. (National Recreation Parks Association, 2015). Likewise, a Texas A&M review of 25 studies, investigating whether parks and open space contributed positively to the property values of surrounding properties, found in 20 of the 25 studies that property values were higher. "The real estate market consistently demonstrates that many people are willing to pay a larger amount for property located close to parks and open space areas than for a home that does not offer this amenity," (Crompton, 2010). The increase in private property value due to the proximity to parks increases property tax revenues and improves local economies. You can see real estate advertisements touting adjacency or proximity to any number of parks, playgrounds, pathways or open waters.

With a current 5-year Capital Improvement Program of \$24.6 million, our Parks & Recreation Department is gaining status and appropriate momentum as a premiere agency among peer communities. This program includes the addition or enhancement of 13 Park or Recreation amenities ranging from additional phases to completed projects, increased mileage to a multi-modal trail system, a systematic recapitalization and the addition of our City's new Delores Fenwick Nature Center. These projects will close out the remaining Parks & Recreation components of the 2007 Bond Referendum and pave the way to identifying the new opportunities to serve our residents through this departmental vehicle.

Our Recreation Center & Natatorium is entering the sixth year of operation with a membership constituency that exceeds the retention curve typically considered of similar facilities. With a current membership base that has varied less than 3%, the facility continues to operate in a dynamic fashion meeting the changing needs of a growing community.

Special Events are positioned with a unique perspective to provide an outlet for leisure as well as a revenue stream to municipalities. This coming year our citizens, along with the nation, will celebrate Super Bowl XLI, as collaboration with Pearland Convention and Visitors Bureau provides expansive opportunities to participate in Super Bowl XLI, hosted in Houston. Pearland has become synonymous with several hallmark events; Winterfest and the Celebration of Freedom on July 4th, to name a couple. Most recently, with a new ability to track off-site viewing, we were able to quantify over 40,000 individuals enjoying events over the course of the year presented by our City. With celebrated special events and continually increasing attendance, it is important to recognize the community impact of these events. Staff is broadening in this budget to capitalize on the value of the Super Bowl XLI in Houston at the NRG Stadium, just five miles north of the Pearland city limits.

Even more important than the February 2017 Super Bowl for us are those Pearland community events and the 40,000 that our Parks and Recreation Department brings together. We are determined to make our events and gathering opportunities to be even more inviting for our diverse and vibrant community.

Parks are a tangible reflection of the quality of life in a community. They provide identity for citizens and are a major factor in the perception of quality of life in a given community. Parks and recreation services are often cited as one of the most important factors in surveys of how livable communities are. Trails and pathways have been improved in FY 2015/16 with completion of the 1.3 mile loop around the detention area and environmental center. The City transitioned and enhanced our partnership with Keep Pearland Beautiful that now operates the recycling center on Magnolia Road, giving them office space and a ready-made platform for their programs while relieving City direct day-to-day stewardship. The John Hargrove Environmental Center is set to finally see progress in 2017 on the construction of a new Delores Fenwick Nature Center on the City property for additional City and partner classes such as schools and KPB.

Valuing our staff talent

In a recent column advocating that Chief Human Resource Officers need to lead private businesses talent agenda, Korn-Ferry's CEO Alan Guarino wrote that, "Building a high-functioning leadership team is a people business. It will make or break successful execution of the business strategy."

Over the last two years, we have made a concerted effort to bring together, inform, support, and professionalize our large talent bank of City employees. With the implementation of an online learning management system, improving the use of technology in process and procedures and engaging employees through surveys and participation opportunities, we are making strides to show the employees of the city they, and their time, are of value to the organization. At the end of the day, these employees will be the ones who move ahead our Strategic Priorities and embody our Core Values.



In this budget, we have built in 3% wage increases for full- and part-time employees, a \$1.1 million expense. Moreover, we have initiated a city-wide classification and compensation study that will look at complete compensation definitively and independently. That report, once received, will give us a framework for current and future decisions; we have \$200,000 in this budget for phase I of implementation, to begin addressing any positions that are most out of sync with the market.

The Human Resources Department continues to be the leader in strategically developing, implementing and supporting programs and process that add value to the organization related to recruitment, retention and risk management. In FY 2016/17 the emphasis will be on the development of a fully functioning safety and risk program, the beginning implementation of the compensation and classification study as well as altering the service delivery model of the department to better improve the environment for our employees.

Capital improvements

As mentioned, our Capital Improvements Plan has \$545 million of projects within the next Five-Years. The vast majority, \$311 million, is for needed water and wastewater improvements. Those needs are repaid by users of the systems, from the City's Enterprise Fund that operates as a business, charging rates to ensure the fund is self-supporting. We are being as cost-conscious as possible, including on the financing of these multi-million dollar investments. The Texas Water Development Board has been a

great resource in providing financing with extremely low interest. As has been written in some national publications, **now is a great time to be completing infrastructure work from a financing perspective. Pearland is doing that.**



For the remaining \$234 million, \$169 million is for new street widening or extensions across Pearland.

The capital improvement that will have the most impact is the SH288 Toll Lanes project that starts in earnest in fall 2016; the agreement between the concessionaire and TxDOT, in their public-private partnership (P3), allows 1,000 days for the completion of the toll lanes. That P3 work provides a new tollway alongside the free lanes from Pearland to/from the world-famous life-saving, research and teaching intensive, huge economic engine that is the Texas Medical Center. The TMC-Pearland express project also involves maintaining and improving the adjoining free lanes, including

reconstructing the SH288/IH610 interchange and providing direct connects from SH288 Toll Lanes to the Sam Houston Tollway.

Regarding the streets, facilities, drainage, and parks (all outside of utility enterprise funds) the good news for City residents and coffers is that \$112 million of the \$234 million is identified as “other funding sources,” primarily other entities’ money. City officials from Pearland have been active with the Houston-Galveston Area Council, our regional metropolitan planning organization, to recognize Pearland projects in the long-range Regional Transportation Plan (RTP) and ultimately the Transportation Improvement Plan (TIP), which allocates transportation funds across the region. Projects funded through the TIP gains Pearland access to State and Federal funds for up to 80% of the project cost.

Infrastructure Asset Recapitalization efforts

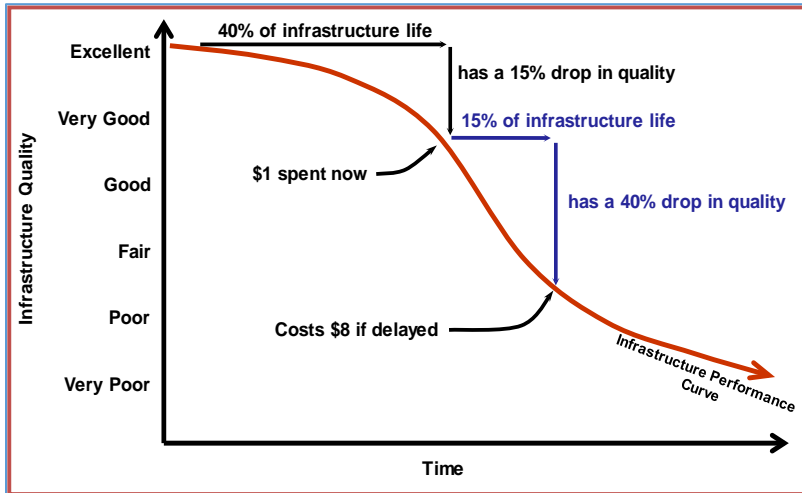
While initial capital construction costs can be shared with other entities, the maintenance for those completed works remain substantially on us locally. Continued investment in recapitalization is critical to maintaining value in future years.

We traditionally work with Brazoria County to perform City road overlay. For FY 2015/16, the work totals 4.9 miles of overlay and is scheduled to begin in mid-August, 2016. Public Works Crews have been performing sub base repairs in these areas since June in anticipation of this work.

To balance the FY 2016/17 budget, the amount for paving rehabilitation stands at \$515,000, below prior years and far below the targeted recapitalization range targeted. The FY 2016/17 paving program as cited in the March 2016 Five-Year Pavement Rehabilitation Plan includes two subdivisions as well as a few additional streets. The total length of paving in the two subdivisions totals approximately 8 miles. It can be expected that the County will agree to pave less than that, most likely in the 5 mile range as is scheduled to be done in FY 2015/16. However, staff will submit the entire FY 2016/17 list of streets to the County for consideration. Staff has prepared a document for FY 2016/17 locations that includes the Sleepy Hollow Subdivision, Zapalac Street, Regal Oaks plus several streets in the Old Townsite area.

As of this writing, the FY 2015/16 budget has approximately \$200,000 remaining for sidewalk repair. The FY 17 budget includes approximately \$628,760 for sidewalk work, below what's needed for substantive progress on open work order back order, let alone the targeted recapitalization amount.

Maintaining quality infrastructure requires constant reinvestment in (or recapitalization of) that infrastructure. Quality infrastructure, whether it be newly paved roads, great drainage systems, or reliable water and sewer capacity, contributes to the economic value of our City by enhancing property values and providing a place new and existing business want to invest.



In 2014 Public Works initiated a right of way (ROW) assessment. That assessment showed that overall the City's ROW was in good shape with a Pavement Condition Index (PCI) of 76. The City owns and maintains in excess of 430 centerline miles of roadway consisting of asphalt and concrete, with approximately 100 miles being asphalt and 330 miles being concrete. This is in large part due to the relative youth of the infrastructure within the ROW. Approximately 70% of the Pearland's infrastructure is less than thirty years of age, with the other 30% being in general

greater than forty years of age. The assessment concluded that in order to maintain the current PCI level the City should spend about \$3.7 million dollars (2014 dollars) in maintenance/recapitalization on streets alone. In challenging budgetary conditions it is difficult to raise the funding levels to this amount, but moving forward continued diligence must be shown in increasing the expenditures to this level.

Sidewalks are another integral part of the City's overall infrastructure wellness. Over recent years the City has shown a higher level of effort in restoring the sidewalks to a better overall condition. The current inventory of sidewalks is at approximately 547 miles. To date the City has repaired approximately seven miles of sidewalks. As work continues throughout the City, residents realize that progress is being made so an increased level of awareness has morphed into a higher number of service requests. Thus, making it appear that only small, incremental progress is being made in this effort. The ROW assessment of the sidewalks recommended an annual expenditure of \$1.5 million dollars per year (2014 dollars) to bring the sidewalks to the same level of service as the roadways.

Continuing to provide a better level of service for the residents, the Public Works team has also embarked on some programs in the areas of water distribution and sanitary sewer collections. During the drought of 2011 there were over 750 distribution system breaks. Of those, greater than 90% took place on a piping material known as Transite - this piping was popular from the 1950s through the mid to late 1970s. The City currently has 62 miles of Transite waterline, which is 12% of the potable water distribution system. As this replacement continues, the City's required expenditures for maintenance of these waterlines will continue to decrease. The Public Works team has also begun a sanitary sewer inspection program which will result in early phase of an Inflow and Infiltration (I&I) mitigation program. The culmination of this program will result in a reduction of wet weather flows at the various water reclamation facilities. In turn, this will result in a better Clean Water Act compliance rate and reduced operating costs for the reclamation facilities.

Right of way Enhancements

As the Right of way Division of Public Works approaches its second anniversary, the work in progress is very noticeable. It started primarily as the oversight of maintenance contracts (mulch, irrigation, fertilizer, trimming, mowing, pruning, trash pickup etc.) of the public ROW.

The responsibilities have grown and evolved with the team now developing a more advanced and comprehensive ROW Landscaping and Maintenance program, including the development of ROW policies, standards, GIS resources and programmatic recommendations that could impact our governing Ordinances. Further, the ROW divisions have partnered with the PEDC to manage the construction and maintenance of the new entry features at Cullen Boulevard, Pearland Parkway and Dixie Farm Road. The ROW Division works closely with the other, nonpublic, utilities that are located within the City's ROW and easements, assisting residents with any issues or concerns they are having within the ROW. This division is a the major driver in the recent aesthetic improvements to our public space within the rights-of-ways adding to the overall value of the community, which in turn attracts residents, businesses, and visitors further enhancing our taxable value.

Conclusion

The budget material here is my responsibility and recommendation as your city manager. The product here reflects the work of many great dedicated people in our organization. Pearland is transitioning and beginning to reap more and more of the benefits of the seeds planted by elected leaders and staff over the years. We are dedicated and working diligently to bring value by implementing the City Council's adopted strategic priorities, plans, and aspirations. The FY 2016/17 Budget represents a set of priorities to do just that.

We emphasize in communications that Pearland is not growing simply for the sake of growing. We grow because we are vibrant, diverse, and attractive.



The US Census Bureau released the fastest growing and shrinking cities across the United States. Pearland is among the fastest. That growth is stretching, challenging, and invigorating us in Pearland, Texas USA. We are building the systems and teams of people to welcome all these new residents who have chosen Pearland as their home along with us.

Our work is fixated on ensuring that Pearland remains a competitive and attractive city with increasing value so that we do not become one of the shrinking cities that were once “the” place, but now are on a downward turn of value. Pearland stays strong with all our great valuable people and places.

Respectfully submitted,

Clay J. Pearson
City Manager



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Pearland, Texas

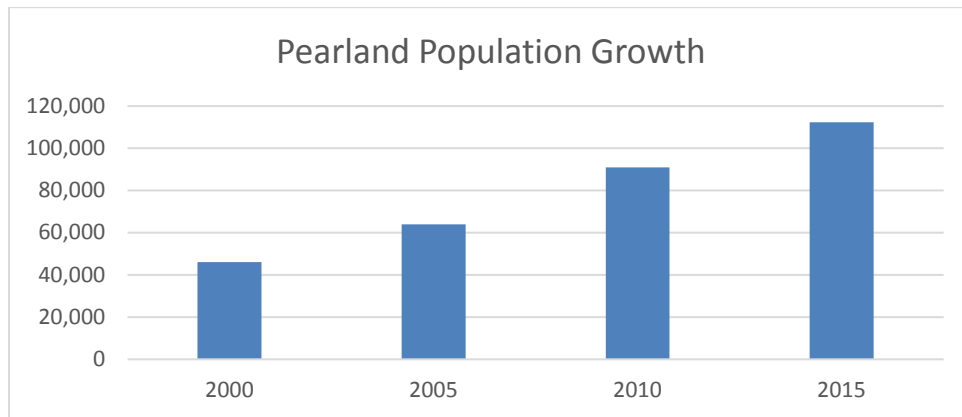
Where Town and Country Meet

The City of Pearland, Texas was incorporated in December 1959 and adopted a Home Rule Charter on February 6, 1971, and is a home-rule City operating under a Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council consisting of the mayor and 6 other members with an election to be held in FY 2017 to elect a 7th member of Council. 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 2016, based on U.S. Census population and the City of Pearland Planning Department statistics, Pearland's population increased from 46,058 to 114,000, 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 \$8.5 billion in 2016, a 35.2% increase. Based on economic data from the U.S. Bureau of Labor Statistics, Pearland ranked 7th in the nation for fastest growing cities.



Source: U.S. Census Bureau

CITY OF PEARLAND

DEMOGRAPHICS

INCOME

63% OF HOUSEHOLDS
HAVE INCOMES
OVER \$75,000

POPULATION

117,100
ESTIMATED FY 2017 PEARLAND
POPULATION

AGE DISTRIBUTION

0-14	15-24	25-44	45-64	65+
25%	12%	31%	23%	9%

MEDIAN AGE: 34.8

UNEMPLOYMENT RATE

3.6%
UNEMPLOYMENT

EDUCATION

45% BACHELOR'S DEGREE
OR HIGHER

INCOME

\$94,653
MEDIAN HOUSEHOLD INCOME

HOMEOWNERS

78.5% OF RESIDENTS ARE
HOMEOWNERS

HOME VALUE

\$179,600
MEDIAN HOME VALUE

TOP EMPLOYERS

PEARLAND INDEPENDENT SCHOOL DISTRICT
WALMART
KELSEY-SEYBOLD
CITY OF PEARLAND
KEMPLON
HEB
DAVIS LYNCH
PACKAGING SERVICE COMPANY
BASS PRO SHOP
HOME DEPOT

WORKFORCE

29% EDUCATION, HEALTHCARE
& SOCIAL ASSISTANCE

12% PROFESSIONAL, SCIENTIFIC
& ADMINISTRATIVE

City of Pearland Comparison City Demographics for Benchmarking

Statistical Category	Dallas-Fort Worth MSA		Houston MSA				Austin MSA
	Frisco	McKinney	Pearland	Sugar Land	League City	Baytown	Round Rock
City Size (square miles)	61.80	62.21	48.31	32.38	51.29	35.45	34.11
Population Density	2,498	2,619	2,253	2,723	1,917	2,153	3,401
POPULATION (US CENSUS)							
2015 Estimate	154,407	162,898	108,821	88,156	98,312	76,335	115,997
% Change (10-13)	32.0%	24.2%	19.3%	11.8%	17.7%	6.3%	16.1%
2010 Census	116,989	131,117	91,252	78,817	83,560	71,802	99,887
% Change (00-10)	246.0%	140.5%	99.8%	20.0%	83.6%	9.9%	62.5%
2000 Census	33,808	54,518	45,681	65,697	45,517	65,332	61,484
FINANCIAL CHARACTERISTICS (FY15 CAFR, UNLESS OTHERWISE NOTED)							
Credit Rating (Moody's)	Aa1	Aa1	Aa2	Aa1	Aa2	Aa2	Aa1
Credit Rating (S&P)	AA	AAA	AA-	AAA	AA	AA	AA+
Total Net Position (in thousands)	\$ 1,264,143	\$ 825,698	\$ 694,561	\$ 619,489	\$ 424,387	\$ 272,424	\$ 824,455
Operating Rate	0.2867	0.4154	0.2412	0.1703	0.4002	0.4456	0.2628
Debt Tax Rate	0.1732	0.1675	0.4400	0.1456	0.1967	0.3764	0.1518
Total Property Tax Rate	0.4600	0.5830	0.6812	0.3159	0.5970	0.8220	0.4146
Total General Fund Sales Tax Revenue	\$ 36,003,036	\$ 20,417,987	\$ 20,594,329	\$ 38,549,980	\$ 14,923,809	\$ 16,435,953	\$ 50,715,636
Sales Tax Revenue Per Resident	\$ 233	\$ 125	\$ 189	\$ 437	\$ 152	\$ 215	\$ 437
DEMOGRAPHICS (2010 Census)							
Senior Citizens (x>65)	5.4%	7.0%	7.7%	10.4%	7.3%	10.1%	5.4%
Juveniles (x<18)	33.3%	32.0%	29.5%	24.6%	28.5%	29.2%	31.1%
Foreign Born Persons	14.3%	12.9%	16.0%	33.8%	9.8%	17.6%	12.8%
Language Other Than English Spoken at Home	19.6%	20.3%	26.1%	43.1%	17.1%	38.9%	25.4%
Race -- White	75.0%	74.8%	62.0%	52.0%	79.5%	62.9%	70.8%
Race -- African American	8.1%	10.5%	16.4%	7.4%	7.1%	15.5%	9.8%
Race -- Asian	10.0%	4.1%	12.4%	35.3%	5.4%	1.5%	5.2%
Race -- Hispanic*	12.1%	18.6%	20.5%	10.6%	17.3%	43.4%	29.0%
HOUSING AND EDUCATION (2010 Census / 2012 American Community Survey)							
Homeownership Rate	77.5%	71.7%	78.5%	81.0%	76.1%	62.1%	58.7%
Persons Per Household	2.95	2.96	2.91	3.06	2.73	2.96	2.89
Median Household Income	\$ 108,428	\$ 81,894	\$ 94,653	\$ 107,149	\$ 88,289	\$ 48,782	\$ 69,998
Median Home Value	\$ 249,000	\$ 186,400	\$ 179,600	\$ 253,700	\$ 176,300	\$ 97,400	\$ 168,100
% Below Poverty Rate	4.5%	9.2%	4.6%	4.4%	4.7%	19.3%	8.4%
% of Housing Stock Built After 1980	96.4%	87.9%	82.1%	81.3%	83.8%	41.5%	86.7%
% Housing Units in Multi-unit Structures (2008-2012)	14.1%	20.6%	14.1%	9.9%	17.8%	30.2%	30.1%
% Bachelor's Degree or Higher	58.3%	46.1%	45.4%	53.8%	42.1%	14.3%	37.0%
EMPLOYMENT BREAKDOWN BY INDUSTRY (2012 AMERICAN COMMUNITY SURVEY)							
Mean Travel Time to Work (min)	27.8	28.3	30	28.5	28.9	23.7	23.9
Agriculture, forestry, fishing and hunting, and mining	1.0%	0.7%	2.5%	5.2%	1.5%	1.1%	0.7%
Construction	3.4%	5.1%	4.6%	4.4%	7.1%	15.6%	5.7%
Manufacturing	9.0%	9.9%	9.1%	9.4%	15.0%	14.8%	12.3%
Wholesale trade	3.1%	3.0%	3.9%	3.7%	2.8%	3.3%	4.0%
Retail trade	12.0%	13.8%	9.9%	11.5%	9.5%	12.1%	13.0%
Transportation and warehousing, and utilities	3.5%	3.0%	4.4%	3.9%	6.3%	6.3%	3.3%
Information	4.5%	3.8%	1.9%	1.8%	1.0%	1.1%	2.6%
Finance and insurance, and real estate and rental and leasing	14.6%	10.6%	5.6%	8.1%	6.3%	3.2%	7.0%
Professional, scientific, and management, and administrative and waste management services	17.6%	13.5%	12.0%	18.5%	11.6%	8.8%	14.4%
Educational services, and health care and social assistance	17.3%	21.9%	28.9%	21.6%	25.1%	18.8%	19.4%
Arts, entertainment, and recreation, and accommodation and food services	7.1%	7.2%	5.9%	5.8%	5.3%	7.4%	7.7%
Other services, except public administration	4.3%	4.6%	4.3%	4.2%	3.8%	5.4%	4.1%
Public administration	2.6%	3.0%	5.0%	1.9%	4.7%	2.0%	5.8%

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



General Areas

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

Transportation

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

Attractions

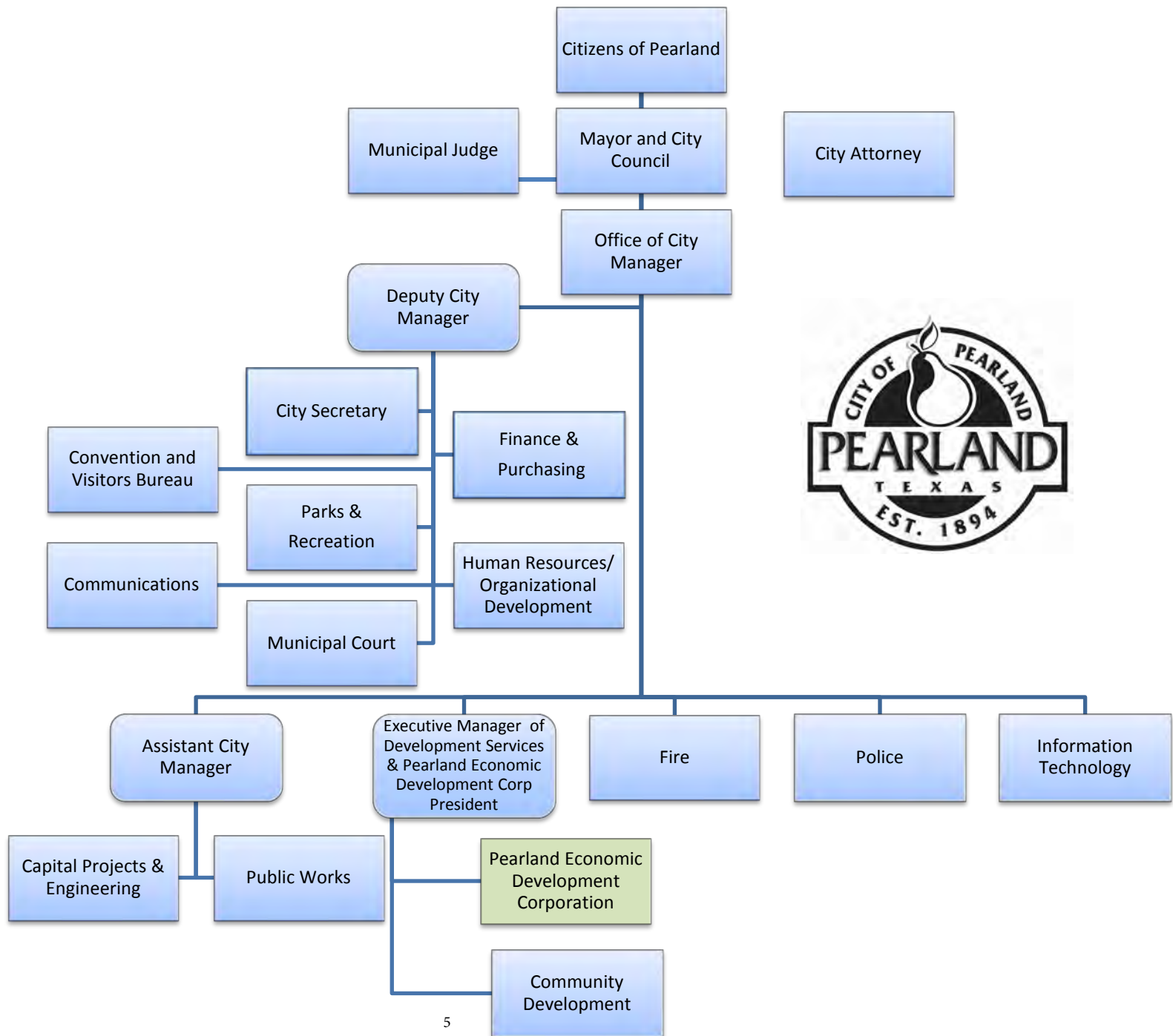
1. Battleship Texas: 23 minutes
2. BBVA Compass Stadium: 14 minutes
3. George R. Brown Convention Center: 14 minutes
4. Kemah Boardwalk: 26 minutes
5. Minute Maid Park: 14 minutes
6. Moody Gardens: 37 minutes

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

Universities

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





**CITY OF PEARLAND, TEXAS
CITY MANAGEMENT**

Elected Officials

Tom Reid
Tony Carbone
Derrick Reed
Gary Moore
Keith Ordeneaux
Greg Hill
Trent Perez

Position

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

Appointed Officials

Clay Pearson
Darrin Coker
Letitia Farnie

City Manager
City Attorney
Municipal Court Judge, Presiding

City Management

Jon Branson
Trent Epperson
Matthew Buchanan

Deputy City Manager
Assistant City Manager
Executive Manager of Development Services
and President, PEDC

Young Lorfing
Chris Doyle
Vance Riley
Eric Wilson
Cynthia Pearson
Michelle Graham
Robert Upton
Lata Krishnarao
Chris Orlea
Kim Sinistore

City Secretary
Police Chief
Fire Chief
Director of Public Works
Director of Finance
Director of Human Resources
Director of Capital Projects & Engineering
Director of Community Development
Director of Parks & Recreation
Executive Director of Convention
and Visitors' Bureau

Andrew Fearn
Sparkle Anderson
Jennifer Huhn
Daniel McGhinnis

Head Librarian*
Director of Communications
Municipal Court Administrator
Chief Information Officer

**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.

FY 2017 ADOPTED BUDGET READER'S GUIDE TO THE BUDGET

The Fiscal Year 2016-2017 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 includes the City Manager's budget message to City Council.

Introduction includes 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, new positions and staffing levels, funded supplemental requests, and the fiscal year 2017 Budget Calendar.

Financial Policy 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.

READER'S GUIDE TO THE BUDGET

Financial Summaries and Trends includes summaries for All Funds-Revenues and Expenditures, Summary All Funds Balances and Cash Equivalents, individual analysis of Fund Balance and Cash Equivalents of Special Revenues, Governmental and Proprietary Capital Project Funds, Proprietary and Internal Service Funds, and Component Units, as well as a summary of General and Water & Sewer Funds revenue and expenditure trends.

Multi-Year Forecast 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).

Property Tax Section includes an overview of the City's property taxes, levy and collections for fiscal year 2017. Historical Assessed Valuation, Taxes Levied and Taxes Collected, along with Tax Rate Distribution and Principal Taxpayers information are in this section.

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 three graphs - government debt to maturity, debt to assessed value, and net bonded debt per capita.

General Fund Section includes an overview comprised of revenue, expenditure and fund balance information. A revenue detail report is provided, followed by 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, goals, accomplishments, objectives, 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, a report on revenue detail and an expense and staffing summary by department is followed by department overviews with key budget items, goals, accomplishments, objectives, 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, goals, accomplishments, objectives 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 Fund Section includes an overview describing each Internal Service Fund – Property/Liability Insurance and Medical Self-Insurance. The revenue and expense summaries are also included.

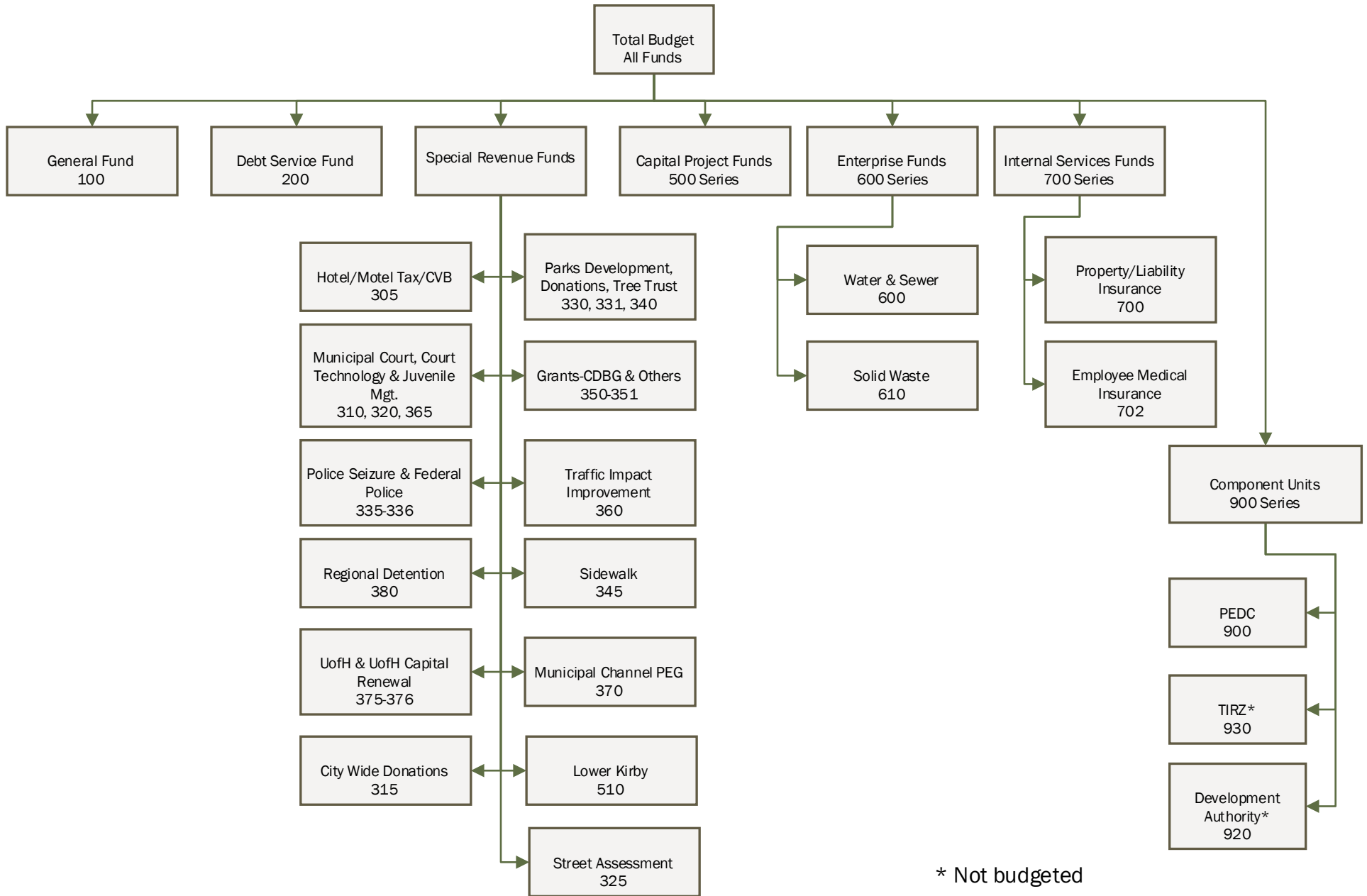
Component Units Section includes a description of Component Units, an organization chart, an overview of the Pearland Economic Development Corporation (PEDC), a revenue and expenditure summary with fund balance with staffing summary, goals, accomplishments, objectives and performance measures, followed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

Appendix A 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.

Glossary Section includes the glossary and acronyms.

City of Pearland Fund Structure

The City accounts for revenues and expenditures based on the Fund, an accounting system used by nonprofit organizations and agencies, particularly governments. Because there is no profit motive, accountability is measured. The main purpose of the Fund system is stewardship of financial resources to ensure funds are received and expended in compliance with legal requirements and restrictions. The budget is adopted and recorded in the accounts of the related fund.



* Not budgeted

DEPARTMENT AND FUND RELATIONSHIP

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

BUDGET OBJECTIVES AND PHILOSOPHY

BUDGET OBJECTIVES

The FY 2017 budget has been prepared in an effort to clearly communicate to the citizens and staff of the City the overall policies and goals of the City Council and City Management and who we are and what we do, thereby enabling the reader to gain valuable information about the City without requiring detailed accounting or budgetary knowledge. The budget document includes descriptions of various activities and programs (departments) of the City and comparative performance indicators for each program or activity, where available.

BUDGET PHILOSOPHY

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

BASIS OF BUDGETING AND ACCOUNTING

The financial information presented in the FY 2017 budget is similar to information presented in previous budget documents. The accounting and financial treatment that applies to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus.

BASIS OF BUDGETING

GOVERNMENTAL FUNDS

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

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

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

PROPRIETARY AND INTERNAL SERVICE FUNDS

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

BASIS OF BUDGETING AND ACCOUNTING

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

BASIS OF ACCOUNTING

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GASB 34)

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

BUDGET PROCEDURES

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

For FY 2017, departments' base operating budgets were calculated by the Budget Office and were based off of FY 2015 actual expenditures, less non-recurring expenditures, plus known impacts, such as operating costs from completed capital projects. Departments then allocated their base budget amount to their individual line items. Supplemental requests for capital, annexation, growth and development or other items that do not fit within normal operating budgets are requested and justified separately. Upon completion of the proposed budget, department heads submit their budget request to the Budget Office for review, after which the budget is submitted to the City Manager for review and approval. The City Manager meets with his direct reports to discuss and make adjustments where needed.

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

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

BUDGET PROCEDURES

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

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

**NEW POSITIONS
FY 2017**

Fund/Department	Position	Net FTE Change
General Fund		
Human Resources	Risk Manager	0.5
Community Development	PT to FT Office Assistant	0.5
Community Development	PT Inspector to FT Inspector	0.5
Community Development	FT Inspector	1.0
Community Development	FT Planner	1.0
Community Development	FT Receptionist	1.0
Fire	Emergency Management Coordinator (9 Months)	1.0
Police	4 Police Officers (6 months)	4.0
Information Systems	Senior Office Assistant - FT	1.0
Engineering	Assistant City Engineer (6 months - Exchange FT Office Assistant Position for Assistant City Engineer)	0.0
Engineering	Addressing Coordinator (6 months)	1.0
Finance	Staff Accountant	1.0
Parks and Recreation	Increase PT Therapeutic Recreational Specialist to FT	0.5
	Total General Fund	13.0
Enterprise Fund		
Utility Customer Service	Customer Service Representatives - 1 FT and 2 PT to 1 FT	1.0
Public Works	Backflow Compliance Program Manager	1.0
	Total Enterprise Fund	2.0
Internal Service Fund - Property/Liability Insurance		
Human Resources	Risk Manager	0.5
Total		15.5

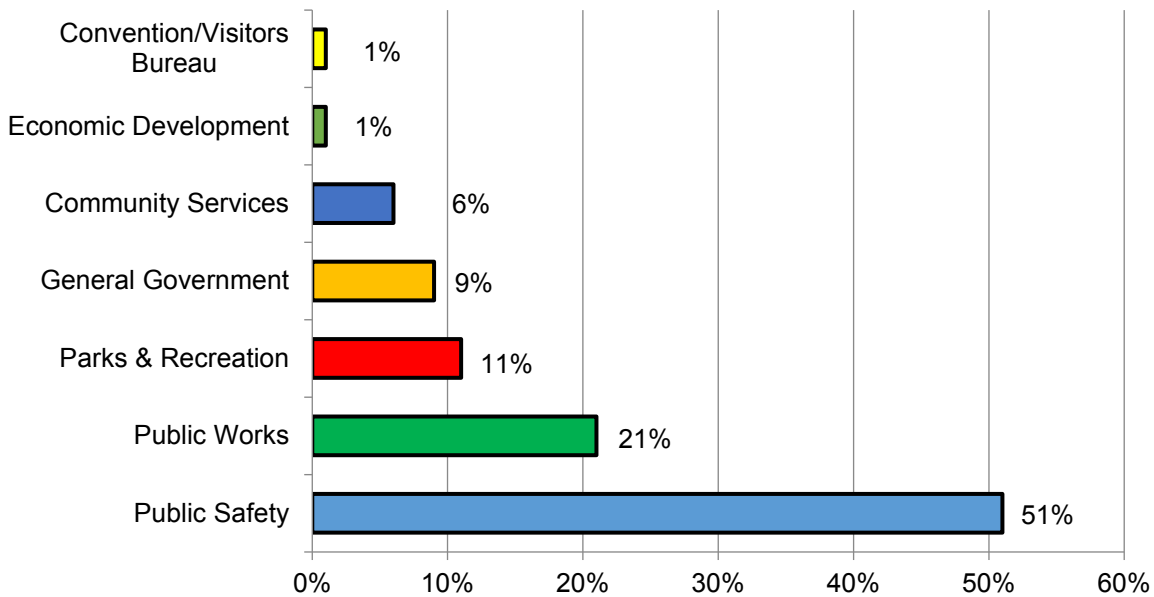
STAFFING LEVELS FY 2017 ADOPTED BUDGET

The number of budgeted Full-time Equivalent (FTE) positions totals 743, a net increase of 15.5 for FY 2017, a 2.3% increase in FTE: 13 are in the General Fund, 2 are in the Water/Sewer Fund and 0.5 are in the Property/Liability Insurance Fund. Of the 15.5 new FTE, 5.0 are in Public Safety and 5.0 are in Community Development.

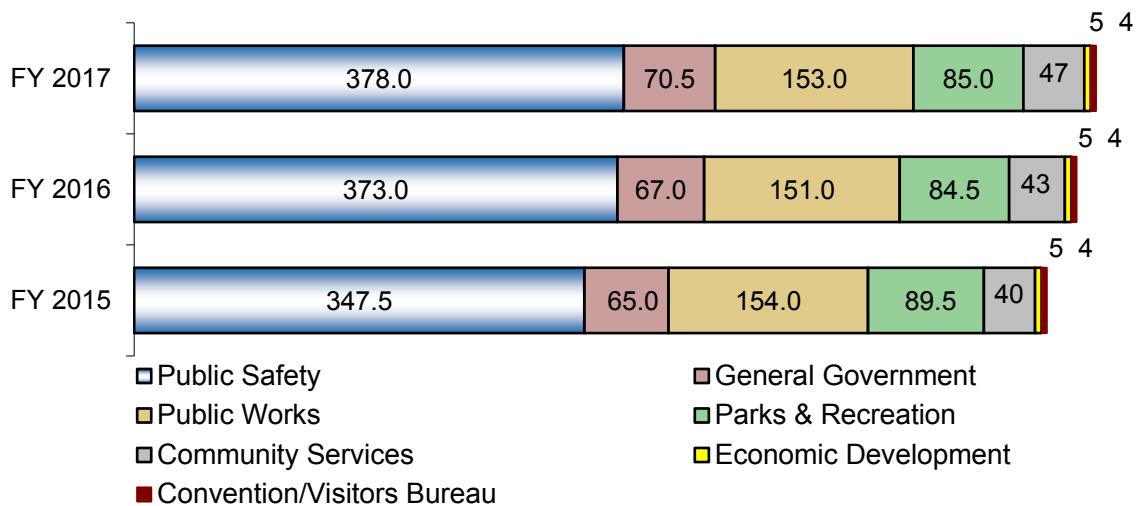
EMPLOYEES BY SERVICE AREA

The charts below illustrates the number and FTE of employees by Service Area.

Percent of Employees by Service Area for FY 2017



Employees (FTES) by Service Area
Three-Year Comparison FY 2015 – FY 2017



Note: In FY 2015, the UofH Fund included 1 FTE and none in FY 2016 or FY 2017. The Property/ Liability Insurance Fund has 0.5 FTE in FY 2017.

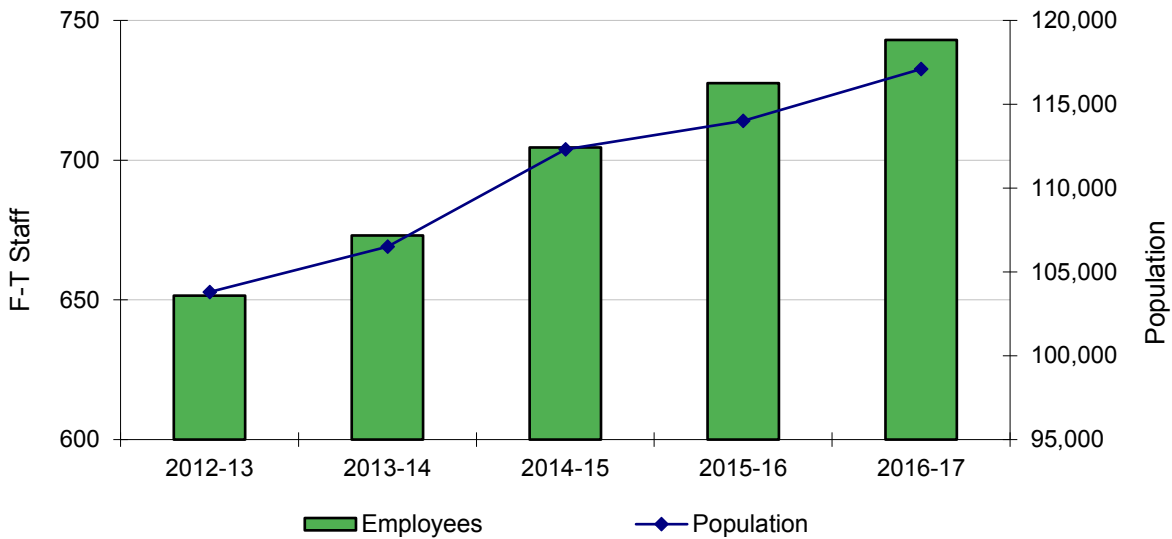
STAFFING LEVELS FY 2017 ADOPTED BUDGET

The table and graph below show the number of FTE positions per resident. These figures exclude seasonal and temporary employees. FY 2017 population comes with an estimated moderate growth of 2.7% and the Full-time Equivalent staff of the City of Pearland increases by 2.3%, which results in a decrease of FTE per 1,000 population from 6.38 in FY 2016 to 6.35 in FY 2017.

Number of FTE'S per 1,000 Population

Fiscal Year	FTE	Population	Number of Employees Per 1,000 Population
2012-13	651.5	103,800	6.28
2013-14	673.0	106,500	6.32
2014-15	704.5	112,300	6.27
2015-16	727.5	114,000	6.38
2016-17	743.0	117,100	6.35

Number of Employees to Total Population



**CITY OF PEARLAND
FY 2017 FUNDED SUPPLEMENTAL REQUESTS BY
STRATEGIC PRIORITY**

Strategic Priority/ Division	Supplemental Request Funded	General Fund	Water/ Sewer Fund	Other Funds	Total
Healthy Economy					
Community Development	Annexation - Property Surveys and Analysis	\$40,000			\$40,000
Community Development	PT to FT Office Assistant	28,691			\$28,691
Community Development	PT Inspector to FT Inspector	38,692			\$38,692
	Sub-Total	107,383			107,383
Engaged Community					
Utility Customer Service	Customer Service Reps - 1 new FT and 2 existing PT positions converted to 1 FT		80,562		\$80,562
Communications	Bi-annual Citizen Survey	18,000			\$18,000
Communications	Intranet Redesign (Pearnert)	17,000			\$17,000
	Sub-Total	35,000	80,562		115,562
Safe Community					
Fire	Emergency Management Coordinator (9 Months)	117,534			\$117,534
Fire	I-pads for ambulances and chief officers (12)	17,100			\$17,100
Fire	Fire Station Alerting System - Stations 4 & 5	144,980			\$144,980
Police	Staffing Utilization Study Phase I Implementation	100,000			\$100,000
Police	Patrol Fleet Expansion - 6 vehicles	338,430			\$338,430
Police	Criminal Investigation Division (CID) Fleet Expansion - 2 vehicles	71,134			\$71,134
Police	4 Police Officers and 2 Vehicles (6 months)	349,820			\$349,820
	Sub-Total	1,138,998			1,138,998
Sustainable Infrastructure					
Information Systems	Senior Office Assistant - FT	62,796			\$62,796
Engineering	Assistant City Engineer (6 months - Exchange a FT Office Assistant Position with an Assistant City Engineer)	2,143			\$2,143
Engineering	Traffic Engineering Consultant - Additional Hours	30,000			\$30,000
Engineering	Addressing Coordinator (6 months)	41,350			\$41,350
Facilities Management	Roof Management Plan	70,492			\$70,492
Facilities Management	Overhead Door Maintenance Contract	38,110			\$38,110
Facilities Management	Automatic Gate Maintenance Contract	18,460			\$18,460
Facilities Management	Building Automation System Service Agreement	13,800			\$13,800
Facilities Management	Safety Training and Equipment	3,000			\$3,000
Facilities Management	Facility Pressure Washing - Sidewalks & Windows	68,450			\$68,450
Facilities Management	Public Safety Building (PSB) Sally Port Floor Replacement	21,236			\$21,236

**CITY OF PEARLAND
FY 2017 FUNDED SUPPLEMENTAL REQUESTS BY
STRATEGIC PRIORITY**

Strategic Priority/ Division	Supplemental Request Funded	General Fund	Water/ Sewer Fund	Other Funds	Total
Public Works	Grounds Maintenance for Bridges and Bridge Decks	38,800			\$38,800
Public Works	Forklift (M104) - Replacement	50,000			\$50,000
Public Works	Pavement Markings and Striping	110,000			\$110,000
Public Works	Additional Landscape Sites	29,173			\$29,173
Public Works	Dump Truck (TH111) Replacement	98,050			\$98,050
Custodial Services	New Carpet/Floor Cleaning Equipment	13,800			\$13,800
Public Works	Flaggers in Work Zone Training	8,514			\$8,514
Public Works	Asphalt Distributor Trailer (M136) Replacement	74,869			\$74,869
Public Works	Backflow Compliance Program Manager		142,553		\$142,553
Public Works	Kubota Excavator (M138) Replacement		54,211		\$54,211
Public Works	Kubota Excavator (M137) Replacement		54,211		\$54,211
Public Works	Chemical Vacuum Feed System for Liberty & Magnolia Water Facilities		60,000		\$60,000
Public Works	Variable Frequency Drives for Return Activated Sludge Pumps at Barry Rose Water Reclamation Facility (WRF)		35,000		\$35,000
Public Works	Ultraviolet Disinfection System Replacement at JHEC WRF		70,000		\$70,000
Public Works	Well Point Equipment Trailer		68,080		\$68,080
Public Works	Wastewater Treatment Plant Building Repair		100,000		\$100,000
Public Works	Level indicator for Bleach and Bi-Sulfite Tanks at Longwood WRF		20,000		\$20,000
Public Works	Contracted Ground Maintenance for Treatment Plants		226,740		\$226,740
Public Works	Ditch Witch Watervalve & Hydrant Program Machine Replacement		43,590		\$43,590
Public Works	Sewer Line Camera Replacement		8,500		\$8,500
	Sub-Total	793,043	882,885		1,675,928
Fiscally Responsible					
Human Resources	Risk Manager (split between GF and Insurance Fund)	50,574		56,374	\$106,948
Finance	Staff Accountant	73,483			\$73,483
Capital Projects	Document Scanning	21,600			\$21,600
	Sub-Total	145,657		56,374	202,031
Parks, Recreation & Events					
Parks and Recreation	Increase PT Therapeutic Recreation Specialist to FT	10,788			\$10,788
Convention & Visitors Bureau	Super Bowl Week in Pearland			101,400	\$101,400
	Sub-Total	10,788		101,400	112,188
	Total	\$2,230,869	\$963,447	\$157,774	\$3,352,090

**CITY OF PEARLAND
DETAILED BUDGET CALENDAR FOR FY 2017
CIP SCHEDULE IS IN *BOLD-ITALICS***

JANUARY

- 4-8 Budget Office sets up NWS for entering budget FY 2016-2017
- 4-29 Budget Office staff meets with department directors to explain process and work with departments on known FY17 financial impacts, reorganizations/changes, etc.
- 7 ***CIP Workshop - Five-Year CIP worksheets and instructions distributed to all departments***
- 15 ***New project forms and updates to existing projects in the CIP are due to Engineering & Capital Projects***
- 15- Feb 25 ***Engineering & Capital Projects to meet with sponsoring departments to review new projects. Project Data Sheets will be reviewed with ACM, Trent Epperson, to review needs versus funding and priorities.***

FEBRUARY

- 1 ***Engineering and Capital Projects begins reviewing existing projects, including timing, scope and costs***
- 1 Budget Office sends notice of March 7 workshop for department staff
- 1-12 Budget Office prepares salary & benefit projections and FY17 personnel lists (updated biweekly)
- 1-19 Update of price estimates for computers, vehicles, phones, copiers for budget instructions
- 1-29 Prepare Budget Instructions Manual and presentation for Workshop
- 15-29 Budget Office prepares base budgets; projected and estimated revenues for current and next fiscal year
- 20 Council Retreat – Goals/Objectives, priorities, discussion and direction – build results into budget instructions and base budget if applicable
- 22-29 Receipt of replacement vehicle and computer lists
- 26 ***Updates to existing projects due to Finance – Engineering and Capital Projects to have had initial review of all projects (scope, timing, costs) prior to submittal to Finance***
- 29 Budget Office distributes to Directors/Department Heads Budget Instructions Manual. The FY 2017 base budget entered in NWS

MARCH

- 1-31 Departments contact HR, Fleet, Facilities and IT if requesting:
- New positions (need Job Assessment Tool for positions not on the current salary schedules)
 - New vehicles, replacements if not on recommended list
 - Facility repairs or refurbishing
 - New computer and computer-related software and equipment
- 7 Budget Workshop (Kick-off) – Afternoon
- 8 ***Review projects with Assistant City Manager***
- 8-10 NWS budget training for end users

DETAILED BUDGET CALENDAR FOR FY 2017
CIP SCHEDULE IS IN BOLD-ITALICS

- 8-31 Departments enter their department base and appeals into NWS
- 18 JAT forms due to HR; facility repair requests due to Facilities Department
- 21 Budget Office prepares pre-preliminary Income Statements on major funds (General Fund, Debt Service, Water & Sewer)
- 21-23 ***Meet with ACM, DCM and City Manager for review of projects***

APRIL

- 1 FY17 Department base budgets and FY16 projections along with supporting documents entered into NWS
- 1 Vehicle requests due to Public Works
- 1-15 Departments prepare packet of supplemental requests and submit prioritized list with justifications to the Budget Office by April 15
- 4-29 Budget Office reviews all department budgets and appeals. Changes made by Budget Office will be based on review and department feedback
- 6 ***Make changes to CIP, compile list for P&Z review***
- 18 ***Present Five-Year CIP to Planning & Zoning Board – first review***
- 29 Budget Office updates revenue projections/estimates for current and next fiscal year

MAY

- 2-13 Management and Finance review department budgets and base appeals; review for potential consideration/changes; begin preparing roll-ups
- 16-27 Budget Office finalizes in NWS base budget and approved budget appeals
- 2-31 Budget Office revises preliminary GF and W&S roll-up
- 2 ***P&Z second review and recommendation to the City Manager***
- 5 ***CIP Summit***
- 11 ***Final changes made to CIP***
- 14 City Elections
- 19 ***Finance to finalize project funding sources and impacts to the annual budget***
- 23 Swearing in of new Council Member(s)
- 23 Management and Finance review department supplemental requests; review for potential consideration/changes
- 23-31 Budget Office updates major funds (revenues and expenditures); gets current salary schedules from HR; gets any available benefit rates
- 26 PEDC Board review and approval of budget

- 31 Preliminary property tax rolls received; update property tax revenue
- 31 Budget Office finalizes in NWS small funds and inter-fund transfers

JUNE

- 1-10 Budget Office reviews funds with CM and ACM/DCM with recommended funding list and funds availability
Finalize projects, fund statements, and review with the City Manager
Build CIP into multi-year forecasts
- 1-24 Budget Office reviews and updates revenues, payroll/salaries, benefits and meets weekly with CM, CDM/ACM
- 1-24 Budget Office prepares and finalizes multi-year forecast and w&s rate model
- 9-12 TCMA – Padre Island
- 13 FY 2016 projections to City Manager
- 27 FY2016 projections to Council
- 27- July 1 Finance Office finalizes budget for all funds and forecasts and submits to City Manager

JULY

- 1-22 Budget Office finalizes FY 2017 budget & *CIP for Council*: budget document (books 1 and 2) and PowerPoint for City Manager’s signature/approval and Council presentation
- 11 First Reading of Ordinance to amend current year budget to reflect projections
- 25 City Manager’s recommended budget filed with the City Council; *CIP submitted to City Council*
Second and Final Reading of Ordinance to amend current year budget to reflect projections
- 26 Budget Office sends proposed budget document to Communications Office to post to City website

AUGUST

- 6 Budget Discussion #1: Overview and Highlights, Property Tax, Debt Service Fund, General Fund, General Fund Fee Increases, General Fund Five-Year Forecast, and Other Funds
 - 9-31 Budget Office begins to finalize adopted budget document for printing, website and GFOA award application
 - 12 Goals/Accomplishments/Objectives/Performance Measures due to Budget Office for inclusion in FY17 Budget document
 - 15 Budget Discussion #2: Effective Tax Rate Information, *Five-Year CIP for General Government*, Debt Service Fund Five-Year Forecast
 - 15 Council Special Meeting: Record vote on proposed tax rate, schedule public hearings on tax rate and schedule public hearing on budget
- Finance Office sends Notice of Tax Rate Increase to newspaper, City website and municipal channel
- Finance Office sends Budget Public Notice to newspaper, City website and municipal channel

- 22 Budget Discussion #3: *Five-Year CIP for water/sewer*, Water/Sewer Fund, Water/Sewer Five-Year Forecast and water/sewer rates and other water/sewer fees
- 29 Public Hearings and Budget Discussion #4: first public hearing on tax rate, public hearing on budget and follow-up budget discussion

SEPTEMBER

- 6 Public Hearing and Budget Discussion #5: second public hearing on tax rate and follow-up budget discussion
- 12 First reading of Ordinance to adopt tax rate, first reading of Ordinance to adopt budget and pay plans, and first reading to adopt fee changes
- 19 Second and final reading of Ordinance to adopt tax rate, second and final reading of Ordinance to adopt FY 2017 budget, pay plans, second and final reading to adopt fee changes and resolution to adopt *Five-Year CIP*

25-28 ICMA

OCTOBER

- 3-14 Budget Office continues to finalize adopted budget document for printing, website and GFOA award application
- Oct 7 *CIP book distributed to departments and posted on City's website*
- Oct 31 Budget book distributed to departments and posted on City website

NOVEMBER

- Nov 14 Budget Office prepares and submits application to GFOA for Distinguished Budget Presentation award



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**CITY OF PEARLAND, TEXAS
COMPREHENSIVE FINANCIAL MANAGEMENT POLICY STATEMENTS**

ADOPTED
SEPTEMBER 2011

Purpose

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

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

Objectives

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

I.
ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

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

A. *Accounting Practices and Principles*

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

B. *Financial and Management Reporting*

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

C. *Annual Audit*

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

D. *Signature of Checks*

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

E. *Compliance with Council Policy Statements*

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

II.
BUDGET AND LONG RANGE FINANCIAL PLANNING

A. *Balanced Budget*

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

B. *Current Funding Basis (Recurring Revenues)*

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

C. *Use of Non-Recurring Revenues*

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

D. *Tax Rate*

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

1. *Homestead Exemption*

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

2. *Over-Age and Disabled Persons Exemptions*

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

E. *Pay As You Go Capital Projects*

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

F. *Revenue Estimating for Budgeting*

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

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

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

H. *Budget Preparation*

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

I. *Budget Management*

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

J. *Amended Budget*

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

K. *Performance Measurement*

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

L. *Operating Deficits*

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

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

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

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

M. *Long-Range Financial Plans*

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

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

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

III. REVENUES

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

A. *Balance and Diversification in Revenue Sources*

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

B. *User Fees - General Fund*

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

C. *User Fees - Enterprise Funds*

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

D. *One-Time/Unpredictable Revenue Sources*

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

E. *Revenue Collection*

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

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

F. *Write-Off of Uncollectible Receivables*

(excludes property taxes, court fines and warrant)

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

IV.
EXPENDITURES

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

A. *Maintenance of Capital Assets*

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

B. *Periodic Program/Services Reviews*

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

C. *Purchasing*

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

V.
FUND BALANCE AND RESERVES

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

A. *General Fund Unrestricted Fund Balance*

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

B. *Water/Sewer Unreserved Working Capital*

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

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

C. *Use of Fund Balance/Working Capital*

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

D. *Debt Service Fund Unrestricted Fund Balance*

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

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

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

F. *Employee Benefits Fund Unrestricted Fund Balance*

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

G. *Economic Development Corporation*

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

H. *Water/Sewer Revenue Debt Coverage Reserves*

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

I. *Bond Issuance Reserves*

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

J. *Contingency Fund*

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

K. *Fund Balance Classification*

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

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

Commitment of Fund Balance:

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

Assignment Fund Balance:

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

Order of Expenditure of Funds:

- When multiple categories of fund balance are available for expenditure, the City would typically use Restricted fund balances first, followed by Committed, and then Assigned, but reserves the right to selectively spend from any of the categories, including Unassigned based upon the individual circumstances.

VI.

CAPITAL EXPENDITURES AND IMPROVEMENTS

Annually review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

A. *Capitalization Threshold for Tangible Capital Assets*

1. Tangible capital items should be capitalized only if they have an estimated useful life of 2 years or more following the date of acquisition or significantly extend the useful life of the existing asset and cannot be consumed, unduly altered, or materially reduced in value immediately by use and have a cost of not less than \$5,000 for any individual item.
2. The capitalization threshold of \$5,000 will be applied to individual items rather than to a group of similar items (i.e.: desks, chairs, etc.).
3. To maintain adequate control over non-capitalized tangible items, items costing \$1,000 - \$4,999 will be monitored, tagged, and tracked through the City financial software system.
4. Accurate inventories of all tangible items will be maintained to ensure proper stewardship of public property.

B. *Five-Year Capital Improvement Plan (CIP)*

1. The City shall annually prepare a five-year capital improvement plan based on the needs for capital improvements and equipment, the status of the City infrastructure, replacement and renovation needs, and potential new projects. Capital projects are improvements or additions to the City's physical plant/facilities/infrastructure and become a part of the City's asset inventory. Capital projects can be further categorized into land, buildings, improvements other than buildings, and infrastructure, which includes roads, sidewalks, bridges, utility lines, physical plants, etc. Capital costs typically consist of preliminary design, final design, and construction, and may involve the acquisition of land or easements. For purposes of the CIP Plan, a Capital Improvement Project should generally exceed a cost of \$100,000.
2. For the most part, projects in the CIP should be based upon master plans or developer agreements. This ensures that the City's CIP, which is the embodiment of the recommendations of these individual planning studies, is responsive to the officially stated direction of the City as contained in the Comprehensive Plan and supporting master plans. Examples of these supporting documents are: Water and Wastewater Modeling Plans, Thoroughfare Plan, Parks Master Plan, Trail Plan, Municipal Facilities Plan, etc.
3. For every project identified in the CIP, a project scope and project justification will be provided. Also, project costs shall be estimated, funding sources identified and annual operation and maintenance costs computed.
4. Parks Board and the Planning and Zoning Commission will be provided opportunities to review the list of CIP projects for the CIP and may suggest additions and/or changes to the plan as appropriate. Pursuant to the City Charter, the Planning and Zoning Commission makes recommendation to the City Manager.
5. The City Manager is charged with recommending a Capital Improvement Plan to City Council. The CIP shall be filed and adopted in conjunction with the annual budget.
6. Annually, through the budget process and at year-end, projects are to be reviewed. For those identified as complete, any remaining funds will close to fund balance. For those projects with identified savings, the project budget will be reduced and the subsequent savings will flow to fund balance. These funds can then

be re-appropriated during the next fiscal year capital budget. Funds remaining from bond proceeds will only be used in accordance with the legal use of those funds.

7. Appropriations for capital projects are for the life of the project; therefore re-appropriation of capital funding for each fiscal year for budgeted projects is not necessary.

C. *Infrastructure Evaluation and Replacement/Rehabilitation*

Water, wastewater, drainage, street lighting, streets and sidewalks, municipal facilities and other infrastructure are fundamental and essential functions for public health and safety, environmental protections and the economic well being of the City. As a result, the City's CIP should be focused on ensuring that infrastructure is replaced as necessary to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain existing levels of service and accommodate growth.

1. High priority should be given to replacing/rehabilitating capital improvements prior to the time that they have deteriorated to the point where they are hazardous, incur high maintenance costs, negatively affect property values, or no longer serve their intended purpose.
2. The decision on whether to repair, replace or to rehabilitate an existing capital asset will be based on which alternative is most cost-effective, which would include life-cycle costing, and provides the best value to the City.

D. *Replacement of Capital Assets on a Regular Schedule (Fleet, Fire Trucks, and High-Tech)*

The City shall annually prepare a schedule for the replacement of its fleet, fire trucks, and high technology capital assets. Funding for the replacement of these assets will be accomplished through the annual budget process, within the resources available each fiscal year. A variety of funding options will be explored, including but not limited to cash on hand and lease/purchase, based upon a determination of what would be in the best interest of the City.

E. *Capital Expenditure Financing*

The City recognizes that there are three basic methods of financing its capital requirements: Funding from current revenues; funding from fund balance; or funding through the issuance of debt. Types of debt and guidelines for issuing debt are set forth in the Debt Policy Statements.

F. *Pay-As-You-Go Capital Improvements*

1. The City will pay cash for capital improvements within the financial affordability of each fund versus issuing debt when funding capital improvements and capital purchases. This will reduce/minimize the property tax and utility rate impacts on Pearland citizens.
2. The City will seek out and use intergovernmental funding sources for capital improvements in order to leverage City funding and to minimize property and utility rate impacts.

G. *Capital Improvements/Project Reporting*

A summary/status report on the City's various capital projects will be prepared monthly and available to the City Manager and to City Council. Income statements on the City's CIP funds will be prepared monthly and include budget-to-actual for each project as well as list of major contracts, expense to date, and % contract completion.

VII. DEBT

Establish guidelines for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

A. *Use of Debt Financing*

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligation, certificates of participation, lease/purchase agreements, and other obligations permitted to be issued or incurred under Texas law, shall only be used to purchase capital assets that cannot be prudently acquired from either current revenues or fund balance and to fund infrastructure improvements and additions. Debt will not be used to fund current operating expenditures.

The City will pay cash for capital improvements within the financial affordability of each fund versus issuing debt when funding capital expenditures and capital improvements, which shall include, but not be limited to, sales tax, utility system revenues, developer fees, inter-local agreements, and state and federal grants.

B. *Affordability*

The City shall use an objective analytical approach to determine whether it can afford to issue general-purpose debt, both General Obligation and Certificates of Obligation, water/sewer debt, sales tax revenue debt, and any other financing permitted by State law. The process shall include an internal feasibility analysis for each long-term financing which analyzes the impact on current and future budgets, which would include the tax and utility rates. The process shall also include the benefits of the proposed projects. The decision on whether or not to issue new debt shall be based on the benefits of the project, current conditions of the municipal bond market, and the City's ability to "afford" new debt.

In no case will the City issue general obligation debt that will require a debt service tax rate of \$1.50 per \$100 assessed valuation, based on a 90% collection rate, which is the maximum tax rate permitted by State law.

C. *Types of Long-Term Debt*

1. General Obligation Bonds (GO)

General Obligation bonds require voter approval and are secured by a promise to levy taxes in an amount necessary to pay annual debt service.

a. General Obligation bonds must be issued for projects that are in accordance with the wording in the bond proposition.

2. Certificates of Obligation

Certificates of Obligation may be issued without voter approval to finance any public works project or capital improvement, as permitted by State law. It is the City's policy to utilize Certificates of Obligation to finance public improvements in certain circumstances and only after determining the City's ability to assume additional debt. Circumstances in which Certificates might be issued include, but are not limited to the following.

a. The City may issue CO's when there is insufficient funding on a general obligation bond-financed capital improvement.

b. The City may issue CO's when "emergency" (urgent, unanticipated) conditions require a capital improvement to be funded rapidly.

c. The City may issue CO's for projects when the City can leverage dollars from others to reduce the City's capital cost for a community improvement.

d. The City may issue CO's for projects when there is no other adequate funding source available (ie: GO or developer funding), the project is determined to be in the best interest of the City, and where a determination is made that waiting for the next bond referendum or having a bond referendum for a small amount of money or a small number of projects is impractical and where public notice versus a voted bond referendum is deemed acceptable by the City Council.

e. The City may issue CO's if it would be more economical to issue Certificates of Obligation rather than issuing revenue bonds; and

f. The City may issue CO's for projects for which the City will be reimbursed by Developer (principal plus interest).

3. Revenue Bonds

Revenue bonds are generally payable from a designated source of revenue. They do not require voter approval.

For the City to issue new revenue bonds, revenues, as defined in the ordinance authorizing the revenue bonds in question, shall meet the bond coverage ratio as defined in the ordinance. Annual adjustments to the City's rate structures for Enterprise Funds will be made as necessary to maintain the coverage factor.

If the City should issue CO's for Water/Sewer Improvements, the Water/Sewer Fund will pay the annual debt service associated with the issue.

D. *Debt Structures*

The City shall normally issue bonds with a life not to exceed 25 years for general obligation bonds and 30 years for revenue bonds, but in no case longer than the useful life of the asset. The City shall seek level or declining debt repayment schedules and shall seek to retire 90% of the total principal outstanding within 20 years of the year of issuance. There should be no debt structures that include increasing debt service levels in subsequent years, with the first and second year of a bond payout schedule the exception or as special situations may warrant. There shall be no "balloon" bond repayment schedules, which consists of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the

first fiscal year after a bond sale and principal payments starting generally no later than the second fiscal year after the bond issue. Normally, there shall be no capitalized interest included in the debt structure except for debt issuances reimbursing developers for infrastructure or in the case in which the project will generate revenue, but it takes a couple of years to produce the revenue. Capitalized interest should normally not exceed 2 years.

The City currently has a level debt service structure. As such, unless there is growth (increased valuation, increase in number of connections, etc.) or reallocation of the tax rate to debt service, there is no room for additional debt without increasing rates. The City shall seek to begin making attempts to structure future debt issuances, where affordable, to a declining structure.

The City will issue debt based on a fixed rate and will limit use of variable-rate debt due to the potential volatility of such instruments.

E. *Debt Refunding*

The City's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the net present value savings of a particular refunding should exceed 3.0% of the refunded maturities unless: (1) a debt restructuring is necessary; or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt or; (3) the refunding is combined with a new debt issuance.

F. *Interest Earnings on Debt Proceeds*

Debt interest earnings will be limited to funding changes to the bond financed Capital Improvement Plan in compliance with the voted propositions, cost overruns on bond projects, or be applied to debt service payments on the bonds issued.

G. *Bond Elections*

1. Timing of general obligation bond elections shall be determined by the inventory of current authorized, unissued bonds remaining to be sold and the Five-Year Capital Improvement Plan.
2. The total dollar amount of bond election propositions recommended to the voters should typically not exceed the City's estimated ability to issue the bonds within a 7-year period.
3. An analysis showing how the new debt combined with current debt impacts the City's tax rate and debt capacity will accompany every future bond issue proposal.

H. *Sale Process*

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. The City will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing, if the interest rate environment or market/economic factors may affect the bond issue, or if the nature of the debt is unique and requires particular skills from the underwriters involved. The City shall award the bonds based on a true interest costs (TIC) basis. However, the City may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

I. *Underwriting Syndicates*

The City's financial advisor shall attempt to involve qualified and experienced firms, which consistently submit ideas to the City and financial advisors and actively participate in the City's competitive sale in its negotiated underwritings. In conjunction with the City, the City's financial advisor shall recommend the structure of underwriting syndicates, which will be optimal for the type and amount of debt being issued.

J. *Bond Ratings*

Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. Credit ratings will be sought from one or more of the nationally recognized municipal bond rating agencies, as recommended by the City's financial advisor.

The City will continually strive to maintain or increase the City's current bond ratings by prudently managing its funds and by reviewing and monitoring financial policies, budgets, forecasts and the financial health of the City.

K. *Covenant Compliance*

The City will comply with all covenants stated in the bond ordinance, including providing for annual disclosure information and providing for material event notices.

L. *Arbitrage Rebate Monitoring and Reporting*

Arbitrage is the interest earned on the investment of bond proceeds above the interest paid on the debt. The City will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS regulation. The recordkeeping shall include tracking project expenditures, interest earned on the bonds, calculating rebate payments, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the outstanding debt. Arbitrage rebate calculations will be performed annually on all debt issues and the liability recorded for any positive arbitrage. Due to the specialized nature of the calculations, this function will typically be outsourced.

M. *Lease/Purchase Agreements*

The City will use lease/purchase agreements for the acquisition of equipment when it is cost-effective and provides for attractive terms. All lease purchase agreements will be approved by City Council no matter the dollar amount.

VIII.

CASH MANAGEMENT AND INVESTMENTS

To maintain the City's cash in such a manner so as to ensure the absolute safety of principal, to meet the liquidity needs of the City, and to achieve the highest possible yield.

A. *Investment Management*

1. All aspects of cash/investment management shall be designed to ensure safety and integrity of the City's financial assets.
2. Cash/Investment management activities shall be conducted in full compliance with prevailing local, state, and federal regulations. (See City's Investment Policy and Strategy)
3. The City will utilize competitive quotes from approved broker/dealers, affording no special advantage to any individual or corporate member of the financial or investment community.
4. The City will only do business with City authorized broker/dealers and/or financial institutions as approved by Council and who have executed a written certification of their review of the City's Investment Policy.
5. The City shall design and establish policies relating to a variety of cash/investment management issues, such as the eligibility and selection of various broker/dealers, safekeeping requirements, collateral requirements, delivery versus payment requirements, weighted average maturity requirements and other such aspects of the program, which necessitate standard setting in pursuit of appropriate prudence and enhanced protection of assets.(See City's Investment Policy)
6. Investments of the City shall be made with the exercise of judgment and care which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment.

B. *Investment Strategy*

The City of Pearland maintains a consolidated portfolio in which it pools its funds for investment purposes. The City's investment program seeks to achieve safety of principal, adequate liquidity to meet cash needs, and reasonable yields commensurate with the preservation of principal and liquidity. (See City's Investment Strategy)

C. *Interest Income*

Interest earned from investments shall be distributed to the funds from which the funds were provided.

D. *Arbitrage Investments*

Investment on bond proceeds will be made with safety of principal and liquidity in mind, but with a competitive rate of return. If there is positive arbitrage, the rebatable earnings will be sent to the IRS, as necessary.

E. *Depository*

The City will select its official bank through a formal bidding process in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available. The City will, at a minimum, bid depository services every five years. The City will review the financial health of the City's depository annually to include but not be limited to earnings, assets, capital, and liquidity.

F. *Collateralization of Deposits*

1. The City shall have pledged collateral held at an independent third-party institution and evidenced by a written receipt.
2. The value of the pledged collateral should be marked to market monthly and shall be at least 102 percent of par or market value of the investments, whichever is greater.
3. Substitutions of collateral shall meet the requirements of the collateral agreement. Collateral shall not be released until the replacement collateral has been received, if the release of the collateral should result in the value being under 102 percent of par value.
4. The pledge of collateral shall comply with the City's investment policy.

IX.

GRANTS AND INTERGOVERNMENTAL REVENUES

The City will seek, apply for, and effectively administer federal, state and local grants, which support the City's current priorities and policy objectives. The City should take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants.

A. *Grant Guidelines*

1. The City shall apply and facilitate the application for only those grants that are consistent with the objectives and high priorities identified by Council and management.
2. Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs and services.
3. The potential for incurring ongoing costs, to include assumptions of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

B. *Grant Review Process*

1. A uniform grants pre-application process will be utilized to assure the City has all the information necessary to make a decision regarding a potential grant. Information to be provided should include, but not be limited to:
 - a. The grant being pursued and the use to which it would be placed
 - b. The objectives or goals of the City which will be achieved through the use of the grant
 - c. The local match required, if any, plus the source of the local match
 - d. The increased cost to be locally funded upon termination of the grant
2. All grant agreements will be reviewed by the appropriate City staff, including Finance, Legal, HR, and the sponsoring department, to ensure compliance with state, federal, and City regulations.
3. The City Manager shall approve all grant submissions and City Council shall approve all grant acceptances over \$50,000.

C. *Budgeting for Grant Expenditures*

Annually via the budget process, departments will submit for possible funding, known grant opportunities. These grant opportunities will be prioritized and ranked along with all other supplemental requests. If approved, the expenditure and associated revenue will be appropriated in the Grant Fund. If there are grant opportunities that arise during the year and are received by the City, the budget will be amended via the projections, if the City can fund the local match required.

D. *Grant Termination and/or Reduced Grant Funding*

1. In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process, unless the City is obligated through the terms of the grant to maintain the positions, services, or equipment.
2. The City shall terminate grant-funded programs and associated positions when grant funds are no longer available, and it is determined that the program no longer supports City goals and/or is no longer in the best interest of the City, unless the City has obligated itself through the terms of the grant to maintain the positions, services, or equipment.

X.
FINANCIAL CONSULTANTS

The City will employ qualified financial advisors and consultants as needed in the administration and management of the City's financial function. These areas include but are not limited to audit services, debt administration, delinquent tax collection attorney, and financial modeling. The principal factors in the selection of these consultants will be experience/expertise, ability to perform, the services offered, references, and methodology to name a few. In no case should price be allowed to serve as the sole criterion for the selection.

A. *Selection of Auditors*

At least every seven years, the City shall request proposals from qualified firms, including the current auditors if their past performance has been satisfactory. The City Council shall select an independent firm of certified public accountants to perform an annual audit of the accounts and records, and render an opinion on the financial statements of the City.

It is the City's preference to rotate auditor firms every seven years at the maximum, to ensure that the City's financial statements are reviewed and audited with an objective, impartial, and unbiased point of view. The rotation of the audit firm will be based upon the proposals received, the qualifications of the firm, and the firm's ability to perform a quality audit.

However, if through the proposal and review process, management and the Audit Committee select the current audit firm, then, it is the City's preference that the lead audit partner be rotated, as well as the lead reviewer, after a maximum of seven years.

B. *Arbitrage*

1. The City shall calculate positive/negative arbitrage on each bond issue annually. While the City is responsible to ensure that the records are in order, the calculations made, reporting completed, and filings made, the actual arbitrage calculation and reporting shall be contracted out to a qualified firm.
2. Requests for proposals and statement of qualifications are to be solicited at least every seven years. There is not a requirement for rotation.

C. *Delinquent Tax Collection Attorney*

1. Due to the nature and expertise required, the City shall hire a delinquent tax collection attorney to collect delinquent taxes, represent the City in filing bankruptcy claims, foreclose on real property, seize personal property, and represent the City in court cases and property sales.
2. Requests for proposals and statement of qualifications are to be solicited at least every seven years. There is no requirement for rotation.

D. *Bond Counsel*

1. Bond Counsel to the City has the role of an independent expert who provides an objective legal opinion concerning the issuance and sale of bonds and other debt instruments. As bond counsel are specialized attorneys who have developed necessary expertise in a broad range of practice areas, the City will always use a consultant for these services. Generally, bonds are not marketable without an opinion of nationally recognized bond counsel stating that the bonds are valid and binding obligations stating the sources of payment and security for the bonds and that the bonds are exempt from Federal income taxes.
2. Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with Bond Counsel shall be a maximum of ten (10) years, however with a termination clause, at the discretion of the City. A contract may be renewed after a competition process in which the Council determines that continuation with the incumbent firm is in the best interest of the City.

E. *Financial Advisory Services*

1. The City issues various types of securities to finance its capital improvement program. Debt structuring and issuance requires a comprehensive list of services associated with municipal transactions, including but not limited to: method of sale; analysis of market conditions; size and structure of the issue; coordinating rating agency relations; evaluation of and advice on the pricing of securities, assisting with closing and debt management; calculation of debt service schedules; and advising on financial management. As financial advisors to governmental entities have developed the necessary expertise in a broad range of services, the City will use a consultant for these services.
2. Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with the Financial Advisor shall be a maximum of ten (10) years, however with a termination clause, at the discretion of the City. A contract may be renewed after a

competition process in which the Council determines that continuation with the incumbent firm is in the best interest of the City.

F. *Depository Bank*

Pursuant to State law, the City may approve a depository contract whose term does not exceed five years. There is no requirement for rotation. The City will select its official banking institution through a formal process based on best value in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available.



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**CITY OF PEARLAND
FY 2017 ADOPTED BUDGET
SUMMARY ALL FUNDS
REVENUES AND EXPENDITURES**

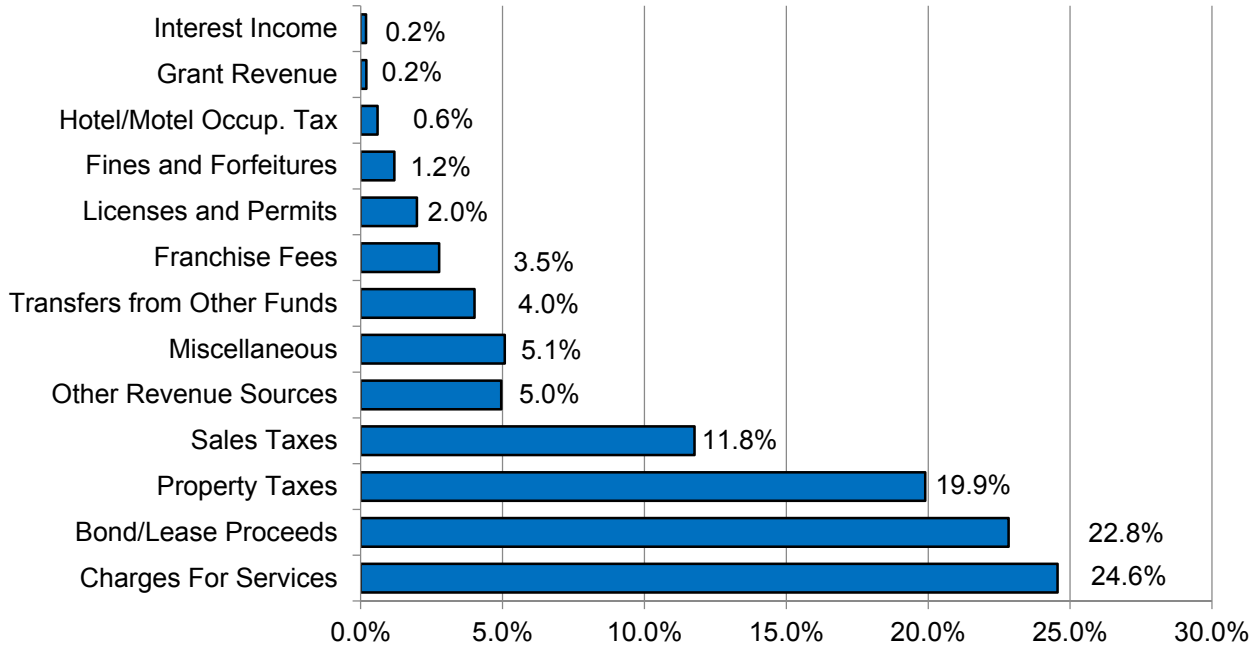
REVENUES	FY2015 ACTUAL	FY2016 ORIGINAL BUDGET	FY2016 YEAR END AMENDED	FY2017 ADOPTED BUDGET
Property Taxes	\$42,019,392	\$44,483,896	\$45,338,460	\$52,034,876
Sales Taxes	\$28,477,542	\$30,753,978	\$29,499,819	\$30,767,744
Franchise Fees	\$6,971,005	\$7,317,454	\$7,077,450	\$7,237,000
Licenses and Permits	\$4,550,094	\$3,961,789	\$4,913,195	\$5,183,830
Fines and Forfeitures	\$3,108,232	\$3,069,250	\$3,031,050	\$3,100,500
Charges For Services	\$51,023,310	\$58,498,959	\$57,103,258	\$64,235,928
Interest Income	\$587,228	\$330,994	\$519,323	\$492,579
Hotel/Motel Occupancy Tax	\$1,492,168	\$1,525,233	\$1,525,233	\$1,550,000
Bond/Lease Proceeds	\$54,773,103	\$85,077,939	\$104,340,846	\$59,716,415
Grant Revenue	\$405,084	\$496,919	\$1,884,039	\$522,357
Miscellaneous	\$9,617,481	\$11,659,772	\$17,008,857	\$13,285,509
Other Revenue Sources	\$7,574,590	\$50,248,336	\$79,045,067	\$12,948,934
TOTAL REVENUES	\$210,599,229	\$297,424,519	\$351,286,597	\$251,075,672
Transfers from Other Funds	\$37,930,636	\$12,374,868	\$21,034,236	\$10,494,399
TOTAL AVAILABLE RESOURCES	\$248,529,865	\$309,799,387	\$372,320,833	\$261,570,071
EXPENDITURES				
General Government	\$9,671,967	\$11,606,002	\$12,586,020	\$12,722,176
Public Safety	\$33,708,685	\$38,786,756	\$40,613,152	\$40,505,805
Community Services	\$3,419,681	\$3,726,753	\$3,940,052	\$3,812,616
Public Works	\$34,994,280	\$38,361,137	\$44,074,291	\$43,932,398
Parks & Recreation	\$6,002,301	\$6,885,387	\$6,869,911	\$6,404,578
Utility Billing	\$961,043	\$1,173,683	\$1,140,963	\$1,283,371
Debt Service	\$106,358,603	\$43,124,453	\$70,129,072	\$47,957,064
Construction ¹	\$759,732	\$119,397,911	\$157,233,211	\$98,425,962
Insurance Coverage	\$7,367,114	\$9,183,853	\$7,207,571	\$8,825,077
Economic Development Corporation	\$1,677,042	\$10,772,230	\$5,063,342	\$13,895,583
Other ²	\$6,634,011	\$7,665,436	\$10,776,521	\$9,113,839
TOTAL EXPENDITURES	\$211,554,459	\$290,683,601	\$359,634,106	\$286,878,469
Transfers to Other Funds	\$37,930,636	\$12,374,868	\$21,034,236	\$10,494,399
TOTAL EXPENDITURES AND OTHER USES	\$249,485,095	\$303,058,469	\$380,668,342	\$297,372,868
Revenues Over/(Under) Expenditures	(955,230)	6,740,918	(8,347,509)	(35,802,797)

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

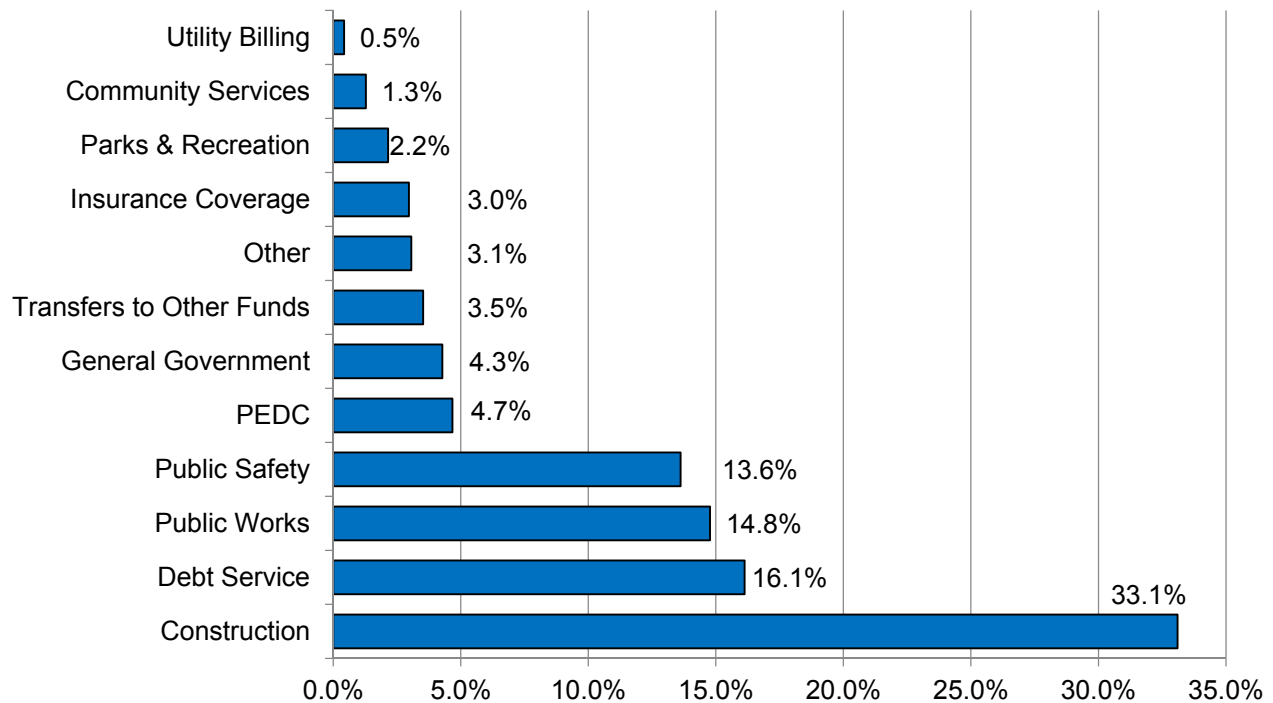
²Other includes expenditures for Special Revenue Funds, excluding transfers.

**CITY OF PEARLAND
FY 2017 ADOPTED BUDGET
SUMMARY ALL FUNDS
REVENUES AND EXPENDITURES**

**Revenue Summary All Funds
Adopted FY 2017 Budget**



**Expenditure Summary All Funds
Adopted FY 2017 Budget**



**CITY OF PEARLAND
FY 2017 ADOPTED BUDGET
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

SUMMARY ALL FUNDS

FUND	FY 2017 ADOPTED BEG BALANCE	FY 2017 ADOPTED REVENUES	FY 2017 ADOPTED EXPENDITURES	FY 2017 ADOPTED END BALANCE
General Fund	\$ 14,407,779	\$ 74,249,777	\$ 76,454,035	\$ 12,203,521
Debt Service Fund	6,410,451	34,974,788	36,107,359	5,277,880
Special Revenue Funds	7,425,561	2,763,671	3,185,144	7,004,088
Governmental Capital Project Funds	7,412,281	40,163,340	47,193,918	381,703
Proprietary Funds	11,564,652	51,960,889	52,537,811	10,987,730
Proprietary Capital Project Funds	28,086,789	37,692,680	57,115,412	8,664,057 *
Internal Service Funds	2,368,369	8,932,000	8,875,621	2,424,748
PEDC Fund	18,565,440	10,832,926	15,903,568	13,494,798
TOTAL	\$ 96,241,322	\$ 261,570,071	\$ 297,372,868	\$ 60,438,525

*Exclusive of \$2,688,411 reserved for debt service pursuant to bond covenants.

SPECIAL REVENUE FUNDS

FUND	FY 2017 ADOPTED BEG BALANCE	FY 2017 ADOPTED REVENUES	FY 2017 ADOPTED EXPENDITURES	FY 2017 ADOPTED END BALANCE
305 Hotel/Motel Occupancy Tax	\$ 4,235,503	\$ 1,551,500	\$ 1,072,180	\$ 4,714,823
310 Court Building Security	16,203	53,050	62,031	7,222
315 Citywide Donation	34,046	21,900		55,946
320 Court Technology	15,975	60,010	73,579	2,406
325 Street Assessment*				
330 Park Donations	93,240	101,100	127,500	66,840
331 Tree Trust	6,751	10	6,000	761
335 Police State Seizure	204,495	250	35,100	169,645
336 Federal Police	6,767	65		6,832
340 Park Development	1,092,136	53,000	418,250	726,886
345 Sidewalk	17,509	5,000		22,509
350 Grant Fund	10,063	196,955	196,926	10,092
351 Community Development Block Grant		325,431	325,431	
360 Traffic Improvement	527,829	2,500		530,329
365 Court Juvenile Management	10,293	85,100	63,301	32,092
370 Municipal Channel	852,580	307,800	502,675	657,705
375 U of H Operating*				
376 U of H Capital Renewal	302,171		302,171	
380 Regional Detention				
510 Lower Kirby*				
TOTAL	\$ 7,425,561	\$ 2,763,671	\$ 3,185,144	\$ 7,004,088

* These Funds have no budgeted activity for FY 2017

**CITY OF PEARLAND
FY 2017 ADOPTED BUDGET
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

GOVERNMENTAL CAPITAL PROJECT FUNDS

FUND	FY 2017 ADOPTED BEG BALANCE	FY 2017 ADOPTED REVENUES	FY 2017 ADOPTED EXPENDITURES	FY 2017 ADOPTED END BALANCE
500 Capital Projects General	\$ 481,669	\$ 102,500	\$ 261,279	\$ 322,890
501 Capital Projects-CO	6,040,015	7,071,058	13,059,703	51,370
502 Mobility Bonds	51			51
503 Certificates of Obligation Series 2006	481,331		481,331	0
505 GO Series 2007A	2,496			2,496
506 Capital Projects-GO	406,719	32,989,782	33,391,605	4,896
TOTAL	\$ 7,412,281	\$ 40,163,340	\$ 47,193,918	\$ 381,703

PROPRIETARY FUNDS

FUND	FY 2017 ADOPTED BEG BALANCE	FY 2017 ADOPTED REVENUES	FY 2017 ADOPTED EXPENDITURES	FY 2017* ADOPTED END BALANCE
600 Water & Sewer Fund	\$ 11,568,243	\$ 44,810,025	\$ 45,392,022	\$ 10,986,246 *
610 Solid Waste Fund	(3,591)	7,150,864	7,145,789	1,484
TOTAL	\$ 11,564,652	\$ 51,960,889	\$ 52,537,811	\$ 10,987,730

*Net of any reserve requirements.

PROPRIETARY CAPITAL PROJECT FUNDS

FUND	FY 2017 ADOPTED BEG BALANCE	FY 2017 ADOPTED REVENUES	FY 2017 ADOPTED EXPENDITURES	FY 2017 ADOPTED END BALANCE
550 Utility Impact Fee Fund	\$ 26,068,199	\$ 22,701,410	\$ 42,161,199	\$ 6,608,410
555 Shadow Creek Impact Fee	1,439,382	860,000	700,000	1,599,382
560 Certificates of Obligation 1998	27,602			27,602
565 W & S Revenue Bonds	172,209	13,578,620	13,648,754	102,075
570 Water/Sewer Pay As You Go CIP	379,530	552,500	605,459	326,571
575 MUD 4 Capital Program	(133)	150		17
TOTAL	\$ 28,086,789	\$ 37,692,680	\$ 57,115,412	\$ 8,664,057

INTERNAL SERVICE FUND

FUND	FY 2017 ADOPTED BEG BALANCE	FY 2017 ADOPTED REVENUES	FY 2017 ADOPTED EXPENDITURES	FY 2017 ADOPTED END BALANCE
700 Property Liability Insurance	\$ 309,420	\$ 1,470,812	\$ 1,370,267	\$ 409,965
702 Medical Self-Insurance	2,058,949	7,461,188	7,505,354	2,014,783
TOTAL	\$ 2,368,369	\$ 8,932,000	\$ 8,875,621	\$ 2,424,748

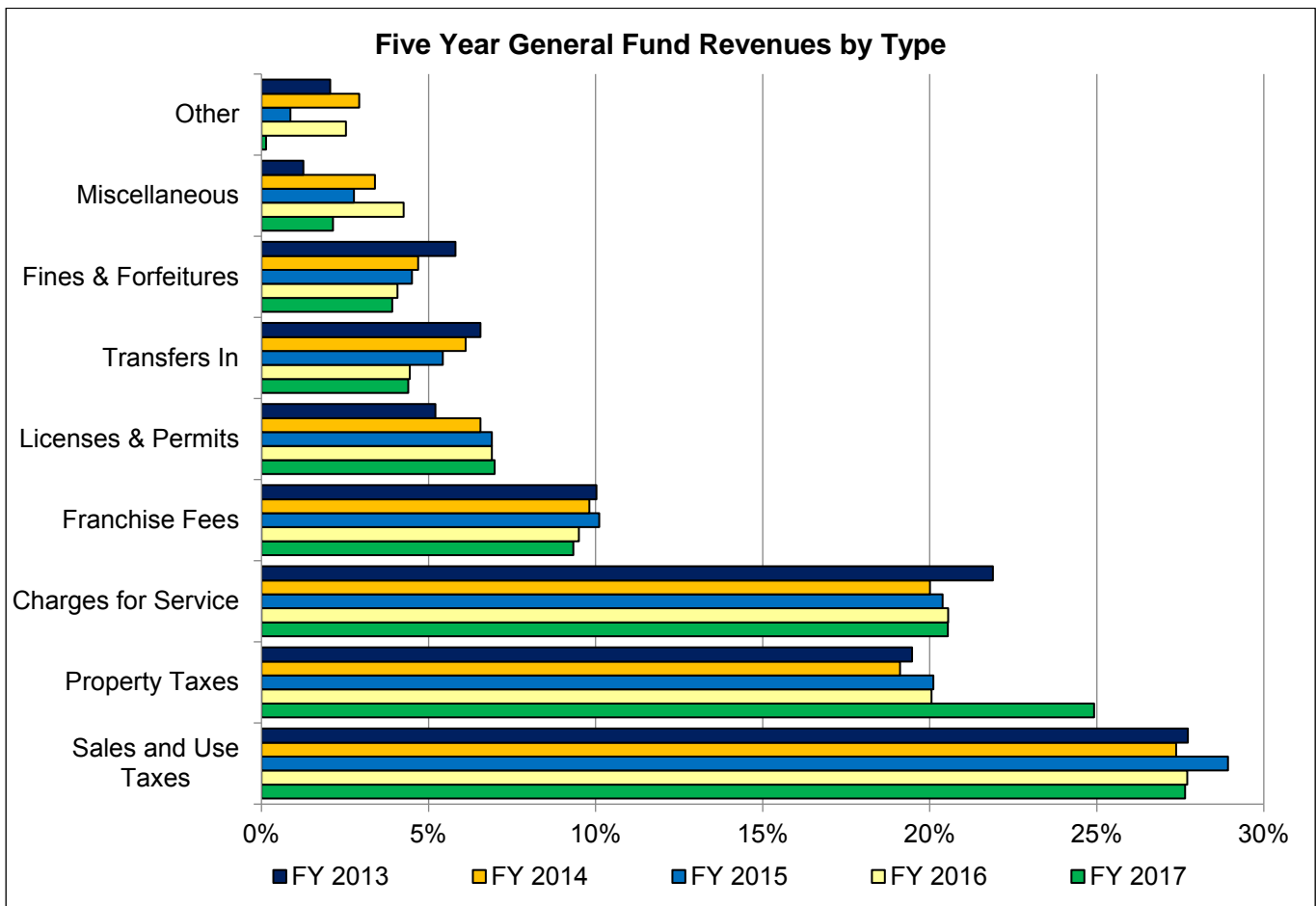
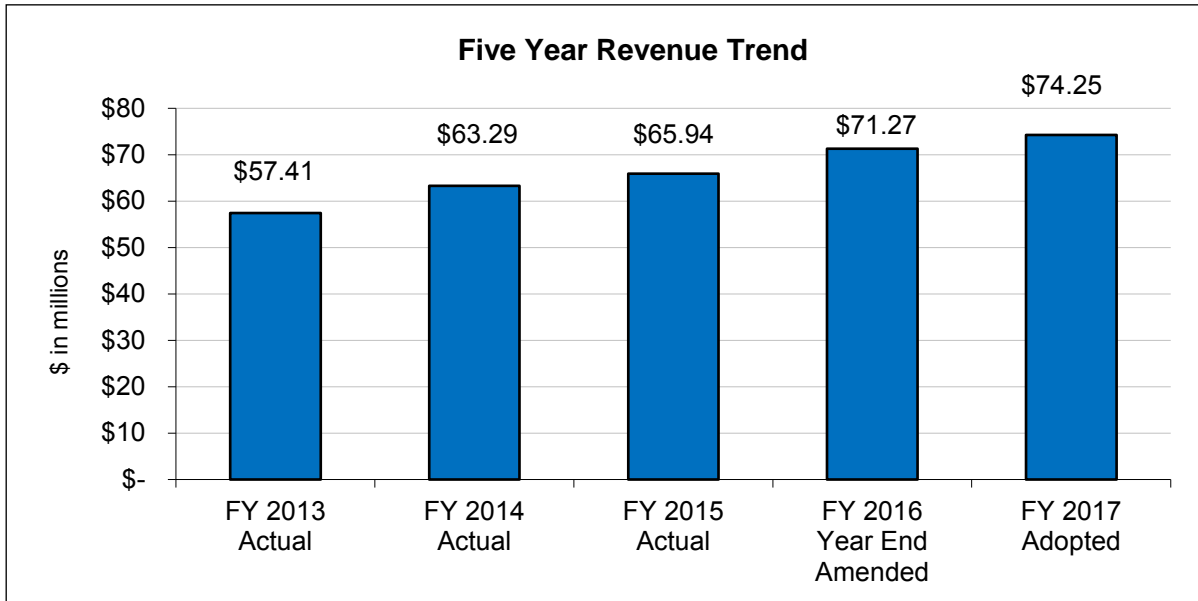
PEARLAND ECONOMIC DEVELOPMENT CORPORATION (PEDC)

FUND	FY 2017 ADOPTED BEG BALANCE	FY 2017 ADOPTED REVENUES	FY 2017 ADOPTED EXPENDITURES	FY 2017 ADOPTED END BALANCE
900 Economic Development Fund	\$ 18,565,440	\$ 10,832,926	\$ 15,903,568	\$ 13,494,798
TOTAL	\$ 18,565,440	\$ 10,832,926	\$ 15,903,568	\$ 13,494,798

GENERAL FUND AND WATER & SEWER FUND TRENDS THROUGH FISCAL YEAR 2017

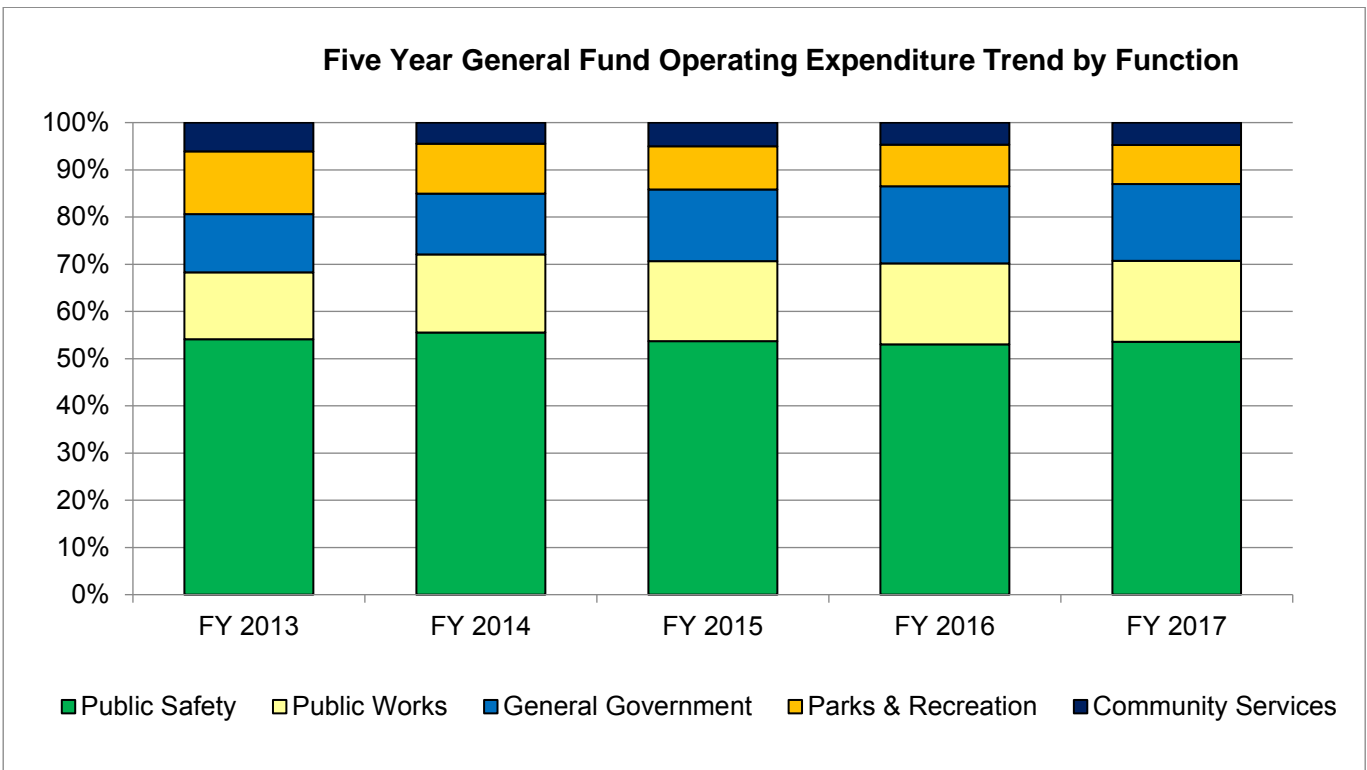
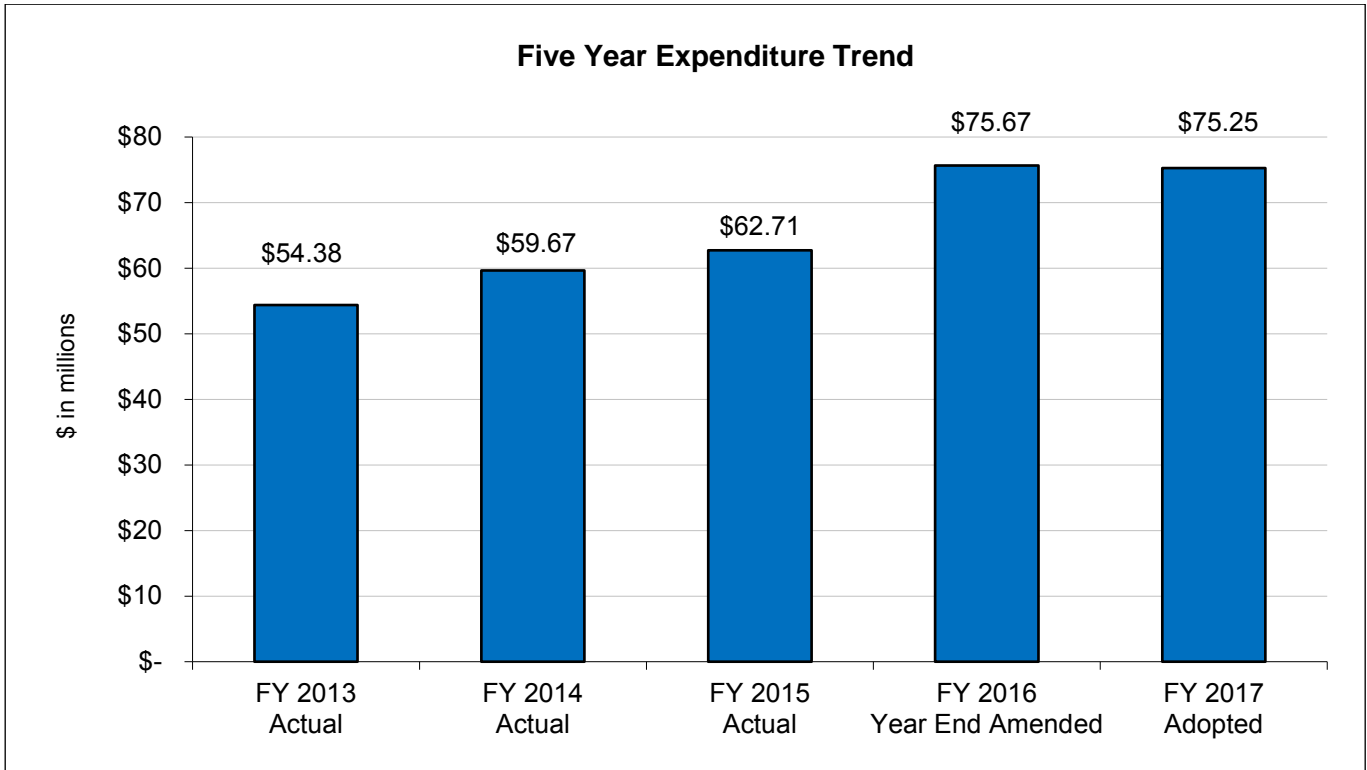
GENERAL FUND REVENUES

General Fund revenues have increased by 29% from FY 2013 through FY 2017.



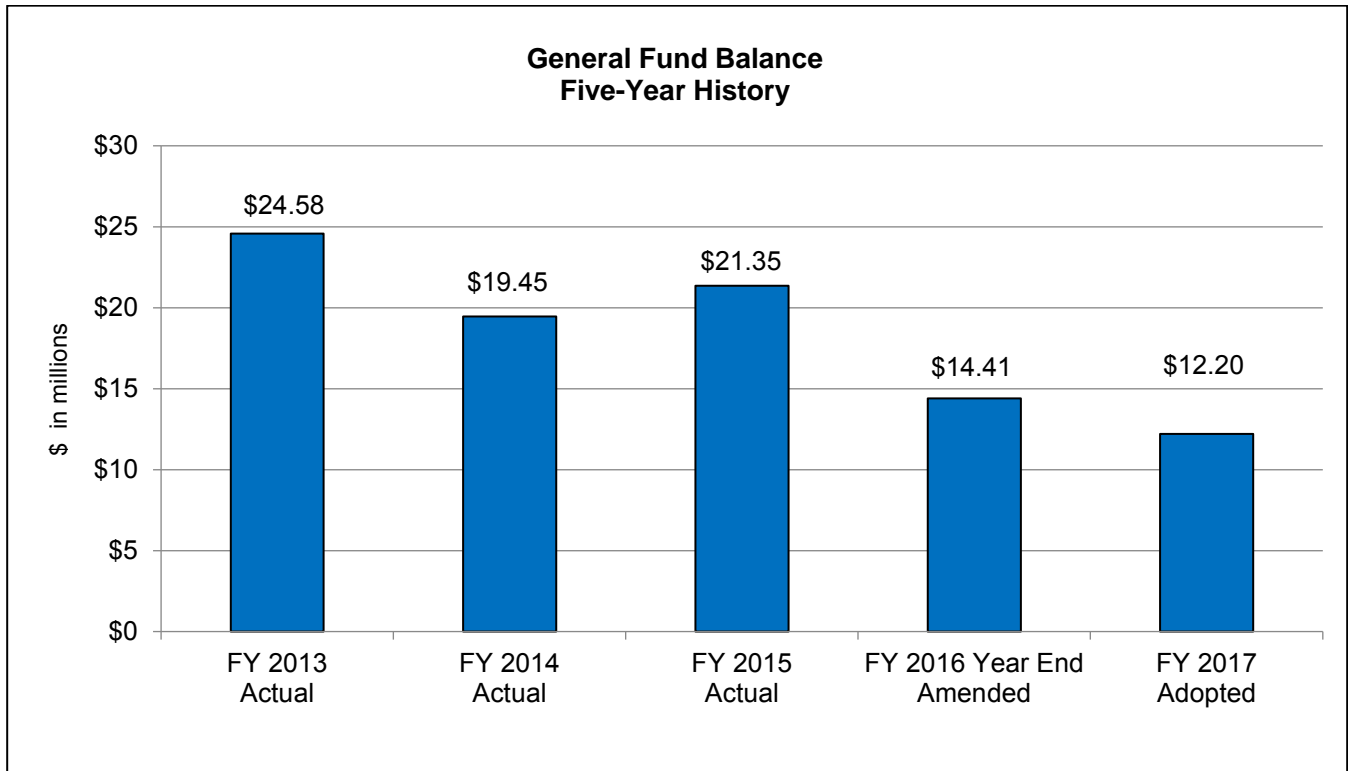
GENERAL FUND EXPENDITURES

General Fund expenditures have increased by 38% from FY 2013 to FY 2017.



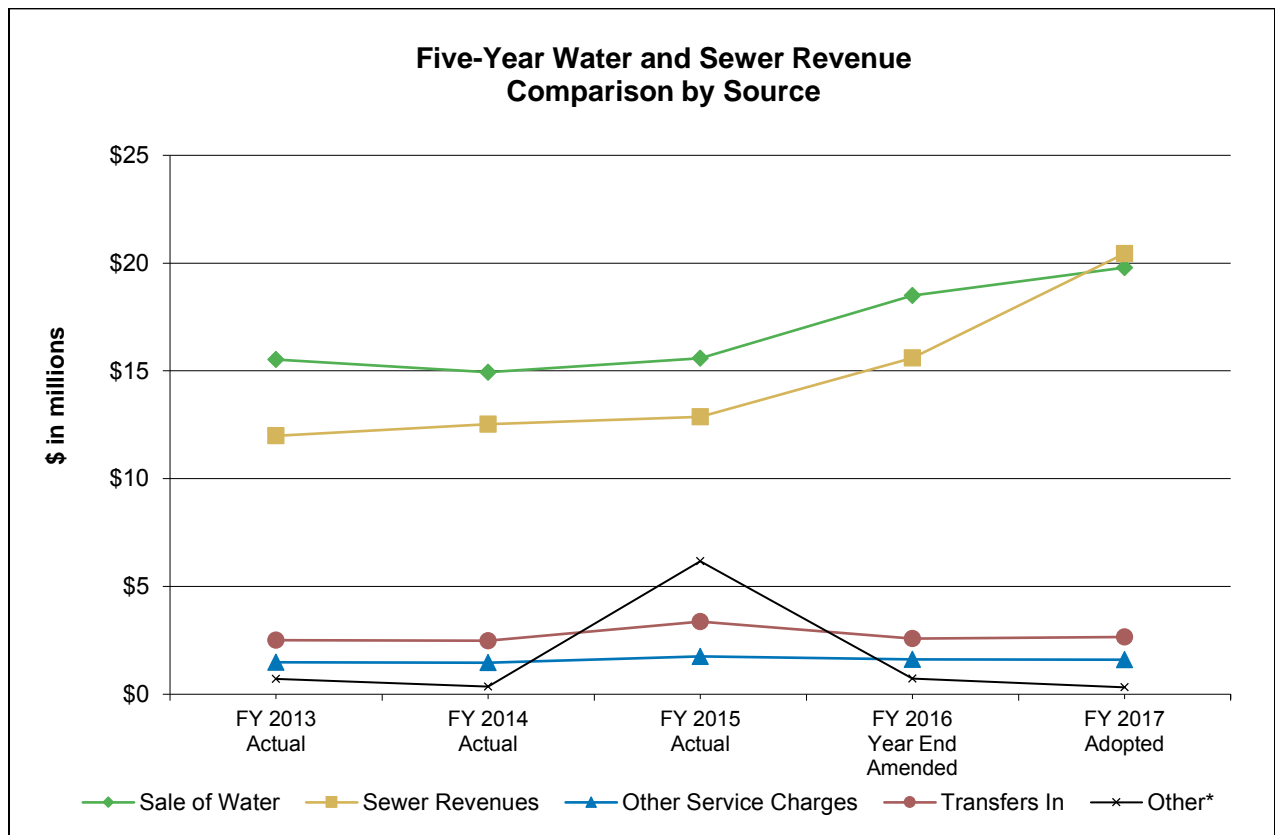
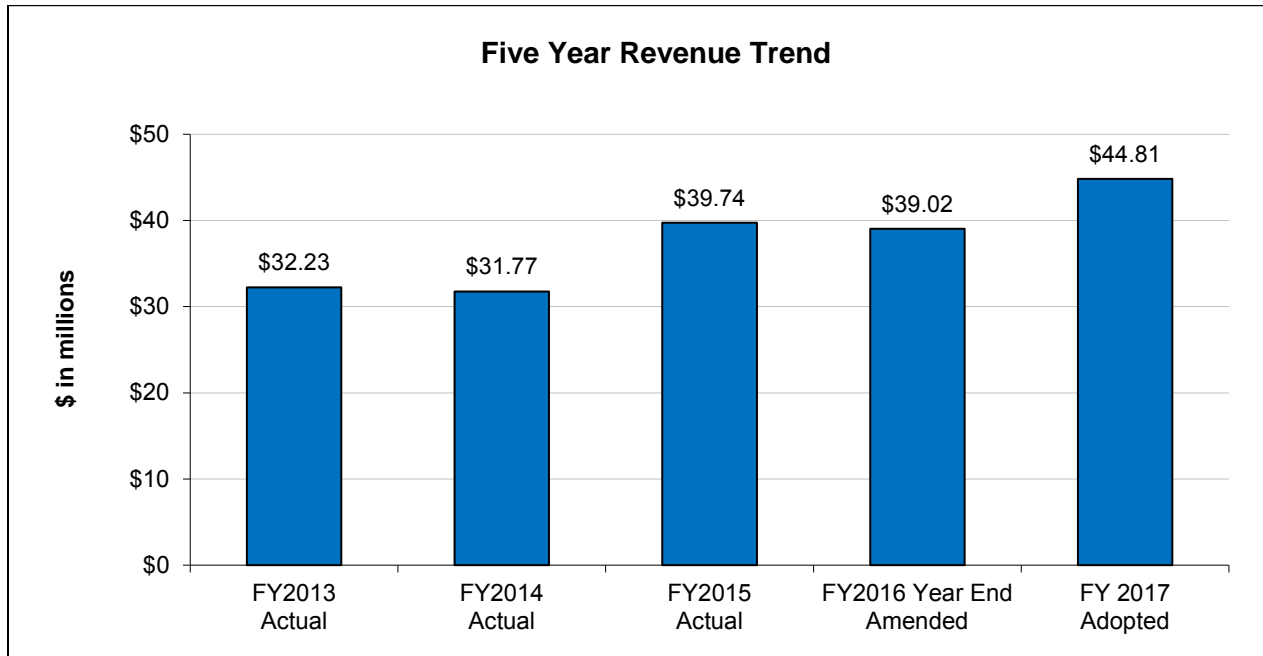
GENERAL FUND – FUND BALANCE

The General Fund balance has decreased 50.4% from FY 2013 through FY 2017.



WATER AND SEWER FUND REVENUES

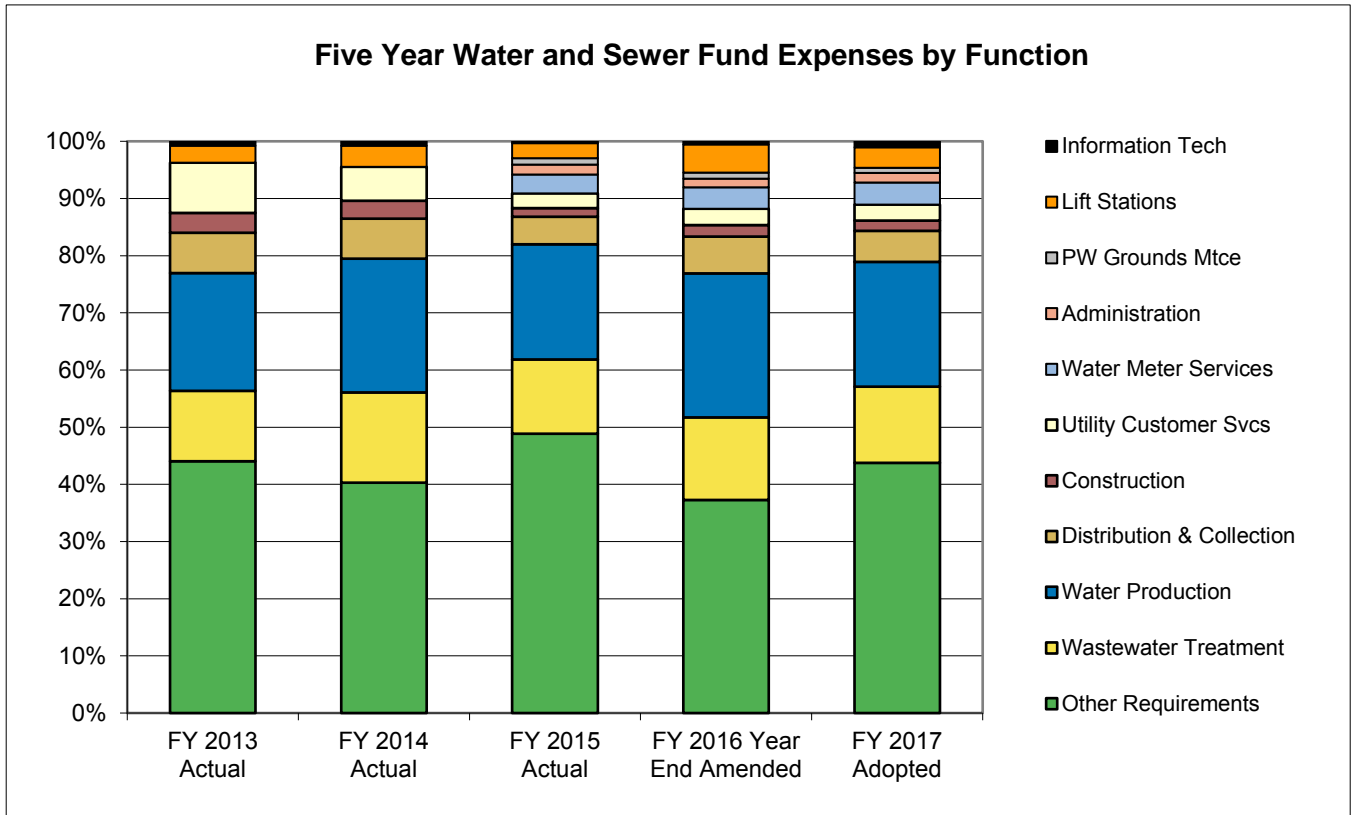
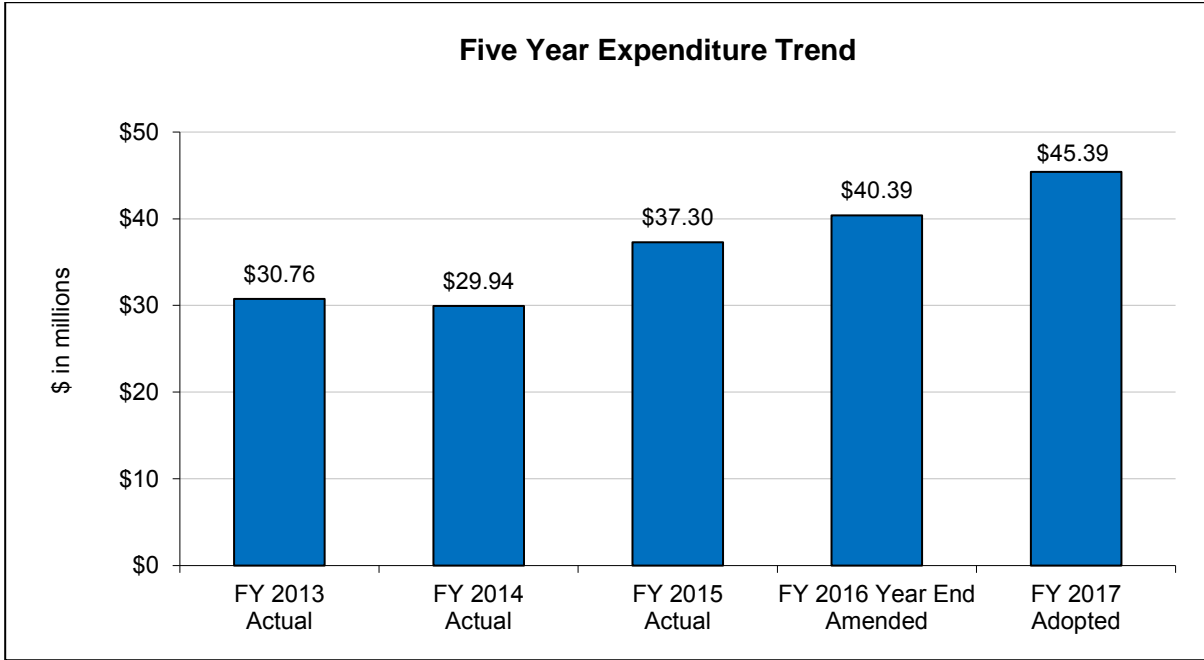
Water and Sewer Fund revenues have increased by 39% from FY 2013 to FY 2017.



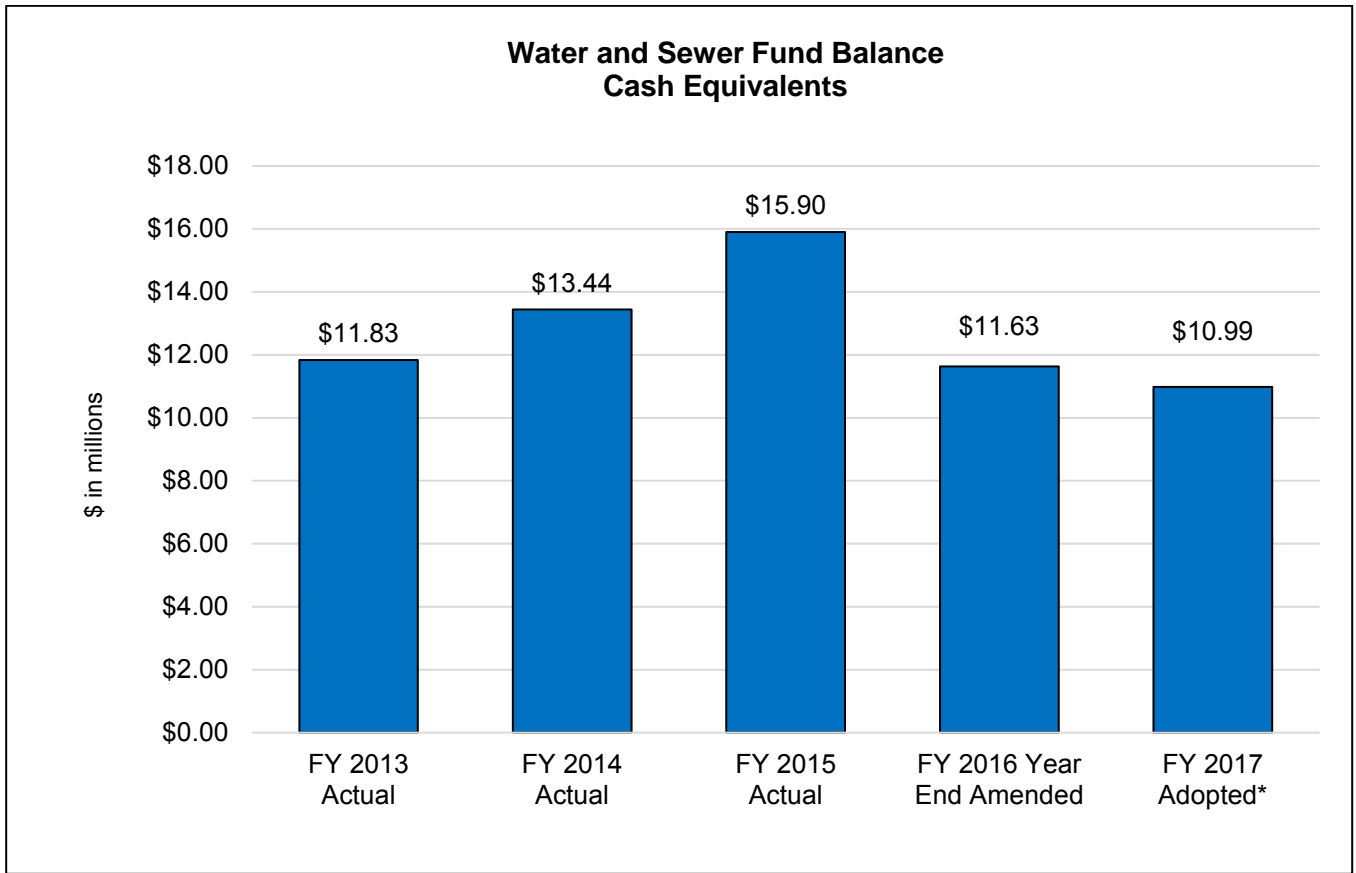
*Other includes Interest, Grants, Bond Lease Proceeds, Miscellaneous

WATER AND SEWER FUND EXPENSES

Water and Sewer Fund expenses have increased by 48% from FY 2013 to FY 2017.



WATER AND SEWER FUND BALANCE - CASH EQUIVALENTS



*Exclusive of \$2,688,411 reserve for debt service pursuant to bond covenants.

CITY OF PEARLAND MULTI-YEAR FORECAST FISCAL YEARS 2017 - 2019

EXECUTIVE SUMMARY

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

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

The forecast provides a solid planning tool by building upon the proposed 2016-2017 budget and then projects future resources and expenditures based upon known reasonable trends and continuing the City's current services and service levels. The forecast for each fund also incorporates the debt and operating costs associated with capital improvement projects in the City's Five-Year Capital Improvement Program (CIP), thus, these forecasts provide City Council and management the opportunity to "gaze" into the future based on today's and past decisions and apply strategies and sound fiscal management to maintain the strong financial health of the City.

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

OVERVIEW

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

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

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

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

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

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

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

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

However, in order to do so,

- ◆ The overall FY 2016/17 tax rate decreased from \$0.7053 to \$0.6812 per \$100 valuation; a \$0.0187 increase in the O&M tax rate and a decrease in the debt service portion of \$0.0428. The total tax rate is anticipated to increase in fiscal year 2017/18 by \$0.01, all in the O&M rate, and in FY 2018/19 by \$0.0295; \$0.017 in the O&M rate and \$0.0125 in the Debt Service rate.
- ◆ For the debt service requirements, there is \$0.0125 in the debt service portion for planned capital improvements approved by voters in 2007 and the 2017-2021 CIP. The tax impact analysis done for the 2007 bond referendum showed an impact of \$0.0750 and an additional \$0.055 to complete projects from the 2001 referendum, for a total tax rate increase of \$0.13. By FY 2018/2019, the total tax rate is expected to increase \$0.0988 from 2007.
- ◆ Revenue increases of 15.6% are needed in fiscal year 2017 in the water/sewer fund. Additional increases are needed in fiscal years 2018 and 2019 of 19.1% and 6.5%, respectively, in order to meet cash reserve and bond coverage requirements.

FORECAST METHODOLOGY

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

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

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

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

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

	FY 2017	FY 2018	FY 2019
Property Valuation	\$7,623,677,993	\$8,047,054,679	\$8,595,065,814
Growth	18.6%	5.6%	6.8%

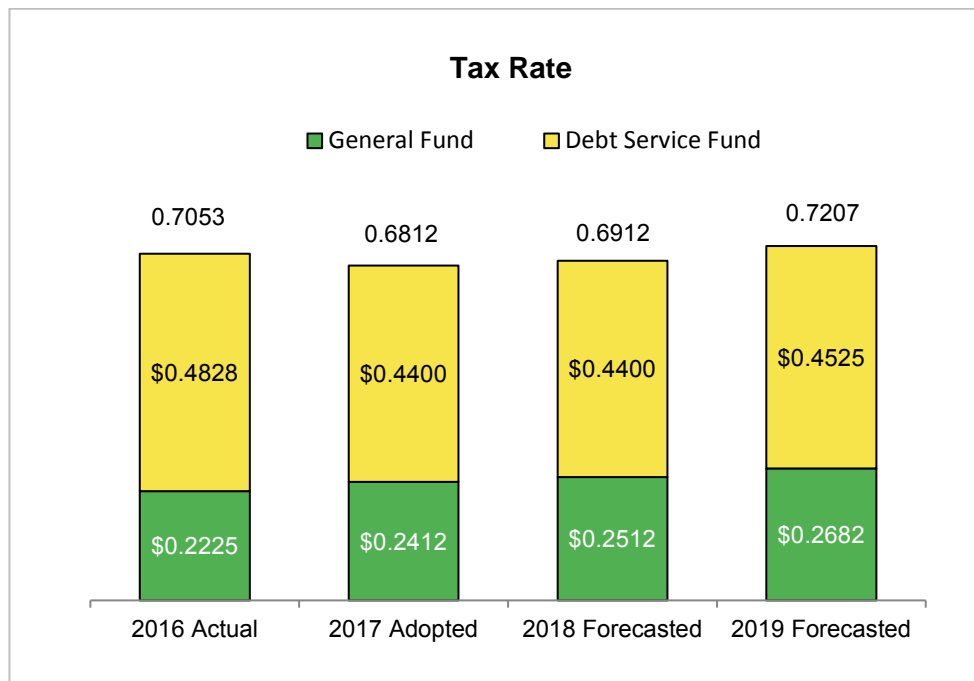
INDIVIDUAL FUND OVERVIEWS

Tax Rate

In fiscal year 2016/17, the adopted tax rate of \$0.6812, a decrease of \$0.0241, allocates \$0.2412, or 35.4% to the General Fund and \$0.4400 or 64.6% to the Debt Service Fund. The chart below presents the total tax rate required to meet obligations and the allocation between Debt Service and O&M. The General Fund O&M effective tax rate plus 8% establishes the rollback rate. City Council determines the actual tax rate each year. Going above the rollback tax rate is subject to petition for a vote by the citizens.

As shown on the table below, by fiscal year 2018/19, the total tax rate is \$0.7207; 37.2% to the General Fund and 62.8% to the Debt Service Fund, which represents an increase of \$0.0457 to the General Fund and a decrease of \$0.0303 to the Debt Service Fund from the fiscal year 2015/16 adopted tax rate. The Debt Service Fund tax rate for fiscal year 2016/17 decreased from \$0.4828 in fiscal year 2016 to \$0.4400 and the General Fund tax rate increased from \$0.2225 to \$0.2412.

As compared to last year's multi-year forecast, the FY 2016/17 tax rate is \$0.0341 lower than anticipated and the FY 2017/18 tax rate is \$0.0218 lower as property valuations increased and influenced the rate.



Debt Service Fund

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

In order to fund obligations and implement the fiscal year CIP, the Debt Service tax rate will need to increase by \$0.0125 from the adopted fiscal year 2016/17 tax rate of \$0.4400 to the fiscal year 2018/9 tax rate of \$0.4525.

From fiscal year 2016/17 to fiscal year 2018/19, total revenues are anticipated to increase 16.8%.

General Fund

The General Fund meets revenue requirements for fiscal years 2017 through 2019, however, the fund is structurally balanced for FY 2017/18 whereby expenses are greater than revenues. The policy reserve requirement of 2 months recurring operating expenditures increases from \$11,199,984 in fiscal year 2015/16 to \$12,526,832 in fiscal year 2018/19. In order to fund services and meet fund balance policy requirements, the O&M tax rate will increase from \$0.2412 in FY 2016/17 to \$0.2682 in 2019, though limited by truth-in-taxation laws.

Full-time equivalents in the General Fund will increase from 611 in fiscal year 2017 to 621 for fiscal year 2018 and 638 by fiscal year 2019, an increase of 27 positions over the three-year period. Population is expected to increase annually, not including the day-time or weekend populations from continued retail development.

An increase of 27 positions from 2017 – 2019 are associated with completed CIP projects for base services and growth. The CIP staff additions include 1 for Independence Park Phase I and 3 for the Delores Fenwick Nature Center in fiscal year 2018 and 10 for Fire Station #8 in fiscal year 2019. The remaining 13 positions are built in for base growth which includes 4 scheduled police officers per year.

Property and Sales Tax are a major revenue component funding these expenditures. Revenues from property tax, as a percent to total revenues, are 24.9% in fiscal year 2016/17. General Fund property tax revenues as a percentage of total increases to 26% in fiscal year 2017/18 and increases to 27.7% in 2018/19. Sale tax receipts, remain relatively stable. The City is projected to maintain a modest increase in sales tax in fiscal year 2016/17 through 2019; a 4% increase is projected for 2017/18 and 2018/19, mainly due to continued, but moderate development.

Water & Sewer Fund

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

A water and sewer revenue increase is needed in 2016/17 of 15.6% to meet cash reserve ratios as the City is issuing debt of \$64.87 million for expansion of the Surface Water Plant, water meter change-out, and other water and sewer line replacements. Revenue increases are also needed of 19.1% and 6.5% for 2017/18 and 2018/19 due to additional plant expansions and resulting debt service. Revenue bonds sold over the three-year period 2017 – 2019, total \$189.8 million.

The utility system users generate the revenues that support the system. Annual water and sewer charges by 2018/19 total \$53.51 million, an increase of \$13.28 million from fiscal year 2016/17, and include growth in the number of connections, as well as two revenue increases needed. The growth in the number of connections average 2.5% annually over the multi-year forecast.

Total expenditures increase to \$55.50 million in fiscal year 2019, up from \$45.39 million in fiscal year 2017. Debt service increases over the forecast period, from \$15.9 million in fiscal year 2017 to \$23.2 million in fiscal year 2019. Revenues generate about \$2.3 million in pay-as-you go funding for capital projects.

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

Pearland Economic Development Corporation (PEDC)

The Corporation can fund its current operations and provide funding for the strategic priorities of the Pearland 20/20 Community Strategic Plan, including business recruitment, Lower Kirby, SH 35 and FM 518 corridors, SH 288 corridor enhancements and beautification. Through the 2019 forecast period, the ending fund balance is projected to be \$10.1 million in FY 2018, a decrease of \$3.4 million, and \$3.1 million in fiscal year 2019 due to the above listed strategic priorities of the Pearland 20/20 Community Strategic Plan.

Sales tax revenue is a major component of funding for the Corporation. Revenues from sales taxes increased by 10.3% through the forecast period, from \$10.2 million in fiscal year 2017 to \$11.3 million in fiscal year 2019. The sales tax revenues are 94.5% of the total revenues in 2017 and 90.8% in 2019.

RECOMMENDATIONS

- Maintain recommended fund balance and cash reserve requirements.
- Be selective about future service additions.
- Continue emphasis on efficient use of existing resources.
- Continue emphasis on cost containment measures.

- Continue marketing efforts in order to expand the tax base – property and sales tax.
- Continue to review capital projects timing in order to build when needed and not before.
- Continue to look at other funding sources for capital improvements to leverage City dollars such as grants, developer agreements, inter-local agreements, etc.
- Identify strategies to increase pay-as-you-go funding for maintenance of existing infrastructure.

CONCLUSION

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

**MULTI-YEAR BUDGET 2017-19
DEBT SERVICE**

DESCRIPTION	Actual 2014-15	Amended 2015-16	Adopted 2016-17	Projected	
				2017-18	2018-19
Revenues					
Property Taxes					
Property Taxes	28,435,441	30,670,687	33,242,286	35,901,669	38,773,802
Delinquent Taxes	128,725	180,000	150,000	163,067	174,187
Penalty & Interest	193,804	195,000	140,000	194,426	207,685
	28,757,970	31,045,687	33,532,286	36,259,162	39,155,674
Miscellaneous Revenue					
Lease Income - UofH	768,714	859,398	838,736	838,710	815,232
Interest Income	47,777	55,106	50,000	50,000	50,000
Miscellaneous		546,090			
	816,491	1,460,594	888,736	888,710	865,232
Bond Proceeds					
Bond Proceeds on Refunding	54,773,103	29,274,797			
	54,773,103	29,274,797			
Transfers					
Transfers from Fund 600	277,127	277,127	277,127	277,127	277,127
Transfers from Fund 600 for MUD 4	179,440	176,710	173,850	170,860	167,480
Transfers in from Fund 100	156,844	154,160	102,789	100,145	97,646
	613,411	607,997	553,766	548,132	542,253
Total Revenues	84,960,974	62,389,075	34,974,788	37,696,004	40,563,159

**MULTI-YEAR BUDGET 2017-19
DEBT SERVICE**

DESCRIPTION	Actual 2014-15	Amended 2015-16	Adopted 2016-17	Projected	
				2017-18	2018-19
Expenditures					
Miscellaneous Services					
Arbitrage Services	31,960	36,385	42,385	45,385	48,385
	31,960	36,385	42,385	45,385	48,385
MUD Rebates					
MUD Rebates	4,792,375	5,460,761	6,645,152	6,919,814	7,129,544
	4,792,375	5,460,761	6,645,152	6,919,814	7,129,544
Bond Payment					
Current Debt Service Principal	11,275,000	12,535,000	13,410,000	14,015,000	16,690,000
Current Debt Service Interest	12,382,763	11,882,835	12,577,322	11,678,817	11,142,849
Future Debt Issuances					
General Obligation 2017				2,160,167	1,941,750
General Obligation 2018					970,971
CO's Series 2017				630,625	566,875
CO's Series 2018					360,933
Fiscal Fees	10,575	12,000	21,000	22,500	24,000
Bond Issuance Costs	471,161	315,619			
Escrow Agent/Issuance	54,303,290	29,840,000			
	78,442,789	54,585,454	26,008,322	28,507,109	31,697,378
Short-Term Note					
Current Lease/Purchase (P&I)	1,196,172	929,640	1,911,500		
Future Lease/Purchase					
	1,196,172	929,640	1,911,500		
Future Defeasance of Debt					
Defeasance of Debt			1,500,000	2,000,000	2,000,000
			1,500,000	2,000,000	2,000,000
Total Expenditures	84,463,296	61,012,239	36,107,359	37,472,308	40,875,307
Revenues Over(Under) Expenditures	497,678	1,376,836	(1,132,572)	223,696	(312,148)
Beginning Fund Balance	4,535,937	5,033,616	6,410,451	5,277,880	5,501,575
Ending Fund Balance	5,033,616	6,410,452	5,277,880	5,501,575	5,189,428
10% Reserve Requirement	2,867,615	3,085,662	3,610,736	3,747,231	4,087,531
Amount over 10% Reserve	2,166,001	3,324,790	1,667,144	1,754,344	1,101,897
DS Tax Rate	0.4900	0.4828	0.4400	0.4400	0.4525
DS Tax Rate Change			(0.0428)		0.0125

**MULTI-YEAR BUDGET 2017-19
GENERAL FUND OVERVIEW**

DESCRIPTION	Actual	Amended	Adopted	Forecasted	
	2014-15	2015-16	2016-17	2017-18	2018-19
Revenues					
Property Taxes	13,261,422	14,292,773	18,502,590	20,370,206	23,201,184
Sales Taxes	19,073,940	19,746,556	20,526,818	21,352,691	22,317,378
Franchise Fees	6,663,788	6,770,450	6,930,000	7,193,200	7,466,468
Licenses & Permits	4,550,094	4,913,295	5,183,830	5,641,970	5,813,946
Fines & Forfeitures	2,968,634	2,899,950	2,902,500	3,003,130	3,107,253
Charges for Service	13,442,538	14,649,885	15,250,614	15,632,008	16,607,020
Miscellaneous	1,824,774	3,032,855	1,590,153	1,657,133	1,744,356
Transfers in	3,580,712	3,167,622	3,263,272	3,361,170	3,462,005
Other Financing Sources	574,049	1,800,000	100,000	-	-
Total Revenues	65,939,951	71,273,386	74,249,777	78,211,507	83,719,609
Expenditures					
General Government	9,552,291	12,359,756	12,255,286	11,862,892	12,167,660
Public Safety	33,692,260	40,099,528	40,300,860	42,091,094	43,581,349
Community Services	3,163,999	3,517,534	3,577,288	3,714,539	3,788,830
Public Works	10,592,610	12,976,333	12,912,065	12,129,311	12,439,611
Parks & Recreation	5,706,921	6,711,925	6,205,747	6,409,016	6,537,183
O&M for CIP				735,815	1,997,052
Total Operating Expenditures	62,708,081	75,665,076	75,251,246	76,942,667	80,511,685
Transfers Out	1,332,134	2,554,768	1,202,789	1,455,789	2,173,677
Total Expenditures	64,040,215	78,219,844	76,454,035	78,398,456	82,685,362
Revenues Over/(Under) Expenses	1,899,736	(6,946,458)	(2,204,258)	(186,949)	1,034,247
Beginning Fund Balance	\$19,454,501	\$21,354,237	\$14,407,779	\$12,203,521	\$12,016,572
Ending Fund Balance	\$21,354,237	\$14,407,779	\$12,203,521	\$12,016,572	\$13,050,819
Calculation of Fund Balance Policy:					
Ending Fund Balance		14,407,779	12,203,521	12,016,572	13,050,819
Less Policy Requirement		11,199,984	11,582,786	11,877,366	12,526,832
Excess funds available over policy		3,207,795	620,734	139,206	523,987
Tax Rate Variable:					
General Fund		\$ 0.2225	\$ 0.2412	\$ 0.2512	\$ 0.2682
Debt Service Fund		\$ 0.4828	\$ 0.4400	\$ 0.4400	\$ 0.4525
Total Tax Rate		\$ 0.7053	\$ 0.6812	\$ 0.6912	\$ 0.7207

**MULTI-YEAR BUDGET 2017-19
GENERAL FUND REVENUE DETAIL**

DESCRIPTION	Actual 2014-15	Amended 2015-16	Adopted 2016-17	Forecasted	
				2017-18	2018-19
Property Taxes					
Current Taxes	12,888,645	14,000,000	18,222,817	20,030,844	22,842,154
Delinquent Taxes	58,350	87,000	72,000	79,200	87,120
Penalty & Interest	101,072	73,000	75,000	78,750	82,688
In Lieu of Property Taxes	213,355	132,773	132,773	139,412	146,382
Annexation Areas 1 and 2				42,000	42,840
Total Property Taxes	13,261,422	14,292,773	18,502,590	20,370,206	23,201,184
Sales Taxes					
Sales Taxes	18,825,884	19,506,556	20,286,818	21,098,291	22,047,714
Mix Drink Taxes	248,056	240,000	240,000	254,400	269,664
Total Sales Taxes	19,073,940	19,746,556	20,526,818	21,352,691	22,317,378
Franchise Fees					
Gas	324,993	290,450	300,000	309,000	318,270
Electric	3,006,312	3,000,000	3,100,000	3,224,000	3,352,960
Telephone	276,454	280,000	290,000	298,700	307,661
Cable	1,538,673	1,600,000	1,620,000	1,684,800	1,752,192
Sanitation	1,517,356	1,600,000	1,620,000	1,676,700	1,735,385
Total Franchise Fees	6,663,788	6,770,450	6,930,000	7,193,200	7,466,468
Licenses & Permits					
Building Permit	298,170	500,000	525,000	543,375	562,393
BP Plan & Zone Adjustment		5,000	5,000	5,150	5,305
Platting Fees	107,301	150,480	150,500	155,015	159,665
Beer Permits	17,120	21,000	21,000	21,630	22,279
Moving Permits	5,380	5,500	5,500	5,665	5,835
Peddlers & Solicitors	4,655	4,500	4,500	4,635	4,774
Health Certificate Fees	93,892	130,000	130,000	133,900	137,917
Wrecker Permits	8,857	5,200	5,200	5,356	5,517
Building Plan Check Fee	1,167,332	1,200,000	1,200,000	1,236,000	1,273,080
Occupancy Permits	11,340	12,000	12,000	12,360	12,731
Demolition Permits	2,230	1,500	1,500	1,545	1,591
Bldg. Site Work Permit	104,834	100,000	100,000	103,000	106,090
BP - Alarm Permits	42,185	35,000	35,000	36,050	37,132
Health-Registration 1 Yr.	450				
Sign Permits	18,521	16,500	18,500	19,055	19,627
Ambulance Permit	17,200	17,000	17,000	17,510	18,035
Taxi Cab Permit	3,518	2,000	2,000	2,060	2,122
Temporary Structures	2,330	2,500	2,500	2,575	2,652
Recordation & Courier Fee	5,493	4,000	4,000	4,120	4,244
Miscellaneous		6,000	6,000	6,180	6,365
Electrical		12,000	34,000	35,020	36,071
Plumbing & gas		15,000	22,000	22,660	23,340
Mechanical		10,000	31,000	31,930	32,888
Processing Fee		100	100	103	106
Metal Dealer		200	200	206	212
NB - Building Permit	1,628,271	1,474,335	1,525,000	1,570,750	1,617,873

**MULTI-YEAR BUDGET 2017-19
GENERAL FUND REVENUE DETAIL**

DESCRIPTION	Actual 2014-15	Amended 2015-16	Adopted 2016-17	Forecasted 2017-18	Forecasted 2018-19
NB BP Plan & Zone Adjustment	28,820	28,000	28,000	28,840	29,705
Garage Sale Permits	33,525	33,000	33,000	33,990	35,010
Culvert Permits		500	500	515	530
Animal Licenses	37,465	37,000	37,000	38,110	39,253
Foster Home Inspection	2,100	2,100	2,100	2,163	2,228
Mowing Lien	(6,505)	500	500	515	530
Electrical Permits	253,981	300,000	318,000	357,540	368,266
Plumbing & Gas Permits	239,973	300,000	268,000	306,040	315,221
Mechanical Permits	279,941	280,000	324,000	363,720	374,632
Processing Fee		50,000	180,000	215,400	221,862
Reinspection Fee/Inspection	20,940	37,000	20,000	50,600	52,118
Fire Alarm	11,375	9,000	9,000	9,270	9,548
Fire Protection	3,880	5,600	5,600	5,768	5,941
Fire Sprinkler	25,743	14,000	14,000	14,420	14,853
Fire Sprinkler-Alteration	17	250	100	103	106
Fireworks	50	150	150	30,155	31,059
Irrigation	27,491	30,000	30,000	60,900	62,727
Swimming Pool	46,021	49,180	49,180	80,655	83,075
Dirt Grading Permit	500	1,500	1,500	31,545	32,491
Misc. Ambulance Permit	5,700	5,700	5,700	35,871	36,947
Total Licenses & Permits	4,550,094	4,913,295	5,183,830	5,641,970	5,813,946
Fines & Forfeiture					
Fines & Forfeitures	2,757,624	2,711,000	2,711,000	2,805,885	2,904,091
Child Safety	30,272	44,000	45,000	46,350	47,741
Child Safety-Harris Co.	5,886	5,000	5,000	5,150	5,305
Commercial Carrier Fines	78,139	50,000	50,000	51,500	53,045
Time Efficiency	(10,940)	(10,800)	(10,800)	(11,124)	(11,458)
Animal Cruelty	(550)	350	350	361	371
Omnibase	13,392	12,000	12,000	12,360	12,731
State/Service Fee Recoup	75,008	78,450	80,000	82,400	84,872
Code Enforcement Fines	220	150	150	155	159
Bond Forfeitures	19,365	8,700	8,700	8,961	9,230
Teen Court	220	1,100	1,100	1,133	1,167
Total Fines & Forfeitures	2,968,634	2,899,950	2,902,500	3,003,130	3,107,253
Service Charges					
Ambulance Service Fee	2,756,044	2,500,000	2,500,000	2,575,000	2,652,250
Mud/Ems/Fire Collections	78,846	130,000	140,000	144,200	148,526
Strategic Ptr Agrmt/Fire,Ems	366,464	456,606	436,000	462,160	489,890
Medicare Reimbursement			558,188		
False Alarm Fee	95,418	80,000	80,000	82,400	84,872
Arrest Fees	6,877	3,000	3,000	3,090	3,183
Clear. Letter Fee	430	350	350	361	371
Subpoena	91	50	50	52	53
Offense Report Copies	46	50	50	52	53
Accident Report Copies	6,002	6,000	6,000	6,180	6,365
Other Copies		2,500	50	52	53

MULTI-YEAR BUDGET 2017-19
GENERAL FUND REVENUE DETAIL

DESCRIPTION	Actual 2014-15	Amended 2015-16	Adopted 2016-17	Forecasted	
				2017-18	2018-19
Non-Emergency EMS Transport	1,648				
Non-Emergency EMS Service		1,100	1,200	1,236	1,273
TCLEOSE Funds	11,229				
Training Tuition	2,498	5,000	5,000	5,150	5,305
Training Recycling					
Animal Shelter Fees	36,688	40,000	40,000	41,200	42,436
Facility Rentals	132,898	133,000	133,000	136,990	141,100
Swimming Pool Fees	20,783	18,000			
Natorium	131,754	83,000	80,000	82,400	84,872
Recreation Center Rentals	30,839	45,000	45,000	46,350	47,741
Hickory Slough Sports Complex					
Recreation Center Memberships	1,448,507	1,500,000	1,500,000	1,545,000	1,591,350
Discounts	(130,229)				
Facility Rental - U of H	2,405				
Special Event Permit Fee	50	150	150	155	159
Events & Programs	520,120	483,427	695,000	715,850	737,326
Engineering Inspect Fee	270,034	150,000	150,000	184,500	190,035
TIRZ Administration Fee	7,623,794	9,244,652	9,114,576	9,843,742	10,631,241
Permits Inspection Fee	22,505	10,000	10,000	10,300	10,609
Traffic Impact Analysis	6,800	23,000	10,000	10,300	10,609
Total Service Charges	13,442,538	14,649,885	15,250,614	15,632,008	16,607,020
Interest					
Interest Income	109,257	100,000	105,000	108,150	111,395
Unrealized Capital Gain(Loss)	14,051				
Total Interest	123,308	100,000	105,000	108,150	111,395
Intergovernmental					
TX Dept of Transportation	11,211	1,372,143			
Total Intergovernmental	11,211	1,372,143			
Miscellaneous					
Building Rent	18,322	14,153	14,153	14,578	15,015
Phone & Fax Reimbursement	8,035	8,590	8,400	8,652	8,912
Street Light Charges	115,682	80,000	80,000	80,000	80,000
Other Xerox Copies	6,511	30,000	5,000	5,150	5,305
SRO Equipment	88,760	96,848	100,000	103,000	106,090
SRO Personnel	707,257	823,144	825,000	886,875	953,391
Sale Of Property	155,686	45,000	50,000	36,050	37,132
Insurance Reimbursement	102,843	55,820			
Miscellaneous	392,717	350,000	365,000	375,950	387,229
Storm Sewer Outfall Parkside		10,000	10,000	10,300	10,609
Cash Short/Over	68				
N.S.F. Fees	5,210	1,000	850	876	902
Public Safety		7,700			
Court Bonds		6,000	6,000	6,180	6,365
Waiver Of Encroachment	250	250	250	258	265

**MULTI-YEAR BUDGET 2017-19
GENERAL FUND REVENUE DETAIL**

DESCRIPTION	Actual 2014-15	Amended 2015-16	Adopted 2016-17	Forecasted	
				2017-18	2018-19
Suspense Revenue	(74)	350			
Sign Revenue	36,715	10,000	20,000	20,600	21,218
Misc. Recycle	51,373	21,357			
Misc. Parks	900	500	500	515	530
Total Miscellaneous	1,690,255	1,560,712	1,485,153	1,548,983	1,632,961
Grant, Issuance, Transfers					
Victims Program	5,020	1,000	1,000	1,030	1,061
Transfers In	3,575,692	3,166,622	3,262,271	3,360,140	3,460,944
Total Grant, Issuance, Transfers	3,580,712	3,167,622	3,263,271	3,361,170	3,462,005
Other Financing Sources					
Capital Lease Proceeds	574,049	1,800,000	100,000		
Total Other Financing Sources	574,049	1,800,000	100,000		
Total Revenues	65,939,951	71,273,386	74,249,777	78,211,507	83,719,609

MULTI-YEAR BUDGET 2017-19
GENERAL FUND EXPENDITURES DETAIL

DESCRIPTION	Actual 2014-15	Amended 2015-16	Adopted 2016-17	Forecasted	
				2017-18	2018-19
General Government					
City Council	101,377	100,346	116,008	118,328	120,695
City Manager	764,822	847,911	1,005,766	1,025,881	1,046,399
Human Resources	880,196	1,106,334	1,028,653	1,049,226	1,070,211
City Secretary	380,825	396,373	377,842	385,399	393,107
Legal	813,467	754,865	768,633	784,006	799,686
Information Systems	2,949,548	4,830,207	3,001,235	3,061,260	3,122,485
Finance	1,908,971	2,285,801	2,370,292	2,417,698	2,466,052
Other Requirements	1,029,352	1,668,331	3,217,106	2,643,948	2,696,827
Library	723,733	369,588	369,751	377,146	384,689
NEW POSITIONS					67,509
New Lease/Purchases					
Total General Government	9,552,291	12,359,756	12,255,286	11,862,892	12,167,660
Public Safety					
Police Administration	1,387,166	1,463,801	1,556,194	1,587,318	1,622,008
Patrol	12,484,295	14,460,335	14,823,995	15,438,873	16,386,256
Investigations	2,670,163	2,953,824	3,237,782	3,705,534	3,786,529
Community Serv	683,706	846,005	777,403	792,951	808,810
Communications & Records	1,797,938	2,024,897	2,125,270	2,167,775	2,211,131
Jail	1,048,056	1,099,274	1,154,587	1,177,679	1,201,232
Commercial Vehicle Enfcmt	226,033	266,846	234,291	238,977	243,756
SRO	1,158,883	1,319,860	1,285,831	1,311,548	1,337,779
Training	98,505	312,836	312,155	318,398	324,766
Animal Control	774,747	987,270	984,345	1,004,032	1,024,113
Police (Total)	22,329,492	25,734,948	26,491,853	27,743,085	28,946,380
Fire Administration	938,092	1,146,854	1,049,894	1,070,892	1,092,310
Fire	9,283,302	11,647,793	11,136,810	11,359,546	11,586,737
Fire Marshal	686,434	930,941	917,255	935,600	954,312
Emergency Management	34,509	35,836	148,347	151,314	154,340
Health/Code Enforcement	420,431	603,156	556,701	567,835	579,192
NEW POSITIONS				262,822	268,078
Total Public Safety	33,692,260	40,099,528	40,300,860	42,091,094	43,581,349
Community Services					
Community Development Admin.	432,537	368,689	379,306	386,892	394,630
Planning	407,325	563,161	519,701	530,095	540,697
Permits & Inspections	1,177,799	1,389,409	1,390,036	1,417,837	1,446,193
Communications	474,456	474,651	508,936	519,115	529,497
Municipal Court	671,881	721,624	779,309	794,895	810,793
NEW POSITIONS				65,705	67,020
Total Community Services	3,163,999	3,517,534	3,577,288	3,714,539	3,788,830
Public Works					
Engineering & Capital Projects	259,117	269,417			
Engineering	986,341	1,309,037	1,342,684	1,369,538	1,396,928
Capital Projects	843,783	884,252	970,533	989,944	1,009,743
Public Works Operations Admin.	219,339	176,879	185,738	189,453	193,242

**MULTI-YEAR BUDGET 2017-19
GENERAL FUND EXPENDITURES DETAIL**

DESCRIPTION	Actual 2014-15	Amended 2015-16	Adopted 2016-17	Forecasted	
				2017-18	2018-19
Facilities Maintenance	747,644	1,286,517	1,508,260	1,334,425	1,361,114
Custodial Services	252,637	443,464	470,568	479,979	489,579
Fleet Maintenance	486,236	389,975	390,956	398,775	406,751
Traffic Operations & Maintenance	1,351,981	1,353,565	1,103,149	1,125,212	1,147,716
Streets & Drainage	4,829,976	5,401,125	5,345,357	4,549,564	4,640,555
Right-of-Way Maintenance	615,557	1,462,102	1,594,820	1,626,716	1,659,251
NEW POSITIONS				65,705	134,733
Total Public Works	10,592,610	12,976,333	12,912,065	12,129,311	12,439,611
Parks & Recreation					
Administration	837,997	766,279	609,133	621,316	633,742
Recreation Center/Natatorium	2,111,380	2,396,551	2,102,125	2,144,168	2,187,051
Athletics	269,528	280,119	306,571	312,702	318,956
Special Events	252,477	337,339	328,866	335,443	342,152
Senior Programs	218,721	273,796	289,634	295,439	301,335
Aquatics	93,367	108,487	30,829	110,587	112,799
Parks	1,717,029	2,369,948	2,212,958	2,257,217	2,302,362
Natural Resources			325,631		
Recycling	206,422	100,918			
NEW POSITIONS					
Total Parks & Recreation	5,706,921	6,711,925	6,205,747	6,409,016	6,537,183
O&M FOR CIP				514,790	886,165
Personnel Services				221,025	1,110,887
Total CIP O&M				735,815	1,997,052
SUBTOTAL	62,708,081	75,665,076	75,251,246	76,942,667	80,511,685
Transfers	1,332,134	2,554,768	1,202,789	1,455,789	2,173,677
Total Transfers	1,332,134	2,554,768	1,202,789	1,455,789	2,173,677
TOTAL EXPENDITURE	64,040,215	78,219,844	76,454,035	78,398,456	82,685,362

**MULTI-YEAR BUDGET 2017-19
GENERAL FUND O & M / NEW PERSONNEL**

DESCRIPTION	FORECASTED	
	FY 2018	FY 2019
Southeast Quadrant of Old Townsite Drainage	21,000	21,000
Independence Park Ph 1	6,460	6,783
Delores Fenwick Nature Center	62,907	106,332
Green Tee Terrace Trail	4,463	9,371
Tom Reid Library Expansion	90,382	90,382
Orange Street Service Center Phase I	92,856	92,856
Fire Station #1	78,085	86,815
Fire Station #8		132,235
Bailey Road Extension (Veterans to FM 1128)	80,611	84,642
Old Alvin Rd Widening (Plum to McHard)	19,226	19,226
Fite Road	16,786	17,625
Max Road	38,731	40,667
McHard Road Extension (Mykawa to Cullen)		158,971
Smith Ranch Road Expansion (CR 94)		15,813
Industrial Drive Realignment	3,283	3,447
Total	\$514,790	\$886,165

CIP Personnel Services	PROJECTED	PROJECTED
	FY 2018	FY 2019
Independence Park Ph 1	\$49,319	\$50,799
<i>Number of FTE</i>	1	
Delores Fenwick Nature Center	\$171,706	\$176,857
<i>Number of FTE</i>	3	
Fire Station #8		\$883,231
<i>Number of FTE</i>		10
Total	\$221,025	\$1,110,887
<i>Number of FTE</i>	4	10

Base Personnel		
General Government	0	1
Public Safety	4	4
Community Services	1	1
Public Works	1	1
Parks	0	0
Base Personnel Increase \$	\$403,705	\$897,158
<i>Number of FTE</i>	6	7
Total Personnel Increase \$	\$624,730	\$2,008,045
<i>Number of Total FTE</i>	10	17

Streets and Sidewalks		
Streets	\$915,512	\$2,100,000
Sidewalks	\$537,000	\$537,000

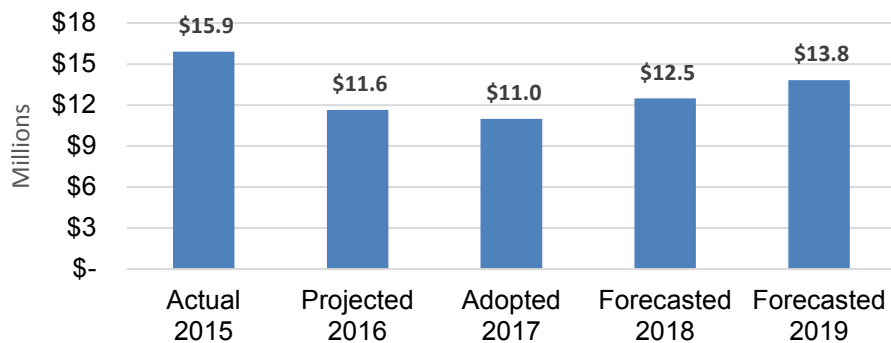
**MULTI-YEAR BUDGET 2016-19
WATER & SEWER FUND DETAIL**

DESCRIPTION	Projected 2016	Adopted 2017	Forecasted	
			2018	2019
Charges for Service				
Water/Sewer Charges	34,100,000	40,235,525	49,079,996	53,514,546
Sanitation Billing Fee	330,000	330,000	333,300	336,633
Connection Fee	175,000	175,000	176,750	178,518
Water/Sewer Tap Fee	455,000	455,000	455,000	459,550
Late Payment Fee	565,000	550,000	555,500	561,055
Meter Set Fee	2,500	2,500	2,525	2,550
Curb Stop Replacement Fee	500	500	505	510
Grease Trap Fee	50,000	50,000	50,000	50,500
Reconnect Fee	40,000	40,400	40,400	40,804
Miscellaneous	750	1,010	1,010	1,020
Total Charges For Service	35,718,750	41,839,935	50,694,986	55,145,686
Miscellaneous Revenue				
NSF Fees	8,000	8,000	8,080	8,161
Reimbursements	3,557	3,500	3,535	3,570
Miscellaneous	60,000	75,000	75,750	76,508
Total Miscellaneous	71,557	86,500	87,365	88,239
Interest				
Interest	123,500	125,000	126,250	127,513
Total Interest	123,500	125,000	126,250	127,513
Transfers in				
Transfers in	2,582,700	2,650,000	3,050,000	3,050,000
Total Interfund Transfers	2,582,700	2,650,000	3,050,000	3,050,000
Other Financing Sources				
Sale of Property	9,000	9,000	9,090	9,181
Miscellaneous	95,000	100,000	101,000	102,010
Capital Lease Proceeds	423,293	-	425,000	429,250
Total Other Financing Sources	527,293	109,000	535,090	540,441
Total Revenues	39,023,800	44,810,435	54,493,691	58,951,878

**MULTI-YEAR BUDGET 2016-19
WATER & SEWER FUND DETAIL**

DESCRIPTION	Projected 2016	Adopted 2017	Forecasted 2018	Forecasted 2019
EXPENDITURES				
Public Works				
Administration	614,636	762,221	791,115	821,359
Lift Stations	1,975,104	1,628,002	1,670,359	1,714,118
Wastewater Treatment Plant	5,826,496	6,039,220	6,182,924	6,330,810
Water Production	10,169,713	9,907,878	10,128,618	10,355,063
Distribution and Sewer Collection	2,595,181	2,479,306	2,562,204	2,648,685
Construction	827,452	789,777	817,707	846,906
Water Meter Services	1,524,287	1,761,175	1,805,457	1,851,159
ROW Mowing	431,033	406,965	428,300	450,566
Information Technology Administration	47,200	287,845	294,058	300,420
Information Technology - GIS	179,064	179,045	186,270	193,850
Utility Billing	1,140,963	1,225,000	1,268,377	1,313,721
Other Requirements	15,060,822	19,925,588	25,169,883	28,674,047
Total Expenditures	40,391,951	45,392,022	51,305,272	55,500,704
Revenues Over(Under) Expenditures	(1,368,151)	(581,587)	3,188,419	3,451,174
Beginning Cash Equivalents	\$15,624,805	\$14,256,654	\$13,447,917	\$ 16,414,646
Reserve for Debt Service	\$ 2,623,222	\$ 2,688,411	\$ 4,160,119	\$ 6,034,664
Ending Cash Equivalents	11,633,432	10,986,656	12,476,217	13,831,156
Bond Coverage - 1.4	1.50	1.65	2.19	1.73
Cash Reserve Ratio - 25%	29%	26%	25%	25%
Number of Connections	35,204	36,067	36,952	37,859
% Revenue Increase Needed	16.0%	15.6%	19.1%	6.5%
Revenue Bonds to be Issued		\$38,093,000	\$40,842,000	\$110,880,000

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



MULTI-YEAR BUDGET 2017-19
PEARLAND ECONOMIC DEVELOPMENT CORPORATION

DESCRIPTION	Actual 2014-15	Year End Amended 2015-16	Adopted 2016-17	Forecasted 2017-18	Forecasted 2018-19
Revenues					
Sales Tax	\$9,403,602	\$9,753,263	\$10,240,926	\$10,752,972	\$11,290,621
Interest Income	151,990	85,000	110,000	110,000	112,365
Intergovernmental	775,504	4,217,857	12,000	163,620	565,324
Miscellaneous	442,234	552,000	470,000	470,000	470,000
Total Operating Revenues	\$10,773,329	\$14,608,120	\$10,832,926	\$11,496,592	\$12,438,310
Expenditures					
Operating	\$1,358,173	\$1,764,999	\$2,233,068	\$2,377,603	\$2,506,701
Bond Payments	8,498,288	\$1,420,456	\$1,426,256	\$1,423,669	\$1,425,575
Inventory	1,544	\$5,000	\$5,000	\$5,000	\$5,000
Capital Outlay	317,325	\$1,490,000	\$2,365,000	\$4,100,000	\$10,134,000
Total Operating Expenditures	\$10,175,330	\$4,680,455	\$6,029,324	\$7,906,272	\$14,071,276
Revenues Over/(Under) Expenses	597,999	9,927,665	4,803,602	3,590,320	(1,632,966)
Other Financing Sources (Uses)					
Transfers Out	(1,180,332)	(8,724,243)	(8,531,729)	(4,520,000)	(3,350,000)
Incentives	(393,221)	(817,918)	(1,342,515)	(2,500,000)	(2,000,000)
Total Other Financing Sources	(\$1,573,553)	(\$9,542,161)	(\$9,874,244)	(\$7,020,000)	(\$5,350,000)
Net Change in Fund Balance	(975,554)	385,504	(5,070,642)	(3,429,680)	(6,982,966)
Beginning Fund Balance	\$19,155,487	\$18,179,933	\$18,565,437	\$13,494,795	\$10,065,116
Ending Fund Balance	\$18,179,933	\$18,565,437	\$13,494,795	\$10,065,116	\$3,082,150

FY 2017 ADOPTED BUDGET PROPERTY TAX COLLECTIONS

OVERVIEW

The City's property tax is levied each October 1 on the certified assessed value as of January 1 for all real and personal property. The appraisal of property is the responsibility of the Brazoria, Fort Bend and Harris County Central Appraisal Districts, as the City lies in all three Districts. Appraisals may be challenged through various appeals and, if necessary, legal action. The City is permitted by the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services including the payment of principal and interest on general obligation long-term debt. In tax year 1998, TIRZ #2 was formed, which is the Shadow Creek Ranch development. Taxes assessed and collected by the participating entities over and above the base value of the property upon creation of the TIRZ are deposited to the benefit of the TIRZ to support improvements within the TIRZ. The City contracts with Brazoria County for the billing and collection of property taxes. The budget, as filed, is based on certified values from all three counties.

Property valuation is based on a snapshot of properties and development as of January 1 of each year. New construction value added after January 1 is not included in the City's valuation until January 1 of the following year, therefore not taxed until the subsequent year.

The net taxable value totals \$9,733,317,309, a 14.8% or \$1.3 billion increase over the current adjusted tax roll. New value added to the roll totals \$379,164,552.

In 1998, when the TIRZ was formed, the base property value for the City was \$7.1 million. Today, sitting at \$2.1 billion in property value, the TIRZ shows the success of the public-private partnership that was entered into years ago. The TIRZ increment value added is estimated at \$2,109,639,316, a 3% or \$61,607,556 increase over the current adjusted roll.

Pursuant to the participation agreement, the City remits 100% of its property tax levy to the TIRZ, however, the City receives an administrative fee of 64% for the provision of services to serve the area. For FY 2017, the administrative fee totals \$9.1 million, shown as Charges for Services versus Property Taxes in the City's General Fund.

The tax rate for the adopted budget totals \$0.6812 per \$100 of valuation, a \$0.0241 cent total decrease from the fiscal year 2016 tax rate of \$0.7053. This decrease represents a reduction of \$0.0428 to the rate dedicated for debt service, from the current \$0.4828 to \$0.4400, and an increase to General Fund operations, from \$0.2225 to \$0.2412. The adopted fiscal year 2017 tax rate takes the City's property tax rate above the rollback rate of \$0.6566.

The tax analysis prepared in 2007 for the \$162 million bond referendum approved by the voters in May 2007, showed that a 7.5 cent tax rate increase was needed for the implementation of the 2007 bond referendum. At that time an additional 5.5 cents increase was also estimated to complete the 2001 bond referendum, for a total estimated tax rate increase of 13 cents from 2007. The actual increase in the tax rate is lower than what was estimated at the time of the bond referendum; a tax rate increase of only 2.85 cents since 2007.

Based on these assumptions and overall collection rate of 99.1%, a tax levy of \$14,241,525 will be conveyed to the TIRZ and \$51,465,103 will remain with the City.

**CITY OF PEARLAND
TAX COLLECTIONS**

	FY 2016 BUDGETED LEVY	FY 2016 ADJUSTED LEVY	FY 2016 YEAR END PROJECTION	FY 2017 CERTIFIED ROLL
REVENUES				
City Levy - 100%	44,447,621	45,845,503	44,670,687	51,932,495
TIRZ - 100%	14,664,739	14,444,768	14,314,961	14,370,863
TOTAL at 100%	<u>59,112,360</u>	<u>60,290,271</u>	<u>58,985,648</u>	<u>66,303,358</u>

City Collection Rate 99.1%

ALLOCATION:

General Fund	14,020,110	14,464,255	14,000,000	18,222,817
Debt Service Fund	30,427,511	31,381,248	30,670,687	33,242,286
TIRZ	14,664,739	14,444,768	14,314,961	14,241,525
TOTAL ALLOCATION	<u>59,112,360</u>	<u>60,290,271</u>	<u>58,985,648</u>	<u>65,706,628</u>

<u>Tax Year</u>	<u>Budgeted 2016</u>	<u>Adjusted 2016</u>	<u>Certified 2017</u>
Total Taxable Value	8,307,943,896	8,477,707,706	9,733,317,309
Less: TIRZ Added Value	1,901,830,936	2,048,031,760	2,109,639,316
Taxable Value to City	<u>6,406,112,960</u>	<u>6,429,675,946</u>	<u>7,623,677,993</u>

Tax Rate per \$100

General Fund	0.2225	0.2412
Debt Service Fund	0.4828	0.4400
Total Tax Rate	<u>0.7053</u>	<u>0.6812</u>

Tax Rate Split

General Fund	31.55%	35.41%
Debt Service Fund	68.45%	64.59%
Total	<u>100.00%</u>	<u>100.00%</u>

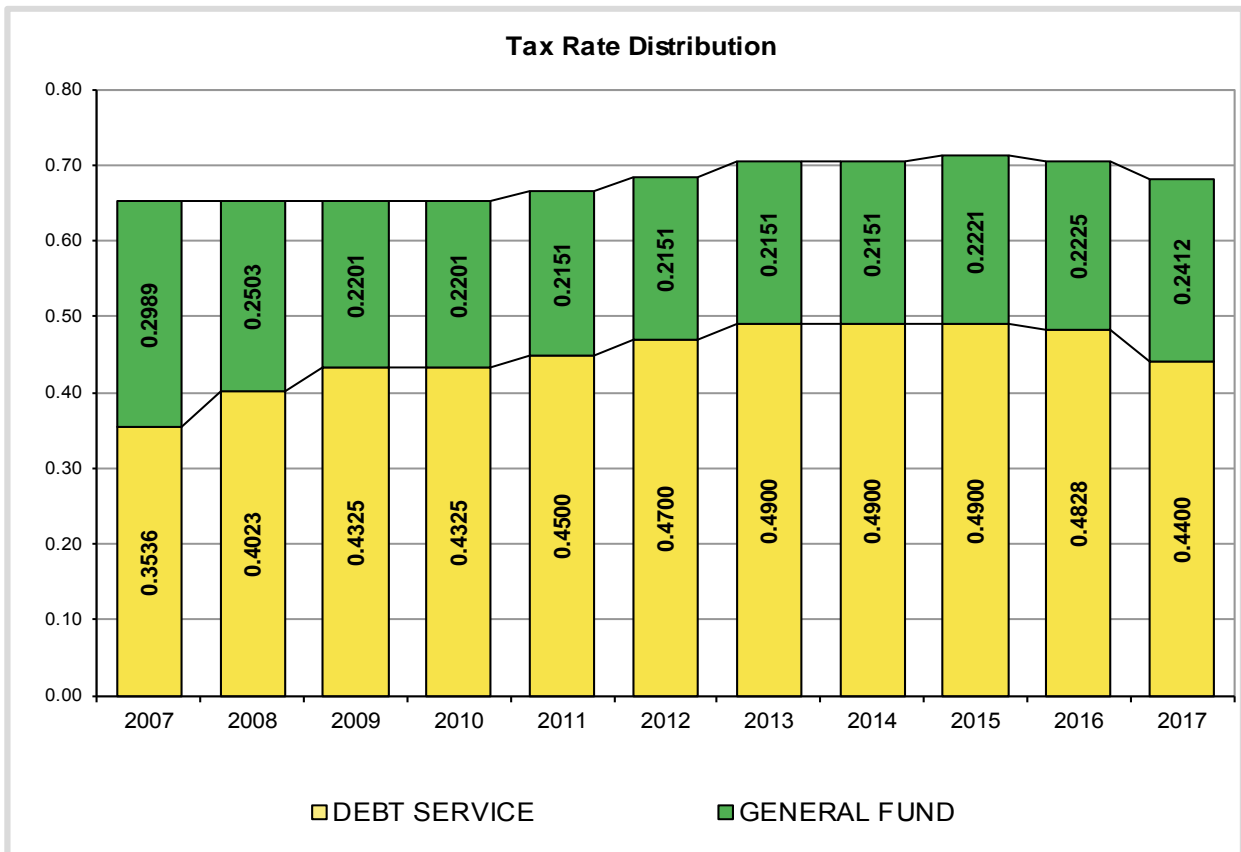
TAX RATE DISTRIBUTION

**CURRENT FOR FISCAL YEAR 2015-2016
PROPOSED FOR FISCAL YEAR 2016-2017**

<u>FISCAL YEAR</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE</u>	<u>TOTAL TAX RATE</u>
2007	0.298974	0.353685	0.652659
2008	0.2503	0.4023	0.6526
2009	0.2201	0.4325	0.6526
2010	0.2201	0.4325	0.6526
2011	0.2151	0.4500	0.6651
2012	0.2151	0.4700	0.6851
2013	0.2151	0.4900	0.7051
2014	0.2151	0.4900	0.7051
2015	0.2221	0.4900	0.7121
2016	0.2225	0.4828	0.7053
2017	0.2412	0.4400	0.6812

Notes:

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



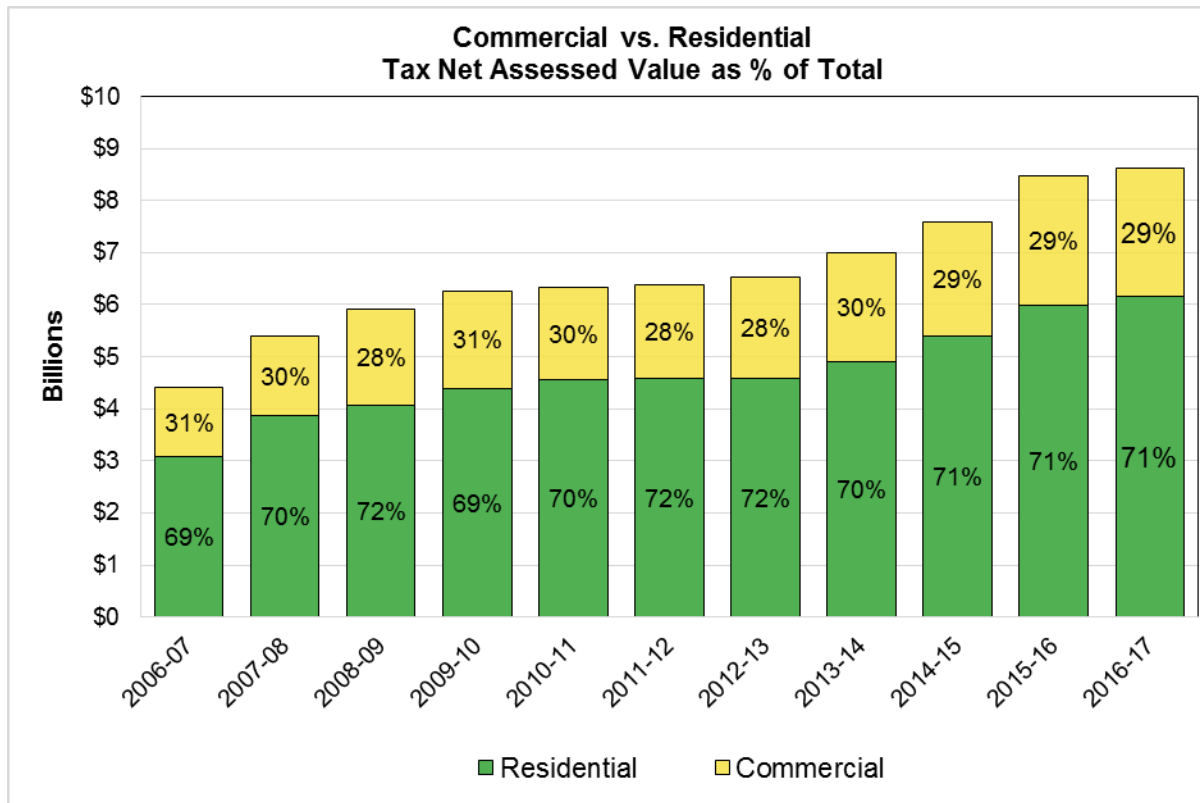
ASSESSED VALUATION, TAX LEVIED AND TAXES COLLECTED

TEN YEAR SUMMARY OF ASSESSED VALUATION WITH PROJECTED FOR FISCAL YEAR 2015-2016 AND PROPOSED FOR FISCAL YEAR 2016-2017

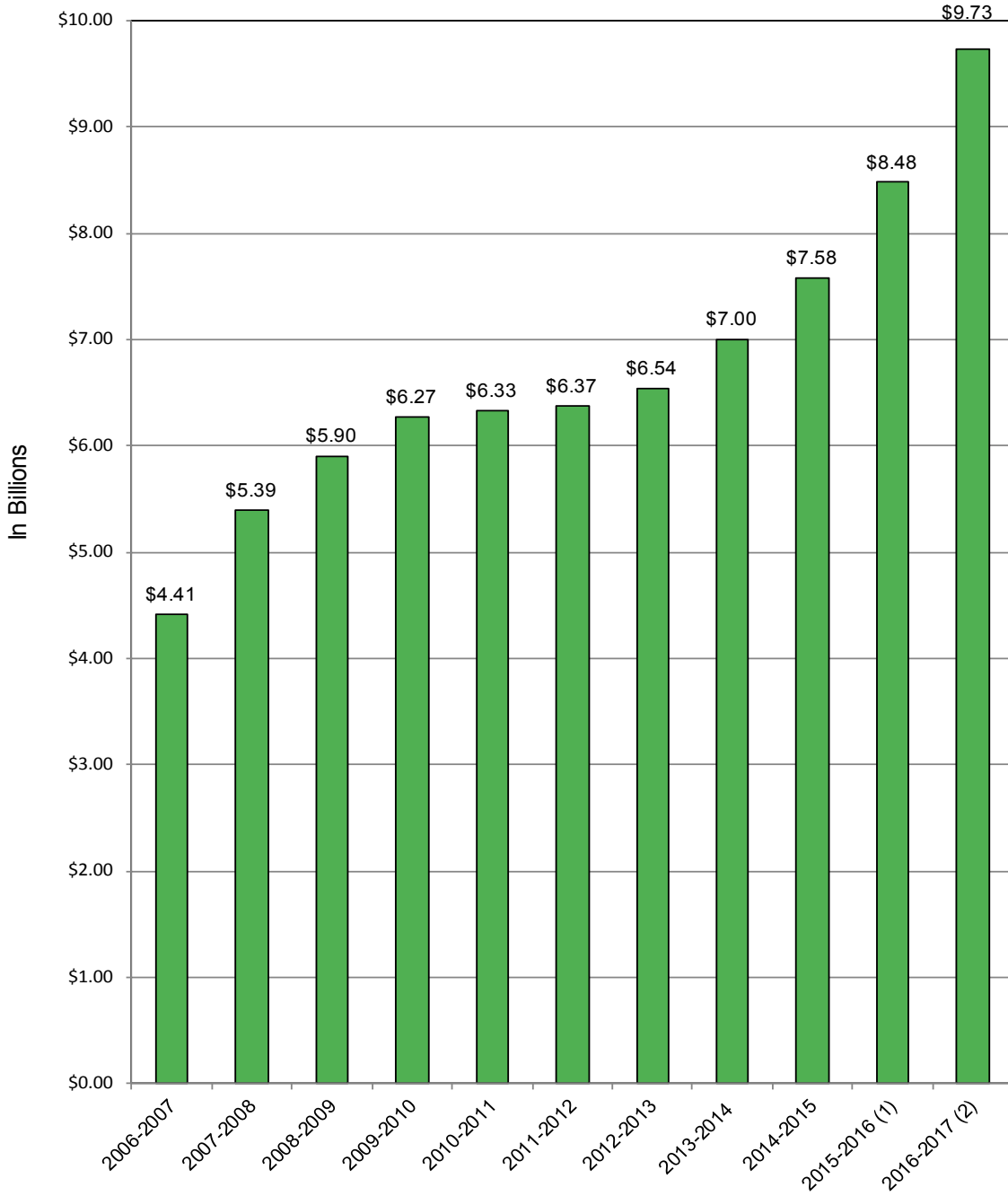
FISCAL YEAR	TAX YEAR	NET ASSESSED VALUATION	TAX RATE	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	% OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTION
2006-2007	2006	\$ 4,412,821,949	0.6527	\$28,819,229	\$ 28,235,276	97.97%	\$ 276,124
2007-2008	2007	\$ 5,389,790,165	0.6526	\$35,035,569	\$ 34,461,652	98.36%	\$ 310,112
2008-2009	2008	\$ 5,904,826,560	0.6526	\$38,368,354	\$ 37,820,603	98.57%	\$ 592,199
2009-2010	2009	\$ 6,269,047,937	0.6526	\$41,081,407	\$ 40,590,543	98.81%	\$ 274,230
2010-2011	2010	\$ 6,331,723,029	0.6651	\$41,968,046	\$ 41,594,389	99.11%	\$ 318,250
2011-2012	2011	\$ 6,369,626,981	0.6851	\$43,441,792	\$ 43,110,373	99.24%	\$ 201,453
2012-2013	2012	\$ 6,537,976,038	0.7051	\$45,850,625	\$ 45,509,522	99.26%	\$ 362,129
2013-2014	2013	\$ 7,001,455,019	0.7051	\$49,096,473	\$ 48,802,720	99.40%	\$ 262,967
2014-2015	2014	\$ 7,582,387,082	0.7121	\$53,463,919	\$ 52,744,990	98.66%	\$ 187,075
2015-2016⁽¹⁾	2015	\$ 8,477,707,706	0.7053	\$60,290,271	\$ 58,985,648	97.84%	\$ 267,000
2016-2017⁽²⁾	2016	\$ 9,733,317,309	0.6812	\$61,129,847	\$ 60,579,679	99.10%	\$ 222,000

(1) Projected collections

(2) Projected levy and collections



NET ASSESSED VALUATION



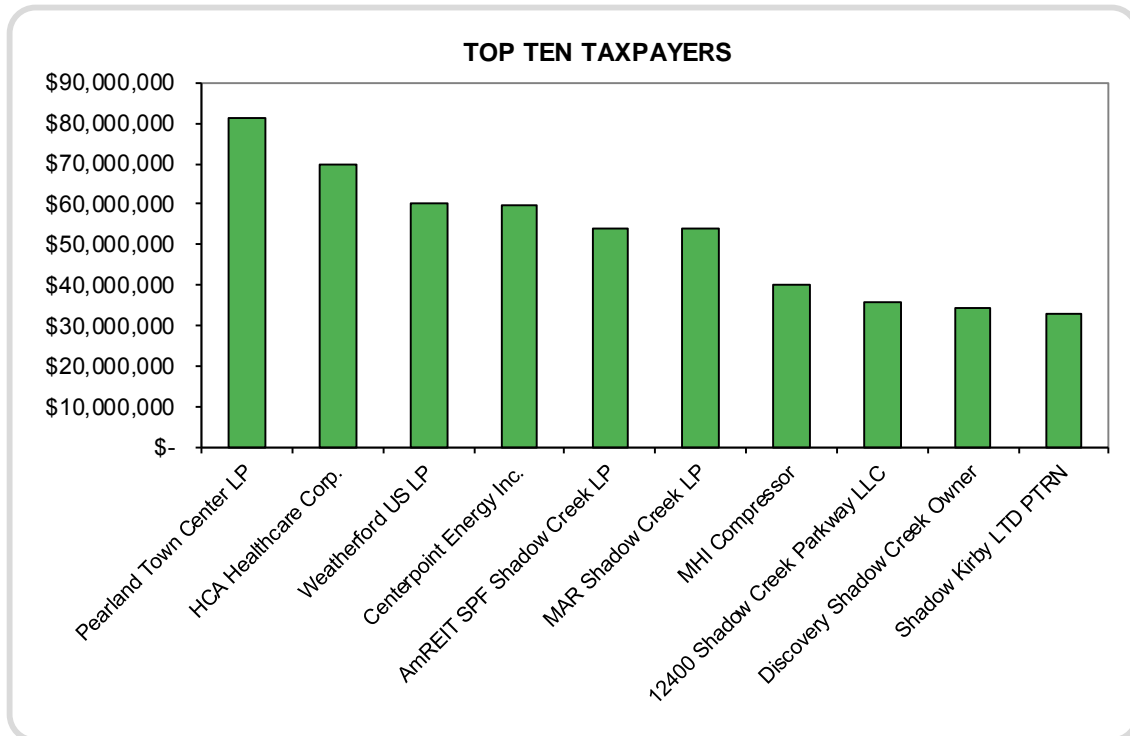
1) Net assessed valuation

2) Certified Value for tax year 2016

**PRINCIPAL TAXPAYERS
FISCAL YEAR 2015-2016**

<u>TAXPAYERS</u>	<u>BUSINESS</u>	<u>ASSESSED VALUE OF PROPERTY</u>	<u>% OF ASSESSED VALUE</u>
1 Pearlland Town Center LP	Retail Center Management	\$ 81,224,456	0.83%
2 HCA Healthcare Corp.	Hospital	\$ 69,698,780	0.72%
3 Weatherford US LP	Oil Field Service, Rental & Fishing	\$ 60,419,650	0.62%
4 Centerpoint Energy Inc.	Utility Company	\$ 59,511,450	0.61%
5 AmREIT SPF Shadow Creek LP	Retail Center Management	\$ 54,172,342	0.56%
6 MAR Shadow Creek LP	Multi-Family Residential	\$ 53,984,940	0.55%
7 MHI Compressor	Manufacturing	\$ 40,124,109	0.41%
8 12400 Shadow Creek Parkway LLC	Multi-Family Residential	\$ 35,701,460	0.37%
9 Discovery Shadow Creek Owner	Multi-Family Residential	\$ 34,401,370	0.35%
10 Shadow Kirby LTD PTRN	Retail Center Management	\$ 33,000,000	0.34%
TOTAL PRINCIPAL TAXPAYERS		\$ 522,238,557	5.37%
ALL OTHERS		\$ 9,211,078,752	94.63%
TOTAL		\$ 9,733,317,309	100.00%

SOURCES: Brazoria and Harris Counties Tax Assessor Collector



DEBT SERVICE FUND SUMMARY FY 2017 ADOPTED BUDGET

OVERVIEW

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

Based on the property values estimated, the budget as proposed assumes a Debt Service tax rate of \$0.4400 per \$100 assessed valuation, a \$0.0428 decrease from the FY 2016 debt service tax rate, to meet fiscal year 2017 obligations.

In fiscal year 2016, the City refunded \$17.8 million in existing bonds, comprised of four different issues, to take advantage of lower interest rates in order to achieve interest cost savings. The refunding saved \$2.67 million in interest over 17 years or savings of \$156,000 annually. The net present value savings of the refunding totaled \$2.07 million or 11.668%, over the 3% net present value savings as a minimum for refunding in the City's Financial Management Policy Statements.

The Debt Service tax rate generates \$33,242,286 in current property taxes at a 99.1% collection rate. Revenues include \$838,710 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 \$450,977 for some of the debt associated with water/sewer activities.

Expenditures total \$36,107,359 for fiscal year 2017 and include \$27,508,322 in bond principal and interest payments. Debt (General Obligation and Certificates of Obligation) anticipated to be issued includes \$27.023 million in fiscal year 2017 pursuant to the City's capital improvement program. After the General Obligation issuances in 2017, there will remain \$26.64 million in bonds yet to be issued at September 30, 2017 out of the \$162.0 million voted in 2007. Total principal outstanding paid from property taxes at September 30, 2017 is anticipated to be \$313 million (this includes new debt but excludes property tax backed debt paid by the water/sewer fund).

Net debt per capita is \$2,617 at September 30, 2017, down from \$2,744 in fiscal year 2016, and up from \$2,163 in fiscal year 2006, the year before the \$162 million in bonds were voted. Net debt per capita has grown 21%, while population has grown 47.6% during the same time period, from 79,322 to projected 117,100 in fiscal year 2017. This population growth has generated the need for increased and enhanced services resulting in a significant capital improvement program; principal outstanding growing from \$172 million in fiscal year 2006 to the \$313 million at September 30, 2017, an 82% growth in debt outstanding. Despite high debt levels, due to a strong regional economy and prudent financial management, Moody's Investor Services and Fitch Ratings have assigned bond ratings of Aa2 and AA respectively.

Tax rebates to in-city MUD's total \$6,645,152, an increase of \$1,852,777 from fiscal year 2015 actuals, as newer districts continue to develop as well as increase in valuations.

With the FY 2016 bond refunding, the FY 2016 Debt Service ending fund balance at September 30, 2016 is projected to be \$6,410,451 and is \$3,324,788 over the reserve policy of \$3,085,662, or 10% of expenditures. The City will pay off short-term notes in FY 2017 for an estimated ending fund balance of \$5,277,880 and an over policy amount of \$1,667,144. The City plans to continue a draw down of fund balance in FY 2018 and 2019 by using reserves on hand in order to minimize the impact to the taxpayer. A tax rate increase may be needed in fiscal years 2019 and 2020 due to the continued issuance of voter approved bonds to complete capital projects as well as a potential 2019 new bond referendum of approximately \$70 million currently incorporated into the forecast with the first issuance in 2019.

**DEBT SERVICE FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
OPERATING REVENUES				
Property Taxes	\$ 28,757,970	\$ 30,293,599	\$ 31,045,687	\$ 33,532,286
Miscellaneous	816,491	786,039	1,220,866	888,470
Transfers	613,411	607,997	797,199	554,032
Bond Proceeds	54,773,103		29,325,323	
TOTAL	84,960,975	31,687,635	62,389,075	34,974,788
OPERATING EXPENDITURES				
Rebates & Miscellaneous	4,824,335	6,198,194	5,497,146	6,687,537
Bond Payment	78,442,789	24,400,373	54,585,454	27,508,322
Short-Term Note	1,196,172	929,640	929,640	1,911,500
TOTAL	84,463,296	31,528,207	61,012,240	36,107,359
REVENUES OVER (UNDER) EXPENDITURES	497,679	159,428	1,376,835	(1,132,571)
FUND BALANCE - BEGINNING	4,535,937	4,988,996	5,033,616	6,410,451
FUND BALANCE - ENDING	\$ 5,033,616	\$ 5,148,424	\$ 6,410,451	\$ 5,277,880
Reserve 10%	2,968,885	3,152,821	3,085,662	3,610,736
Over Policy	2,064,732	1,995,603	3,324,788	1,667,144

**DEBT SERVICE FUND
REVENUES
FY 2017 ADOPTED BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
200-000-000-3000.010	CURRENT TAXES	28,435,441	29,971,099	30,670,687	33,242,286
200-000-000-3000.020	DELINQUENT TAXES	128,725	147,000	180,000	150,000
200-000-000-3000.030	PENALTY & INTEREST	193,804	175,500	195,000	140,000
*TAXES		28,757,970	30,293,599	31,045,687	33,532,286
200-000-000-3600.010	INTEREST INCOME	55,841	36,000	49,000	49,760
200-000-000-3600-040	UNREALIZED CAP GAIN (LOSS)	(8,064)		6,106	
200-000-000-3800.270	MISCELLANEOUS	768,715	750,039	1,165,760	838,710
*MISCELLANEOUS		816,491	786,039	1,220,866	888,470
200-000-000-3900	FROM FUND 600	456,567	453,837	453,837	450,977
200-000-000-3900	FROM FUND 100	156,844	154,160	171,849	103,055
200-000-000-3900	FROM FUND 380			171,513	
*GRANT, ISSUANCE, TRANSFER		613,411	607,997	797,199	554,032
200-000-000-4000.010	BOND PROCEEDS	47,165,000		27,080,000	
200-000-000-4000.020	PREM/DISCT ON BONDS	7,608,103		2,245,323	
*BOND PROCEEDS		54,773,103		29,325,323	
TOTAL		84,960,975	31,687,635	62,389,075	34,974,788

**DEBT SERVICE FUND
EXPENDITURES
FY 2017 ADOPTED BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
200-150-900-5890.010	ARBITRAGE FEES	31,960	36,385	36,385	42,385
*MISCELLANEOUS SERVICES		31,960	36,385	36,385	42,385
200-150-900-5500.020	MUD 17	578,965	641,841	580,704	724,838
200-150-900-5500.030	MUD 18	561,580	649,423	649,423	711,420
200-150-900-5500.040	MUD 19	650,040	733,309	694,613	814,070
200-150-900-5500.050	MUD 23	304,439	324,135	307,591	360,226
200-150-900-5500.060	MUD 26	935,389	928,439	987,176	1,089,585
200-150-900-5500.070	MUD 28	302,277	467,647	440,244	687,550
200-150-900-5500.080	MUD 34	378,202	486,649	455,833	633,905
200-150-900-5500.010	BRAZ/FT BEND MUD 1	980,502	1,766,189	1,213,164	1,365,830
200-150-900-5500.090	MUD 35	92,315	126,559	94,395	174,778
200-150-900-5500.095	MUD 509	8,666	37,618	37,618	82,950
*MUD REBATES		4,792,375	6,161,809	5,460,761	6,645,152
200-150-900-5800.010	PRINCIPAL	11,275,000	12,375,000	12,535,000	13,410,000
200-150-900-5850.010	INTEREST	12,382,763	12,009,798	11,882,835	12,577,322
200-150-900-5890.020	FISCAL AGENT FEES	10,575	15,575	12,000	21,000
200-150-900-5875.010	ISSUANCE COSTS	471,161		315,619	
200-150-900-5809.040	PAYMENT TO ESCROW AGENT	54,303,290		29,840,000	
200-150-900.5890.050	DEFEASANCE				1,500,000
*BOND PAYMENT		78,442,789	24,400,373	54,585,454	27,508,322
200-150-900-5800.020	PRINCIPAL	102,032			
200-150-900-5850.130	INTEREST	2,846			
200-150-900-5800.030	PRINCIPAL - OSSI/FY2009	308,188	319,320	319,320	163,960
200-150-900-5850.140	INTEREST	25,601	14,469	14,469	2,935
200-150-900-5800.040	PRINCIPAL - FY2010	60,423	61,896	61,896	63,404
200-150-900-5850.150	INTEREST	4,135	2,662	2,662	1,155
200-150-900-5800.050	PRINCIPAL - FY2011	124,069	126,772	126,772	261,825
200-150-900-5850.160	INTEREST	10,308	7,677	7,677	7,074
200-150-900-5800.060	PRINCIPAL - FY2012	267,626	108,842	108,842	271,610
200-150-900-5850.170	INTEREST	7,500	4,558	4,558	5,760
200-150-900-5800.070	PRINCIPAL - FY2013	252,274	257,438	257,438	1,083,539
200-150-900-5850.180	INTEREST	31,170	26,006	26,006	50,238
*SHORT TERM NOTE		1,196,172	929,640	929,640	1,911,500
TOTAL		84,463,296	31,528,207	61,012,240	36,107,359

**GOVERNMENTAL DEBT MATURITY SCHEDULE
AS OF 9/30/2016
GENERAL LONG-TERM DEBT***

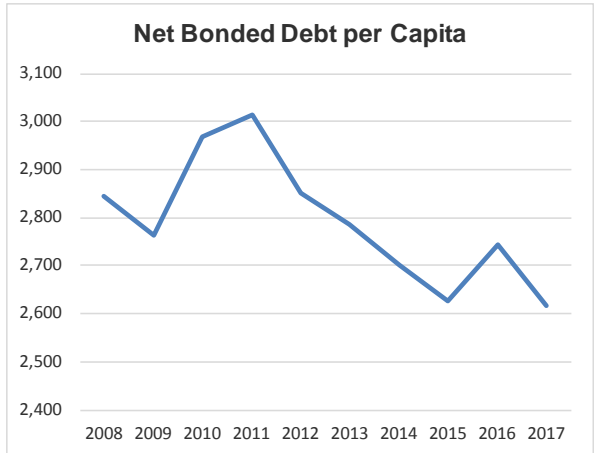
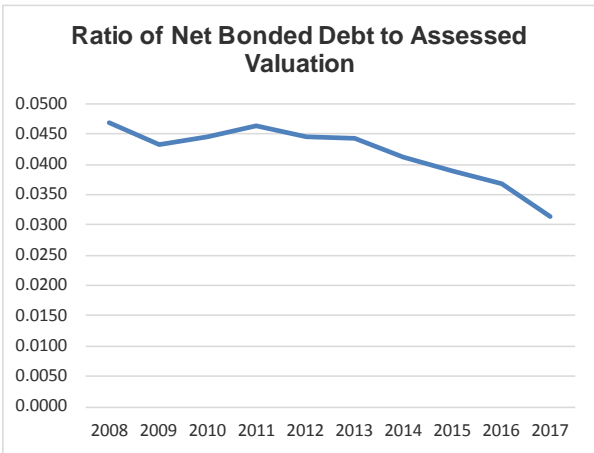
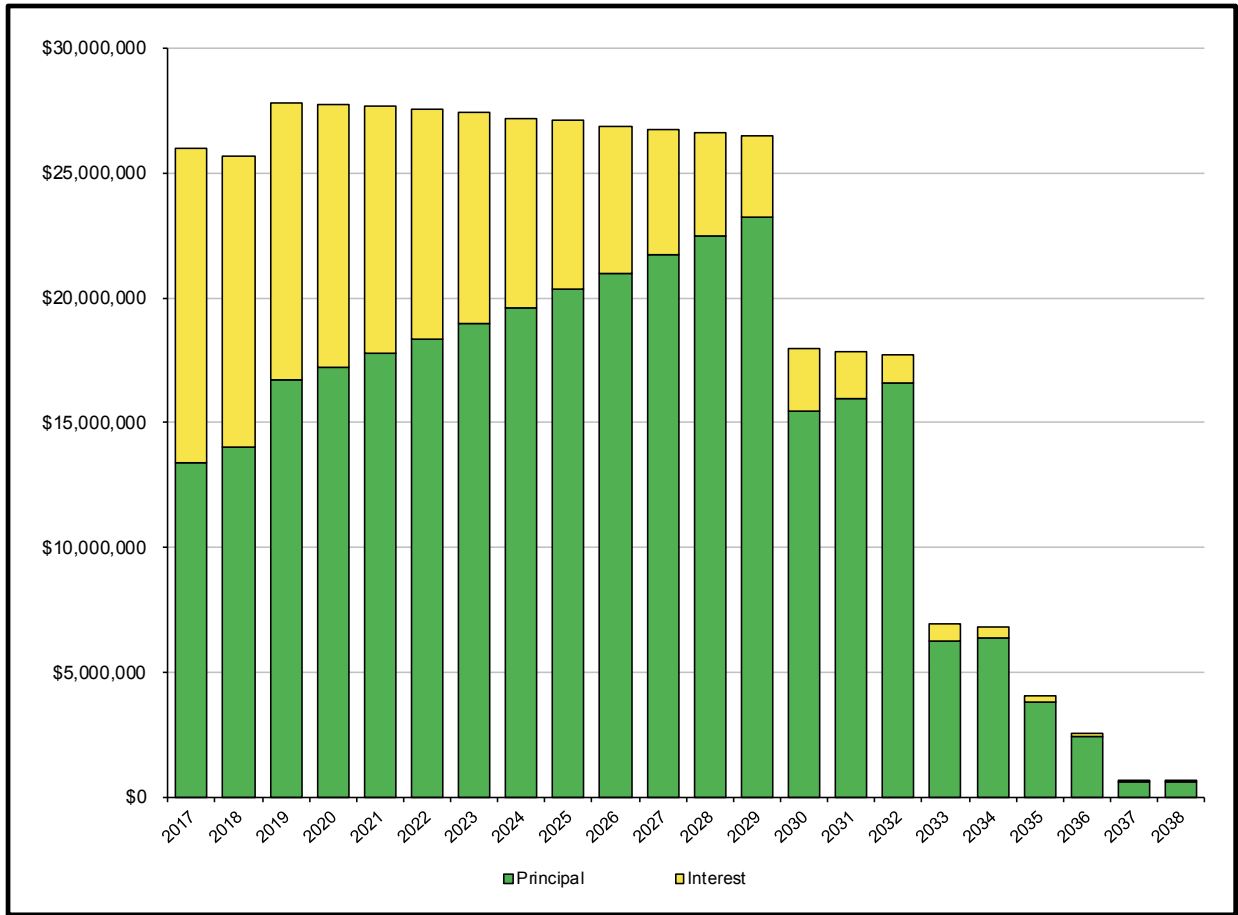
Fiscal Year	Principal	Interest	Total
2016-2017	13,410,000	12,577,322	25,987,322
2017-2018	14,015,000	11,678,816	25,693,816
2018-2019	16,690,000	11,142,849	27,832,849
2019-2020	17,190,000	10,539,774	27,729,774
2020-2021	17,780,000	9,881,023	27,661,023
2021-2022	18,340,000	9,186,163	27,526,163
2022-2023	18,980,000	8,437,295	27,417,295
2023-2024	19,580,000	7,613,925	27,193,925
2024-2025	20,370,000	6,766,181	27,136,181
2025-2026	20,970,000	5,909,693	26,879,693
2026-2027	21,740,000	5,008,678	26,748,678
2027-2028	22,495,000	4,126,593	26,621,593
2028-2029	23,245,000	3,262,210	26,507,210
2029-2030	15,435,000	2,510,127	17,945,127
2030-2031	15,960,000	1,868,308	17,828,308
2031-2032	16,565,000	1,180,515	17,745,515
2032-2033	6,235,000	702,275	6,937,275
2033-2034	6,380,000	444,384	6,824,384
2034-2035	3,840,000	226,597	4,066,597
2035-2036	2,455,000	105,672	2,560,672
2036-2037	620,000	43,938	663,938
2037-2038	640,000	14,800	654,800
TOTAL	312,935,000	113,227,138	426,162,138

Series Name	Principal Amount
Permanent Improvement and Refunding Bonds Series 2007	36,180,000
Certificates of Obligation Series 2007	7,810,000
Permanent Improvement Bonds Series 2008	10,595,000
Certificates of Obligation Series 2008	510,000
Permanent Improvement and Refunding Bonds Series 2009*	14,160,000
Certificates of Obligation Series 2009	7,130,000
Certificates of Obligation Series 2009-A	8,305,000
Permanent Improvement Bonds Series 2010A	10,245,000
Permanent Improvement and Refunding Series 2010B	330,000
Permanent Improvement Bonds Series 2011	4,750,000
Certificates of Obligation Series 2011	1,045,000
BC MUD 4 Series 2011	520,000
Permanent Improvement Refunding Bonds Series 2012*	40,935,000
Permanent Improvement Bonds Series 2013	8,450,000
Certificates of Obligation Series 2013	2,500,000
Permanent Improvement and Refunding Bonds Series 2014	38,140,000
Certificates of Obligation Series 2014	4,160,000
Permanent Improvement and Refunding Bonds Series 2015	47,165,000
Permanent Improvement Bonds Series 2015	8,070,000
Certificates of Obligation Series 2015	4,615,000
Permanent Improvement and Refunding Bonds Series 2015A	10,050,000
Permanent Improvement and Refunding Bonds Series 2016A	33,275,000
Certificates of Obligation Series 2016	13,995,000
TOTAL	312,935,000

Does not include new debt anticipated to be issued in 2017 and in future years.

*Excludes refunding portion associated with Water/Sewer.

**GOVERNMENTAL DEBT TO MATURITY
AS OF 9/30/2016**



**GENERAL DEBT SERVICE SCHEDULE
FY 2017 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/17
3/1/2017	Series 2007 Permanent Improvement	69,640,000	2,460,000	840,428	3,300,428	
9/1/2017	and Refunding Bonds			778,928	778,928	
	Fiscal Year Total		2,460,000	1,619,356	4,079,356	33,720,000
3/1/2017	Series 2007 Certificates of	23,250,000	280,000	139,763	419,763	
9/1/2017	Obligation			132,413	132,413	
	Fiscal Year Total		280,000	272,175	552,175	7,530,000
3/1/2017	Series 2008 Permanent Improvement	22,835,000	340,000	247,081	587,081	
9/1/2017	Bonds			238,581	238,581	
	Fiscal Year Total		340,000	485,663	825,663	10,255,000
3/1/2017	Series 2008 Certificates of	9,000,000	160,000	10,200	170,200	
9/1/2017	Obligation			7,000	7,000	
	Fiscal Year Total		160,000	17,200	177,200	350,000
3/1/2017	Series 2009 Permanent Improvement	14,580,000	435,000	305,071	740,071	
9/1/2017	and Refunding Bonds*			294,196	294,196	
	Fiscal Year Total		435,000	599,268	1,034,268	13,725,000
3/1/2017	Series 2009 Certificates of	8,520,000		162,851	162,851	
9/1/2017	Obligation		245,000	162,851	407,851	
	Fiscal Year Total		245,000	325,703	570,703	6,885,000
3/1/2017	Series 2009A Certificates of	12,145,000	640,000	158,083	798,083	
9/1/2017	Obligation			143,683	143,683	
	Fiscal Year Total		640,000	301,765	941,765	7,665,000
3/1/2017	Series 2010A Permanent Improvement	12,415,000	390,000	192,276	582,276	
9/1/2017	Bonds			186,426	186,426	
	Fiscal Year Total		390,000	378,703	768,703	9,855,000
3/1/2017	Series 2010B Permanent Improvement	1,630,000	240,000	4,950	244,950	
9/1/2017	Refunding Bonds			1,350	1,350	
	Fiscal Year Total		240,000	6,300	246,300	90,000
3/1/2017	Series 2011 Permanent Improvement	5,400,000	165,000	90,466	255,466	
9/1/2017	Bonds			87,166	87,166	
	Fiscal Year Total		165,000	177,631	342,631	4,585,000
3/1/2017	Series 2011 Certificates of	2,095,000	205,000	10,920	215,920	
9/1/2017	Obligation			8,778	8,778	
	Fiscal Year Total		205,000	19,698	224,698	840,000
3/1/2017	Series 2011 BC MUD 4	2,640,000	130,000	8,288	138,288	
9/1/2017	Refunding Bonds*			6,500	6,500	
	Fiscal Year Total		130,000	14,788	144,788	390,000
3/1/2017	Series 2012 Permanent Improvement	43,575,000	2,625,000	720,550	3,345,550	
9/1/2017	Refunding Bonds*			668,050	668,050	
	Fiscal Year Total		2,625,000	1,388,600	4,013,600	38,310,000
3/1/2017	Series 2013 Permanent	9,315,000	305,000	178,834	483,834	
9/1/2017	Improvement Bonds			172,734	172,734	
	Fiscal Year Total		305,000	351,568	656,568	8,145,000

**GENERAL DEBT SERVICE SCHEDULE
FY 2017 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/17
3/1/2017	Series 2013 Certificates	2,745,000	85,000	54,394	139,394	
9/1/2017	of Obligation			53,119	53,119	
	Fiscal Year Total		85,000	107,513	192,513	2,415,000
3/1/2017	Series 2014 Permanent Improvement	40,410,000	1,020,000	822,741	1,842,741	
9/1/2017	Refunding Bonds*			807,441	807,441	
	Fiscal Year Total		1,020,000	1,630,181	2,650,181	37,120,000
3/1/2017	Series 2014 Certificates	4,625,000	230,000	60,709	290,709	
9/1/2017	of Obligation			58,409	58,409	
	Fiscal Year Total		230,000	119,119	349,119	3,930,000
3/1/2017	Series 2015 Permanent Improvement	47,165,000	320,000	1,048,459	1,368,459	
9/1/2017	Refunding Bonds			1,045,259	1,045,259	
	Fiscal Year Total		320,000	2,093,719	2,413,719	46,845,000
3/1/2017	Series 2015 Permanent Improvement	8,495,000	425,000	116,163	541,163	
9/1/2017	Bonds			111,913	111,913	
	Fiscal Year Total		425,000	228,075	653,075	7,645,000
3/1/2017	Series 2015 Certificates	4,860,000	245,000	66,950	311,950	
9/1/2017	of Obligation			64,500	64,500	
	Fiscal Year Total		245,000	131,450	376,450	4,370,000
3/1/2017	Series 2015A Permanent Improvement	10,210,000	945,000	141,938	1,086,938	
9/1/2017	Refunding Bonds			132,488	132,488	
	Fiscal Year Total		945,000	274,425	1,219,425	9,105,000
3/1/2017	Series 2016A Permanent Improvement	33,275,000	820,000	967,388	1,787,388	
9/1/2017	Refunding Bonds			636,725	636,725	
	Fiscal Year Total		820,000	1,604,113	2,424,113	32,455,000
3/1/2017	Series 2016 Certificates	13,995,000	700,000	262,388	962,388	
9/1/2017	of Obligation			167,925	167,925	
	Fiscal Year Total		700,000	430,313	1,130,313	13,295,000
	TOTAL	402,820,000	13,410,000	12,577,322	25,987,322	299,525,000

*Excludes Water/Sewer Component

Does not include new debt anticipated to be issued.

**GENERAL DEBT SERVICE SCHEDULE
FY 2017 ADOPTED BUDGET**

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding		Requirements	
				As of 9/30/17	Annual	Annual	Requirements
Permanent Imp. and Refunding Bonds Series 2007	4%,4.375%,4.5%,4.75%, 5%,5.5%,4.6%	2007 2034	69,640,000	33,720,000	3/1/2017	2,460,000	Principal
					3/1/2017	840,428	Interest
					9/1/2017	778,928	Interest
Certificates of Obligation Series 2007	3.25%,4.25%,5%,5.25% 4.30%	2007 2034	23,250,000	7,530,000	3/1/2017	280,000	Principal
					3/1/2017	139,763	Interest
					9/1/2017	132,413	Interest
Permanent Imp. Bonds Series 2008	4%,4.5%,4.625%,5% 5.25%,5.5%,4.78%	2008 2034	22,835,000	10,255,000	3/1/2017	340,000	Principal
					3/1/2017	247,081	Interest
					9/1/2017	238,581	Interest
Certificates of Obligation Series 2008	3.75%,3.875%,4%,4.125% 4.25%,4.3%,4.375%,4.4% 4.5%,5%,4.9%	2008 2034	9,000,000	350,000	3/1/2017	160,000	Principal
					3/1/2017	10,200	Interest
					9/1/2017	7,000	Interest
Permanent Imp. and Refunding Bonds Series 2009*	2.0%,2.50%,2.75%,3.25%,3.4 3.6%,3.7%,3.75%,3.85%,4.0% 4.1%,4.2%,4.5%,5.0%	2015 2034	14,580,000	13,725,000	3/1/2017	435,000	Principal
					3/1/2017	305,071	Interest
					9/1/2017	294,196	Interest
Certificates of Obligation Series 2009	4.5%,4.65%,4%,5%, 5.25%,5.5%,2.25%,2.5%, 3%,3.5%,3.75%,4.1%, 4.25%,4.4%,4.75%,4.625% 4.66%	2009 2034	8,520,000	6,885,000	3/1/2017	162,851	Interest
					3/1/2017	245,000	Principal
					9/1/2017	162,851	Interest
Certificates of Obligation Series 2009A	4.5%,4.2%,4.1%,4.0% 3.85%,3.75%,3.7%,3.6% 3.25%,3.4%,2.75%,2.5% 2.25%,2.0%,3.78%,4.5%	2009 2029	12,145,000	7,665,000	3/1/2017	640,000	Principal
					3/1/2017	158,083	Interest
					9/1/2017	143,683	Interest
Permanent Imp. Bonds Series 2010A	2.0%,3.0%,3.25%,3.50% 3.625%,3.75%,3.90%,4.0% 4.25%,3.89%	2011 2035	12,415,000	9,855,000	3/1/2017	390,000	Principal
					3/1/2017	192,276	Interest
					9/1/2017	186,426	Interest
Permanent Imp. Bonds Refunding Series 2010B	2.0%,3.0%,3.25%,3.50% 3.625%,3.75%,3.90%,4.0% 4.25%,3.05%	2011 2018	1,630,000	90,000	3/1/2017	240,000	Principal
					3/1/2017	4,950	Interest
					9/1/2017	1,350	Interest
General Obligation Series 2011	2.125%,3.0%,3.25%,3.5% 4.0%,4.125%,3.84%	2011 2036	5,400,000	4,585,000	3/1/2017	165,000	Principal
					3/1/2017	90,466	Interest
					9/1/2017	87,166	Interest
Certificates of Obligation Series 2011	2.09%	2011 2021	2,095,000	840,000	3/1/2017	205,000	Principal
					3/1/2017	10,920	Interest
					9/1/2017	8,778	Interest
BC MUD 4 Series 2011	2.5%,2.75%,3.0%,3.5% 4.0%,4.125%,4.5%,4.7% 4.8%,5.0%,4.42%	2011 2032	2,640,000	390,000	3/1/2017	130,000	Principal
					3/1/2017	8,288	Interest
					9/1/2017	6,500	Interest
Permanent Imp. Bonds Refunding Series 2012*	3.0%,4.0%,5.0%,3.44%	2012 2029	43,575,000	38,310,000	3/1/2017	2,625,000	Principal
					3/1/2017	720,550	Interest
					9/1/2017	668,050	Interest

**GENERAL DEBT SERVICE SCHEDULE
FY 2017 ADOPTED BUDGET**

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As of 9/30/17	Annual Requirements		
Permanent Imp. Bonds Series 2013	3.0%,4.0%,4.125%,4.25%, 4.375%,4.4%,4.5%,4.625%, 4.29%	2013 2038	9,315,000	8,145,000	3/1/2017	305,000	Principal
					3/1/2017	178,834	Interest
					9/1/2017	172,734	Interest
Certificates of Obligation Series 2013	3.0%,4.0%,4.25%,4.375%, 4.5%,4.625%,5.0%,4.05%	2013 2038	2,745,000	2,415,000	3/1/2017	85,000	Principal
					3/1/2017	54,394	Interest
					9/1/2017	53,119	Interest
Permanent Imp. Bonds Series 2014	3.25%, 3.5%, 3.625%, 3.75%, 3.875%, 4.0%, 4.1%, 4.125% 4.2%, 4.25%, 4.3%, 4.5%, 5.0%	2015 2034	40,410,000	37,120,000	3/1/2017	1,020,000	Principal
					3/1/2017	822,741	Interest
					9/1/2017	807,441	Interest
Certificates of Obligation Series 2014	2.0%, 3.0%, 3.125%, 3.25%, 3.375%, 4.0%	2014 2038	4,625,000	3,930,000	3/1/2017	230,000	Principal
					3/1/2017	60,709	Interest
					9/1/2017	58,409	Interest
Permanent Imp. Bonds Refunding Series 2015	2.0%,3.0%,3.125%,3.25%,4.0%, 5.0%	2015 2034	47,165,000	46,845,000	3/1/2017	320,000	Principal
					3/1/2017	1,048,459	Interest
					9/1/2017	1,045,259	Interest
Permanent Imp. Bonds Series 2015	2.0%, 2.5%, 3.0%, 3.2%, 3.25%, 4.00%	2016 2035	8,495,000	7,645,000	3/1/2017	425,000	Principal
					3/1/2017	116,163	Interest
					9/1/2017	111,913	Interest
Certificates of Obligation Series 2015	2.0%, 2.5%, 3.0%, 3.125%, 3.25%, 3.375%, 4.0%	2016 2035	4,860,000	4,370,000	3/1/2017	245,000	Principal
					3/1/2017	66,950	Interest
					9/1/2017	64,500	Interest
Permanent Imp. Bonds Refunding Series 2015A		2015 2029	10,210,000	9,105,000	3/1/2017	945,000	Principal
					3/1/2017	141,938	Interest
					9/1/2017	132,488	Interest
Permanent Imp. Bonds Refunding Series 2016A		2016 2036	33,275,000	32,455,000	3/1/2017	820,000	Principal
					3/1/2017	967,388	Interest
					9/1/2017	636,725	Interest
Certificates of Obligation Series 2016		2016 2036	13,995,000	13,295,000	3/1/2017	700,000	Principal
					3/1/2017	262,388	Interest
					9/1/2017	167,925	Interest
TOTAL			402,820,000	299,525,000		25,987,322	

*Excludes Water/Sewer Component

Does not include new debt anticipated to be issued in 2017 and in future years.

**GENERAL FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

The General Fund provides the financing for all of the City of Pearland's basic services except water, sewer and solid waste, which is accounted for through the Water & Sewer and Solid Waste Funds. The principal sources of revenue include property taxes, sales taxes, franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures are comprised of five major functional areas: Public Works, Public Safety, General Government, Community Services, and Parks and Recreation. Public Safety provides all emergency services to the citizens of Pearland and accounts for 53.6% of total operating expenditures (excluding transfers). General Government includes departments such as Mayor and City Council, City Manager, Finance, Legal, and Human Resources. Expenditures include all personnel costs for 547 full-time employees and 151 part-time employees including paid volunteers, utilities, fuel, park and right-of-way maintenance, and street lighting, just to name a few.

	FY2015 ACTUAL	FY2016 ORIGINAL BUDGET	FY2016 YEAR END AMENDED	FY 2017 ADOPTED BUDGET
REVENUES				
Property Taxes	13,261,422	14,190,297	14,292,773	18,502,590
Sales and Use Taxes	19,073,940	20,594,329	19,746,556	20,526,818
Franchise Fees	6,663,788	7,003,454	6,770,450	6,930,000
Licenses & Permits	4,550,094	3,967,489	4,913,295	5,183,830
Fines & Forfeitures	2,968,634	2,919,450	2,899,950	2,902,500
Charges for Service	13,442,538	15,108,928	14,649,885	15,250,614
Miscellaneous	1,824,774	1,659,083	3,032,855	1,590,153
Transfers in	3,580,712	3,448,391	3,167,622	3,263,272
Other Financing Sources	574,049	900,000	1,800,000	100,000
TOTAL REVENUES	65,939,951	69,791,421	71,273,386	74,249,777
EXPENDITURES				
General Government	9,552,291	11,430,573	12,359,756	12,255,286
Public Safety	33,692,260	38,631,959	40,099,528	40,300,860
Community Services	3,163,999	3,304,003	3,517,534	3,577,288
Public Works	10,592,610	11,806,888	12,976,333	12,912,065
Parks & Recreation	5,706,921	6,744,751	6,711,925	6,205,747
Total Operating Expenditures	62,708,081	71,918,174	75,665,076	75,251,246
Transfers Out	1,332,134	1,354,768	2,554,768	1,202,789
TOTAL EXPENDITURES	64,040,215	73,272,942	78,219,844	76,454,035
Revenues Over/(Under) Expenses	1,899,736	(3,481,521)	(6,946,458)	(2,204,258)
Beginning Fund Balance	19,454,501	15,559,633	21,354,237	14,407,779
Ending Fund Balance	\$21,354,237	\$12,078,112	\$14,407,779	\$12,203,521
Policy - 2 months Recurring Oper.		11,168,568	11,199,984	11,582,786
Fund Balance over Policy		909,544	3,207,795	620,735

**GENERAL FUND
REVENUE AND EXPENDITURE SUMMARY
FY 2017 ADOPTED BUDGET**

Overview – Fund Balance

The City is anticipated to end fiscal year (FY) 2016 on September 30, 2016, with a fund balance of \$14,407,779, \$3,207,795 over fund balance policy. The proposed FY 2017 fund balance over policy is reduced to \$620,735, with the proposed ending fund balance of \$12,203,521 for FY 2017.

Revenues

Revenues in FY 2017 are anticipated to exceed those in 2016 in all categories except one-time revenues in miscellaneous and other financing sources. Overall, the increase in total revenues from FY 2016 is 4.2%. Property tax, sales tax and charges for services are the three major revenue sources for the City.

The preliminary average property values increased in 2015 by 15.75%, resulting in an increase in property tax revenues as a percent of total revenues, from 20% in FY 2016 to 25% in FY 2017, and a decrease in the property tax rate. The FY 2016 sales tax was increased by 4%, as current sales tax through July is 4% higher than the previous year, and the City continues to experience commercial and industrial growth. Charges for include TIRZ administration fees, which are increasing by \$818,658 as a result of property values increasing. Miscellaneous and Other Financial Resources are decreasing as the City received a payment from the Texas Department of Transportation for reimbursement for Cullen and Dixie Farm Road in FY 2016. The City received \$1.8 million in capital lease proceeds that will be reduced to \$100,000 in FY 2017. All other revenue sources have minor changes.

Total Revenues

FY 2017 Adopted	\$74,249,777	
FY 2016 Amended	<u>\$71,273,286</u>	
Change/Increase	\$ 2,976,491	4.1% increase

Expenditures

Fiscal year 2017 operating expenditures are \$76,454,035, 2.3% higher than FY 2016. This is mainly due to funding one-time expenditures this fiscal year from the 2015 fund-balance-over-policy, which increased the expenditures for FY 2016 by \$3,700,644. Salaries and benefits are the major expenditure for FY 2017, at 68% of the total.

Major changes in the General Fund are described in the Highlights section. Public Safety is increasing with the addition of four new Police Officers and two shared vehicles. And an Emergency Management Coordinator is added in the Fire Department to ensure the City is prepared for emergency response. General Government is decreasing with the major purchases and implementation for the replacement of the major financial data system occurring in FY 2015 and FY 2016. A Risk Manager has been added in Human Resources to manage and monitor the property/liability and workers' compensation for the City. Community Services is increasing with the conversion of two part-time positions to full-time and three new full-time positions. Public Works is decreasing due to a reduction in the streets rehabilitation program. Parks & Recreation is decreasing as the management of the Recycling Center was transferred to Keep Pearland Beautiful (KPB), and re-organization.

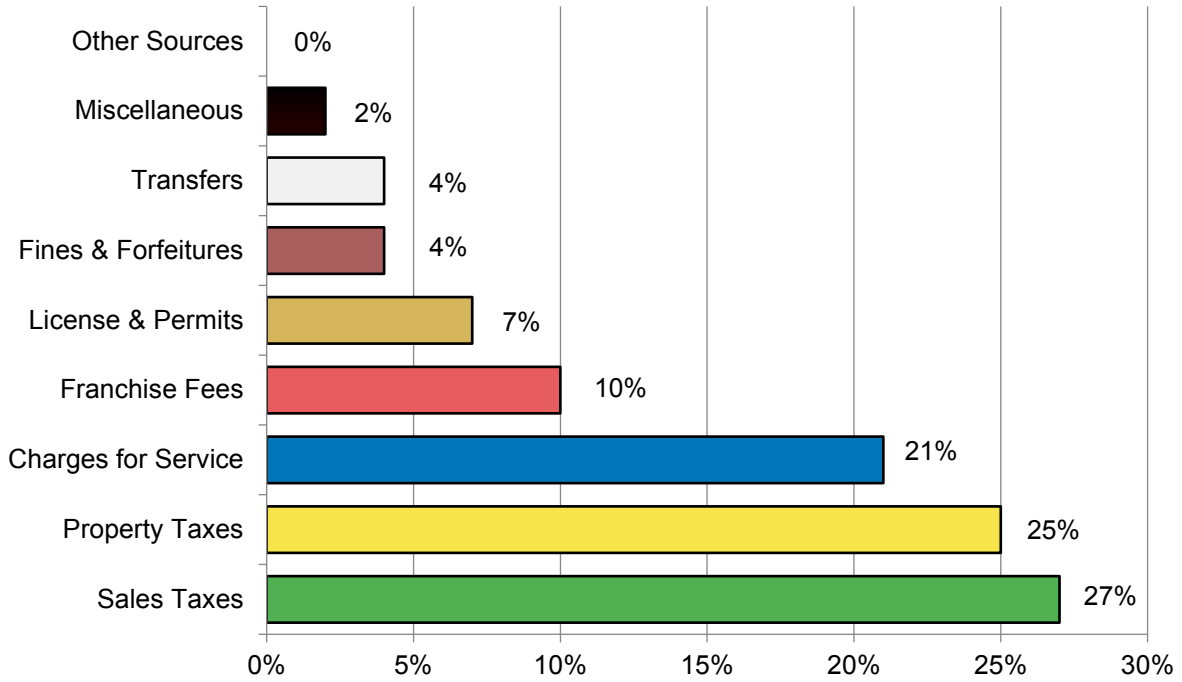
A 3% increase in salary is included for all personnel, to support recruitment and retention efforts. This is in addition to the annual 3% step increases for Certified Police Officers. The employee medical insurance and premiums did not change from FY 2016 to FY 2017; however, a portion of the City's medical premium payments, \$60,008, is being passed on to the employee for FY 2017 as a result of changing dependent coverage from 70% to 68%.

Total Expenditures

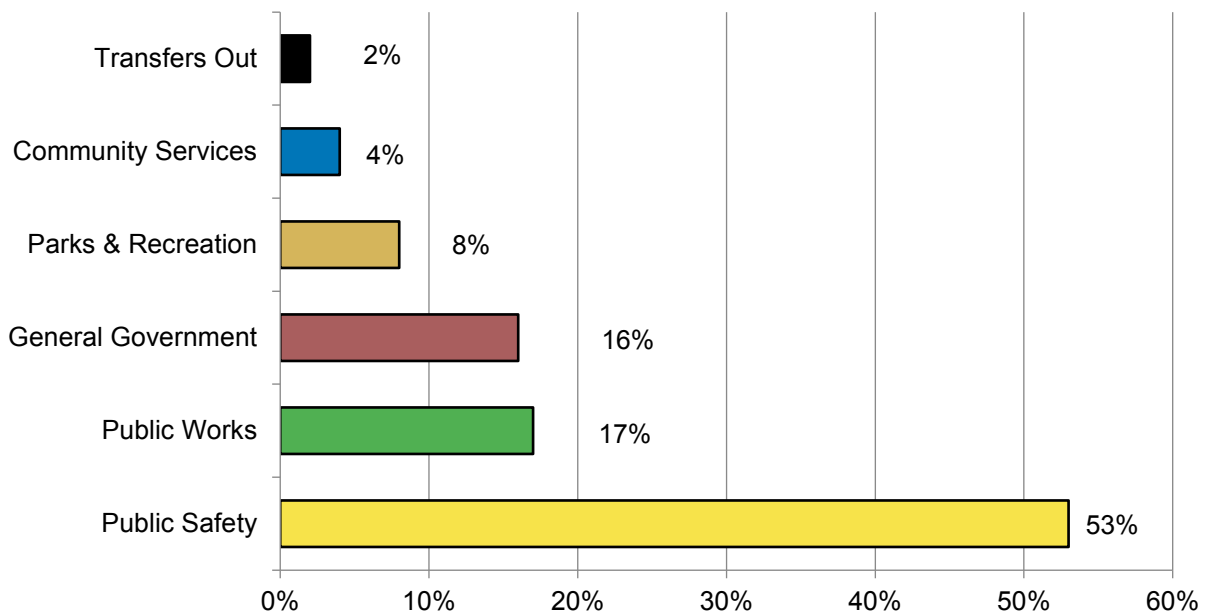
FY 2017 Adopted	\$76,454,035	
FY 2016 Amended	<u>\$78,219,844</u>	
Change (Decrease)	\$ 1,765,774	-4.2% decrease

**GENERAL FUND SUMMARY
FY 2017 ADOPTED BUDGET**

TOTAL REVENUES - \$74.3 M



**TOTAL EXPENDITURES - \$76.5M
BY FUNCTION/DEPARTMENT**



**GENERAL FUND REVENUES
FY 2017 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY2015 ACTUAL	FY2016 ORIGINAL BUDGET	FY2016 YEAR END AMENDED	FY 2017 ADOPTED BUDGET
100-000-000.3000.010	CURRENT TAXES	\$12,888,645	\$13,809,807	\$14,000,000	\$18,222,817
100-000-000.3000.020	DELINQUENT TAXES	58,350	65,000	87,000	72,000
100-000-000.3000.030	PENALTY & INTEREST	101,072	100,000	73,000	75,000
100-000-000.3000.040	IN LIEU OF PROPERTY TAXES	213,355	215,489	132,773	132,773
*PROPERTY TAXES		13,261,422	14,190,297	14,292,773	18,502,590
100-000-000.3100.010	SALES TAXES	18,825,885	20,319,329	19,506,556	20,286,818
100-000-000.3100.030	MIX DRINK TAXES	248,055	275,000	240,000	240,000
*SALES & USE TAXES		19,073,940	20,594,329	19,746,556	20,526,818
100-000-000.3200.010	GAS COMPANY	324,993	364,993	290,450	300,000
100-000-000.3200.020	ELECTRIC COMPANY	3,006,312	3,128,368	3,000,000	3,100,000
100-000-000.3200.030	TELEPHONE COMPANY	276,454	275,300	280,000	290,000
100-000-000.3200.040	CABLE/VIDEO TELEVISION	1,538,673	1,619,820	1,600,000	1,620,000
100-000-000.3200.050	SANITATION RESIDENTIAL	1,517,356	1,614,973	1,600,000	1,620,000
*FRANCHISE FEES		6,663,788	7,003,454	6,770,450	6,930,000
100-410-415.3300.010	BUSINESS BUILDING PERMIT	298,170	400,000	500,000	525,000
100-410-415.3300.020	BUSINESS BP PLAN & ZONE ADJUSTMENT			5,000	5,000
100-410-415.3300.030	PLATTING FEES	107,301	150,480	150,480	150,500
100-410-415.3300.040	BEER PERMITS	17,120	21,000	21,000	21,000
100-410-415.3300.050	MOVING PERMITS	5,380	4,500	5,500	5,500
100-410-415.3300.060	PEDDLERS & SOLICITORS	4,655	4,500	4,500	4,500
100-410-415.3300.070	HEALTH CERTIFICATE FEES	93,892	134,125	130,000	130,000
100-410-415.3300.080	WRECKER PERMITS	8,857	5,200	5,200	5,200
100-410-415.3300.090	BLDG PLAN CHECK FEE	1,167,332	905,856	1,200,000	1,200,000
100-410-415.3300.100	OCCUPANCY PERMIT	11,340	11,200	12,000	12,000
100-410-415.3300.110	DEMOLITION PERMIT	2,230	1,500	1,500	1,500
100-410-415.3300.120	BUILDING SITE WORK PERMIT	104,834	80,000	100,000	100,000
100-410-415.3300.140	FOOD HANDLERS 1 YEAR	450			
100-410-415.3300.160	SIGN PERMIT	18,521	22,820	16,500	18,500
100-410-415.3300.170	AMBULANCE PERMIT	17,200	18,000	17,000	17,000
100-410-415.3300.180	TAXI CAB PERMIT	3,518	4,020	2,000	2,000
100-410-415.3300.190	TEMPORARY STRUCTURES	2,330	2,500	2,500	2,500
100-410-415.3300.200	RECORDATION & COURIER FEE	5,493	8,000	4,000	4,000
100-410-415.3300.210	BUSINESS PERMITS MISCELLANEOUS			6,000	6,000
100-410-415.3300.220	BUSINESS ELECTRICAL PERMIT			12,000	34,000
100-410-415.3300.230	BUSINESS PLUMBING & GAS PERMIT			15,000	22,000
100-410-415.3300.240	BUSINESS MECHANICAL PERMIT			10,000	31,000
100-410-415-3300-250	BUSINESS PROCESSING FEE			100	100
100-410-415.3300.260	PRECIOUS METAL DEALER			200	200
100-410-415.3325.010	NON BUSINESS/BUILDING PERMIT	1,628,271	1,217,600	1,474,335	1,525,000
100-410-415.3325.020	NON-BUS BP PLAN & ZONE ADJUSTMENT	28,820	40,000	28,000	28,000
100-410-415.3325.030	GARAGE SALE PERMIT	33,525	36,000	33,000	33,000
100-410-415.3325.040	CULVERT PERMIT		500	500	500
100-410-415.3325.070	FOSTER HOME INSPECTION	2,100	2,590	2,100	2,100
100-410-415.3325.080	MOWING LIEN	(6,505)		500	500
100-410-415.3325.220	NON-BUSINESS ELECTRICAL PERMIT	253,981	267,425	300,000	318,000
100-410-415.3325.230	NON-BUSINESS PLUMBING & GAS PERMIT	239,973	259,493	300,000	268,000
100-410-415.3325.240	NON-BUSINESS MECHANICAL PERMIT	279,941	203,660	280,000	324,000

**GENERAL FUND REVENUES
FY 2017 ADOPTED BUDGET**

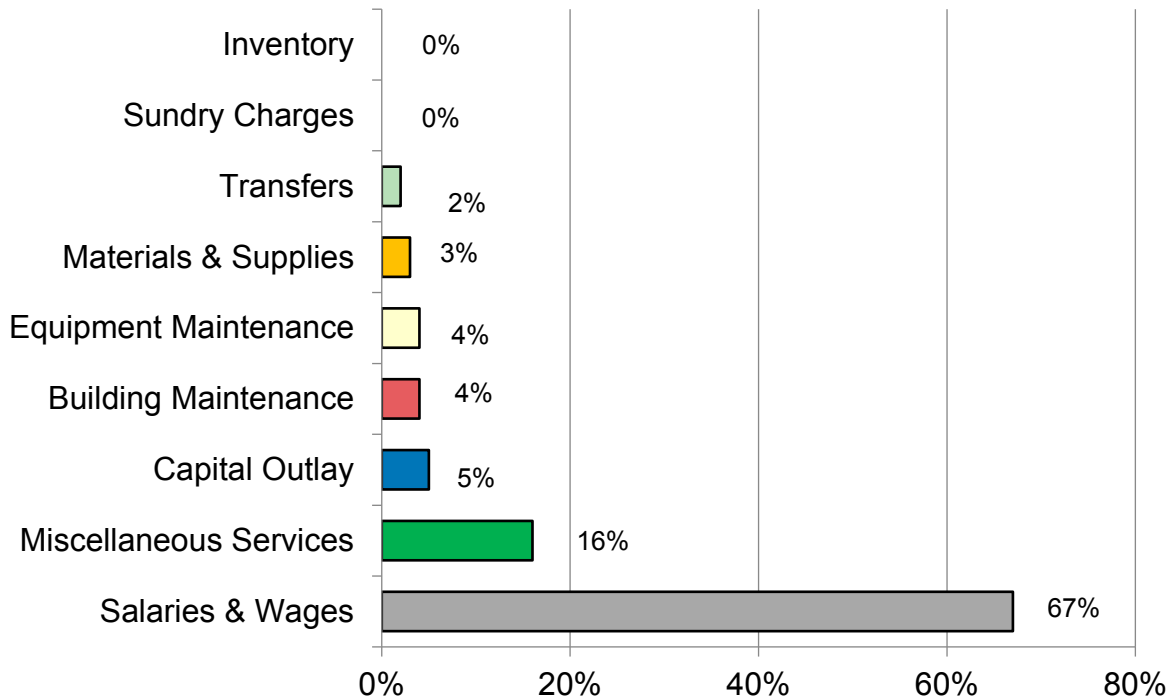
ACCOUNT NUMBER	REVENUE CATEGORY	FY2015	FY2016	FY2016	FY 2017
		ACTUAL	ORIGINAL BUDGET	YEAR END AMENDED	ADOPTED BUDGET
100-410-415.3325.250	PERMITS PROCESSING FEE			50,000	180,000
100-410-415.3350.040	OCCUP REINSPECT/INSPECT LICENSE	20,940	18,000	37,000	20,000
100-410-415.3375.050	FIREWORKS	50	150	150	150
100-410-415.3375.060	IRRIGATION	27,491	26,540	30,000	30,000
100-410-415.3375.070	SWIMMING POOL	46,021	49,180	49,180	49,180
100-410-415.3375.080	DIRT GRADING PERMIT	500	1,500	1,500	1,500
100-410-415.3375.090	AMBULANCE PERMIT APP. FEE	5,700	5,700	5,700	5,700
100-205-260.3375.010	FIRE ALARM	11,375	9,000	9,000	9,000
100-205-260.3375.020	FIRE PROTECTION	3,880	2,200	5,600	5,600
100-205-260.3375.030	FIRE SPRINKLER	25,743	17,000	14,000	14,000
100-205-260.3375.040	FIRE SPRINKLER-ALTERATION	17	250	250	100
100-200-225.3300.130	ALARM PERMIT	42,185		35,000	35,000
100-200-250.3325.050	ANIMAL LICENSE	37,465	37,000	37,000	37,000
*LICENSES & PERMITS		4,550,094	3,967,489	4,913,295	5,183,830
100-405-100.3400.010	FINES & FORFEITURES	2,757,624	2,711,000	2,711,000	2,711,000
100-405-100.3400.020	CHILD SAFETY	30,272	27,500	44,000	45,000
100-405-100.3400.030	CHILD SAFETY-HARRIS CO.	5,886	6,000	5,000	5,000
100-405-100.3400.040	COMMERCIAL CARRIER FINES	78,139	83,000	50,000	50,000
100-405-100.3400.070	TIME EFFICIENCY	(10,940)	(10,800)	(10,800)	(10,800)
100-405-100.3400.080	ANIMAL CRUELTY	(550)	350	350	350
100-405-100.3400.090	OMNIBASE	13,392	14,100	12,000	12,000
100-405-100.3400.100	SERVICE FEE RECOUP	75,008	78,450	78,450	80,000
100-405-100.3400.120	CODE ENFORCEMENT FINES	220	350	150	150
100-405-100.3400.130	BOND FORFEITURES	19,365	9,500	8,700	8,700
100-405-100.3400.140	TEEN COURT	220		1,100	1,100
*FINES & FORFEITURES		2,968,634	2,919,450	2,899,950	2,902,500
100-205-260.3500.140	AMBULANCE SERVICE FEE	2,756,044	2,775,000	2,500,000	2,500,000
100-205-260.3500.150	MUD FIRE/EMS COLLECTIONS	78,846	116,328	130,000	140,000
100-205-260.3500.160	SPA - FIRE/EMS	366,464	456,606	456,606	436,000
100-205-260.3500	MEDICARE AMBULANCE REIMBURSEMENT				558,188
100-205-260.3500.170	FALSE ALARM FEE	95,418			
100-205-260.3500.260	NON EMERG AMBULANCE TRANSPORT	1,648	2,000	1,000	1,000
100-205-260.3500.270	NON-EMERGENCY EMS SERVICE			1,100	1,200
100-410-415.3500.070	PERMITS INSPECTION FEE	22,505	25,000	10,000	10,000
100-200-225.3300.130	FALSE ALARM FEE		80,000	80,000	80,000
100-200-200.3500.180	ARREST FEES	6,877	6,000	3,000	3,000
100-200-200.3500.190	CLEARANCE LETTER FEE	430	500	350	350
100-200-200.3500.200	SUBPOENA	91	150	50	50
100-200-200.3500.210	OFFENSE REPORT COPIES	46	100	50	50
100-200-200.3500.220	ACCIDENT REPORT COPIES	6,002	5,500	6,000	6,000
100-200-200.3500.530	TCLOSE FUNDS	11,229			
100-200-230.3500.280	POLICE TRAINING TUITION	2,498	2,200	5,000	5,000
100-200-230.3500.290	POLICE TRAINING RECYCLING		2,500		
100-200-250.3500.010	ANIMAL SHELTER	36,688	44,000	40,000	40,000
100-300-340.3500.300	ENGINEERING INSPECT FEE	270,034	150,000	150,000	150,000
100-305-305.3500.080	TRAFFIC IMPACT ANALYSIS	6,800	10,500	23,000	10,000
100-500-510.3500.100	SWIMMING POOL	20,783	18,000	18,000	

**GENERAL FUND REVENUES
FY 2017 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY2015 ACTUAL	FY2016 ORIGINAL BUDGET	FY2016 YEAR END AMENDED	FY 2017 ADOPTED BUDGET
100-500-510.3500.120	RECREATION CENTER	30,839		45,000	45,000
100-500-510.3500.125	HICKORY SLOUGH SPORTS COMPLEX			19,000	27,000
100-500-525.3500.060	SPECIAL EVENT PERMIT FEES	50	150	150	150
100-500-525.3500.090	EVENTS & PROGRAMS	520,120	488,392	483,427	695,000
100-500-535.3500.110	NATATORIUM	131,754	173,800	83,000	80,000
100-500-510.3500.130	MEMBERSHIPS	1,448,507	1,417,000	1,500,000	1,500,000
100-500-510.3500.135	DISCOUNTS	(130,229)		(285,000)	(285,000)
100-500-100.3500.020	FACILITY RENTALS	132,898	89,850	133,000	133,000
100-500-100.3500.030	FACILITY RENTAL - UH	2,405	700		
100-410-420.3500.230	OTHER COPIES			2,500	50
100-130-100.3500.050	TIRZ ADMINISTRATION FEES	7,623,794	9,244,652	9,244,652	9,114,576
*CHARGES FOR SERVICES		13,442,538	15,108,928	14,649,885	15,250,614
100-000-000.3600.010	INTEREST EARNINGS	109,257	108,000	100,000	105,000
100-000-000.3600.040	UNREALIZED CAPITAL GAIN(LOSS)	14,051			
*INVESTMENT EARNINGS		123,308	108,000	100,000	105,000
100-000-000.3800.125	TEXAS DEPT OF TRANSPORTATION	11,211		1,372,143	
*INTERGOVERNMENTAL		11,211		1,372,143	
100-200-200.3800.320	PUBLIC SAFETY			7,700	
100-000-000.3800.060	BUILDING RENT	18,322	18,650	14,153	14,153
100-000-000.3800.080	PHONE & FAX REIMBURSEMENT	8,035	7,728	8,590	8,400
100-000-000.3800.090	STREET LIGHT	115,682	75,000	80,000	80,000
100-000-000.3800.130	OTHER XEROX COPIES	6,511	5,300	30,000	5,000
100-200-235.3500.240	SRO EQUIPMENT	88,760	100,925	96,848	100,000
100-200-235.3500.250	SRO PERSONNEL	707,257	823,144	823,144	825,000
100-000-000.3800.140	SALE OF PROPERTY	155,686	154,500	45,000	50,000
100-000-000.3800.240	INSURANCE REIMBURSEMENTS	102,843		55,820	
100-000-000.3800.270	MISCELLANEOUS	392,717	308,036	350,000	365,000
100-000-000.3800.330	STORM SEWER OUTFALL PARKSIDE			10,000	10,000
100-405-100.3800.155	COURT BONDS			6,000	6,000
100-410-415.3800.110	WAIVER OF ENCROACHMENT	250	1,000	250	250
100-410-415.3800.220	SUSPENSE REVENUE			350	
100-410-415.3800.230	SIGN REVENUE	36,715	33,000	10,000	20,000
100-500-100.3800.100	RECYCLE	51,373	15,000	21,357	
100-500-100.3800.340	PARKS MISC.	900	1,800	500	500
100-500-540.3800.220	SUSPENSE REVENUE	(74)			
100-130-100.3800.150	MISCELLANEOUS CASH OVER/SHORT	68			
100-130-100.3800.160	MISCELLANEOUS NSF FEES	5,210	7,000	1,000	850
*MISCELLANEOUS		1,690,256	1,551,083	1,560,712	1,485,153
100-200-225.3500.170	OTHER VICTIMS PROGRAM	5,020	7,000	1,000	1,000
100-000-000.3900	TRANSFERS IN	3,575,692	3,441,391	3,166,622	3,262,272
*GRANT, ISSUANCE, TRANSFER		3,580,712	3,448,391	3,167,622	3,263,272
100-000-000.4000.040	CAPITAL LEASE PROCEEDS	574,049	900,000	1,800,000	100,000
*OTHER FINANCING SOURCES		574,049	900,000	1,800,000	100,000
	TOTAL	\$65,939,951	\$69,791,421	\$71,273,386	\$74,249,777

**GENERAL FUND EXPENDITURE SUMMARY
(All Departments)
FY 2017 ADOPTED BUDGET**

GENERAL FUND EXPENDITURES BY TYPE



BY CATEGORY	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Salaries & Wages	\$42,793,257	\$48,090,405	\$47,808,203	\$51,236,275
Materials & Supplies	\$1,782,498	\$2,408,109	\$2,701,131	\$2,374,649
Buildings & Grounds	\$1,514,376	\$2,002,854	\$3,075,712	\$2,823,425
Equipment Maintenance	\$2,363,792	\$2,859,011	\$3,178,461	\$2,795,102
Miscellaneous Services	\$10,037,807	\$12,618,986	\$13,862,296	\$11,960,449
Sundry Charges	\$4,718	\$11,103	\$7,348	\$6,529
Inventory	\$331,716	\$371,903	\$514,855	\$356,060
Capital Outlay	\$3,879,918	\$3,555,803	\$4,517,070	\$3,698,757
SUB-TOTAL	62,708,081	71,918,174	75,665,076	75,251,246
Transfers	1,332,134	1,354,768	2,554,768	1,202,789
TOTAL	\$64,040,215	\$73,272,942	\$78,219,844	\$76,454,035

**GENERAL FUND EXPENDITURES
BY FUNCTION/DEPARTMENT FY
2017 ADOPTED BUDGET**

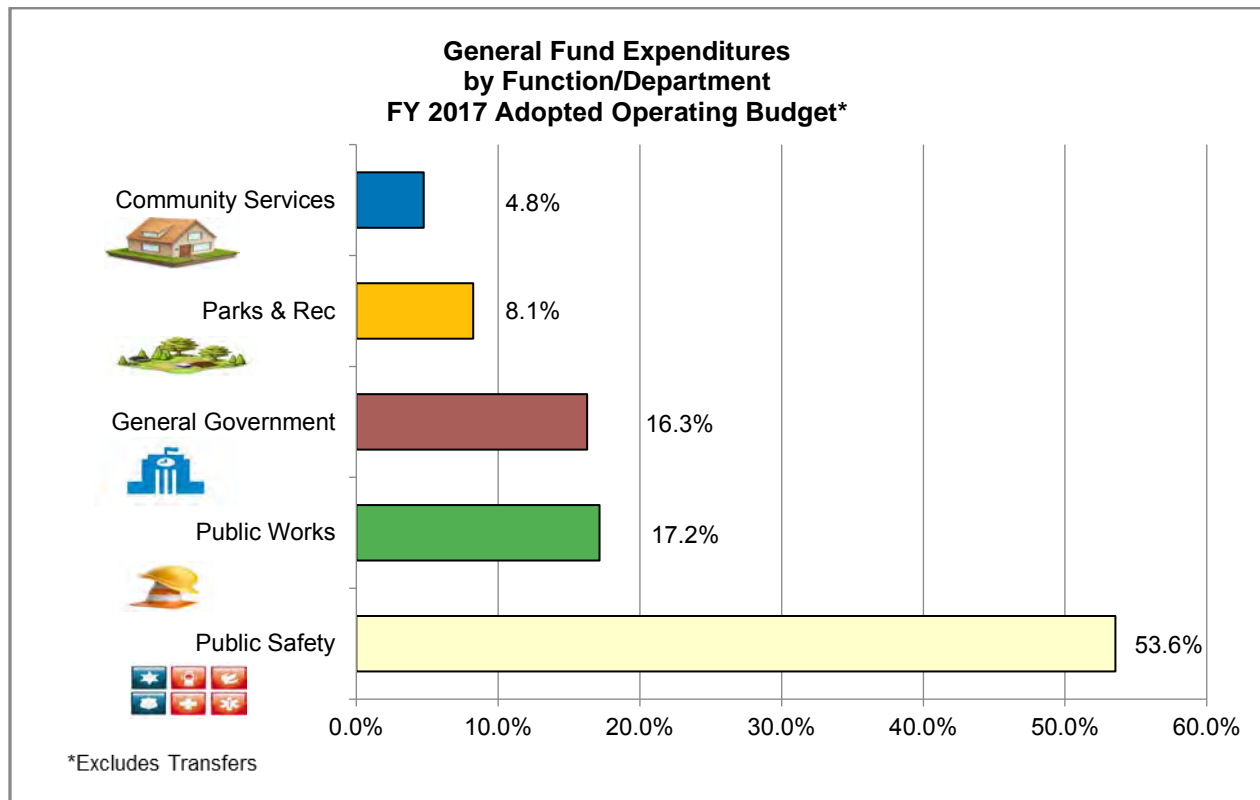
FUNCTION/DEPARTMENT	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
GENERAL GOVERNMENT				
City Council	101,377	110,418	100,346	116,008
City Manager	764,822	792,964	847,911	1,005,766
Human Resources	880,196	890,482	1,106,334	1,028,653
City Secretary	380,825	362,797	396,373	377,842
Legal	813,467	741,751	754,865	768,633
Information Technology/GIS	2,949,548	3,170,367	4,830,207	3,001,235
Finance	1,908,971	2,188,539	2,285,801	2,370,292
Other Requirements ¹	1,029,352	2,758,636	1,668,331	3,217,106
Library ²	723,733	414,619	369,588	369,751
GENERAL GOVERNMENT TOTAL	9,552,291	11,430,573	12,359,756	12,255,286
PUBLIC SAFETY				
Police	22,329,492	24,995,985	25,734,948	26,491,853
Police Administration	1,387,166	1,516,888	1,463,801	1,556,194
Patrol	12,484,295	13,937,619	14,460,335	14,823,995
Investigations	2,670,163	2,903,185	2,953,824	3,237,782
Community Service	683,706	715,416	846,005	777,403
Communications & Records	1,797,938	2,038,923	2,024,897	2,125,270
Jail	1,048,056	1,142,777	1,099,274	1,154,587
Commercial Vehicle Enforcement	226,033	240,825	266,846	234,291
School Resource Officers (SRO)	1,158,883	1,206,006	1,319,860	1,285,831
Training	98,505	300,829	312,836	312,155
Animal Services	774,747	993,517	987,270	984,345
Fire	11,362,768	13,635,974	14,364,580	13,809,007
Fire Administration	938,092	1,048,927	1,146,854	1,049,894
Fire Operations	9,283,302	11,054,327	11,647,793	11,136,810
Fire Marshal	686,434	921,194	930,941	917,255
Emergency Management	34,509	38,561	35,836	148,347
Health/Code Enforcement	420,431	572,965	603,156	556,701
PUBLIC SAFETY TOTAL	33,692,260	38,631,959	40,099,528	40,300,860
COMMUNITY SERVICES				
Community Development				
Community Development Administration	432,537	364,389	368,689	379,306
Planning	407,325	417,793	563,161	519,701
Permits & Inspections	1,177,799	1,313,438	1,389,409	1,390,036
Communications	474,457	470,466	474,651	508,936
Municipal Court	671,881	737,917	721,624	779,309
COMMUNITY SERVICES TOTAL	3,163,999	3,304,003	3,517,534	3,577,288
PUBLIC WORKS				
Public Works and Engineering Administration	259,117	261,040	269,417	
Public Works Operations Administration	219,339	158,901	176,879	185,738
Traffic Operations and Maintenance	747,644	1,150,196	1,353,565	1,103,149
Custodial Services	252,637	355,016	443,464	470,568
Fleet Management	486,236	354,290	389,975	390,956
Streets & Drainage	4,829,976	4,964,212	5,401,125	5,345,357
Right-of-Way Maintenance	615,557	1,453,099	1,462,102	1,594,820
Facilities Management	1,351,981	1,035,605	1,286,517	1,508,260
Engineering & Capital Projects:				
Capital Projects	843,783	911,715	884,252	970,533
Engineering	986,341	1,162,814	1,309,037	1,342,684
PUBLIC WORKS TOTAL	10,592,610	11,806,888	12,976,333	12,912,065

**GENERAL FUND EXPENDITURES
BY FUNCTION/DEPARTMENT
FY 2017 ADOPTED BUDGET**

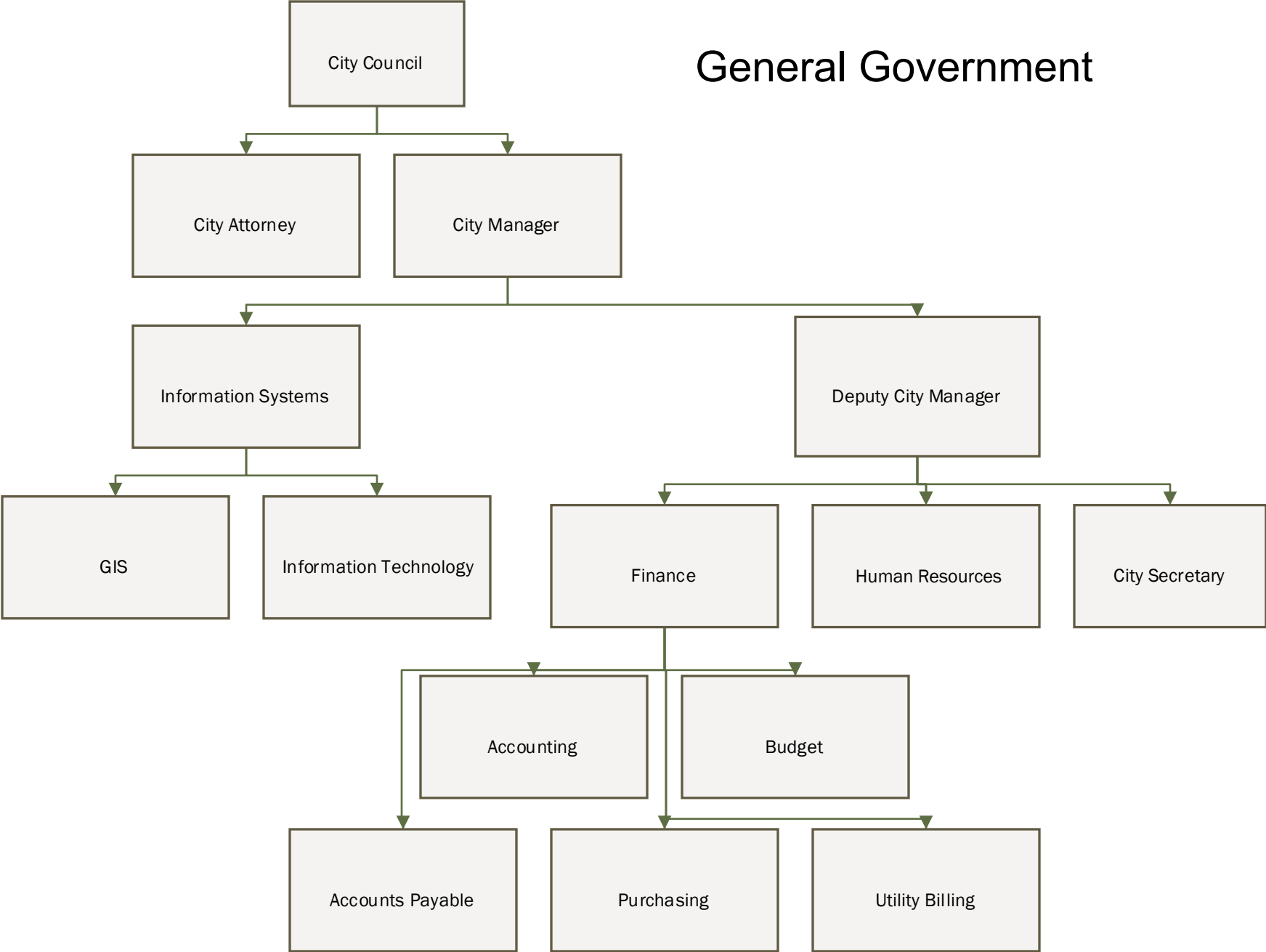
FUNCTION/DEPARTMENT	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
PARKS & RECREATION				
Administration	837,997	618,155	766,279	609,133
Recreation Center/Natorium	2,111,380	2,371,334	2,396,551	2,102,125
Athletics	269,528	329,357	280,119	306,571
Special Events	252,477	319,682	337,339	328,866
Senior Program	218,721	283,592	273,796	289,634
Aquatics	93,367	148,398	108,487	30,829
Parks	1,717,029	2,616,758	2,369,948	2,212,958
Natural Resources			78,488	325,631
Recycling	206,422	57,475	100,918	
PARKS & RECREATION TOTAL	5,706,921	6,744,751	6,711,925	6,205,747
TOTAL OPERATING EXPENDITURES	62,708,081	71,918,174	75,665,076	75,251,246
TRANSFERS	1,332,134	1,354,768	2,554,768	1,202,789
GENERAL FUND TOTAL	64,040,215	73,272,942	78,219,844	76,454,035

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

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



General Government



**GENERAL GOVERNMENT
EXPENDITURE SUMMARY
FY 2017 ADOPTED BUDGET**

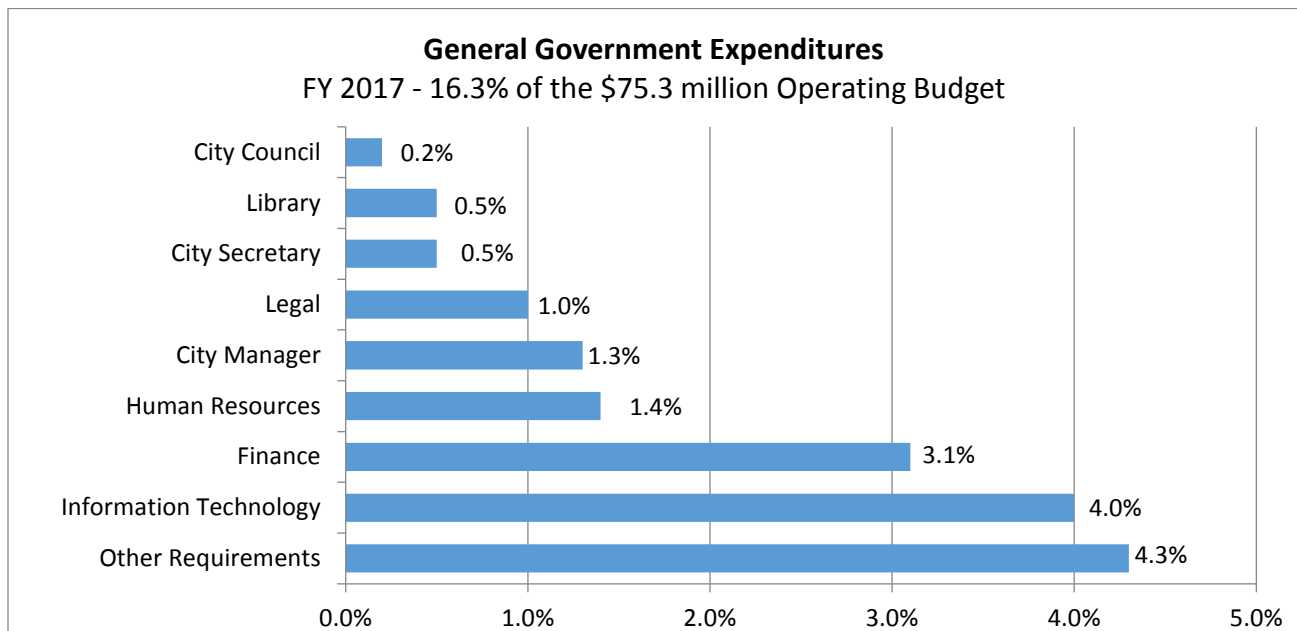
EXPENDITURES BY DEPT / DIVISION	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
City Council	101,377	110,418	100,346	116,008
City Manager	764,822	792,964	847,911	1,005,766
Human Resources	880,196	890,482	1,106,334	1,028,653
City Secretary	380,825	362,797	396,373	377,842
Legal	813,467	741,751	754,865	768,633
Information Technology/GIS	2,949,548	3,170,367	4,830,207	3,001,235
Finance	1,908,971	2,188,539	2,285,801	2,370,292
Other Requirements*	1,029,352	2,758,636	1,668,331	3,217,106
Library	723,733	414,619	369,588	369,751
GENERAL GOVERNMENT TOTAL	9,552,291	11,430,573	12,359,756	12,255,286

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

FY 2016 Original Budget Other Requirements include annual cost-of-living for all General Fund departments of \$737,079.

FY 2017 Other Requirements include annual cost-of-living for all General Fund departments totaling \$951,563.

EXPENDITURES BY CATEGORY	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Salaries & Wages	4,511,842	5,539,266	4,882,940	6,428,757
Materials & Supplies	117,244	72,427	291,027	145,892
Repair & Equipment Maintenance	888,241	1,174,064	1,527,844	1,302,756
Miscellaneous Services	3,328,811	4,126,691	5,073,381	3,831,222
Sundry	3,094	9,958	5,148	4,329
Inventory	161,316	268,075	352,075	310,700
Capital Outlay	541,743	240,092	227,341	231,630
GENERAL GOVERNMENT TOTAL	9,552,291	11,430,573	12,359,756	12,255,286



CITY COUNCIL

GOALS

- ◆ Maintain strong relationships with key funding and interlocal entities in support of the City's current and future financial needs involving transportation, facilities, and major capital improvement priorities.
- ◆ Prioritize Capital Improvement Projects.
- ◆ Work with the Chamber of Commerce to develop a 2017 Legislative Agenda.
- ◆ Work closely with Brazoria County regarding Fire Services Plan and ETJ cooperative responsibilities.

FISCAL YEAR 2016 ACCOMPLISHMENTS

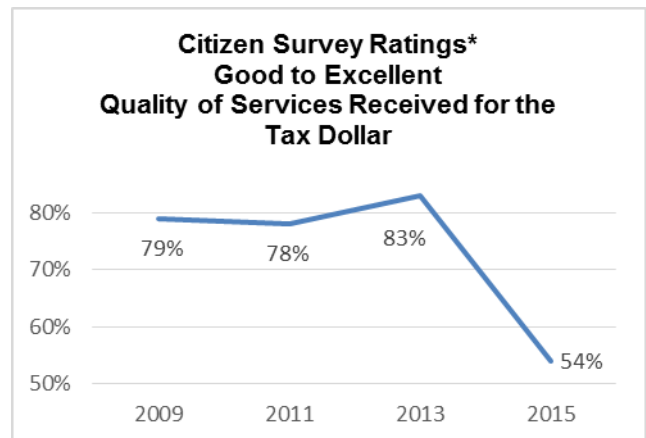
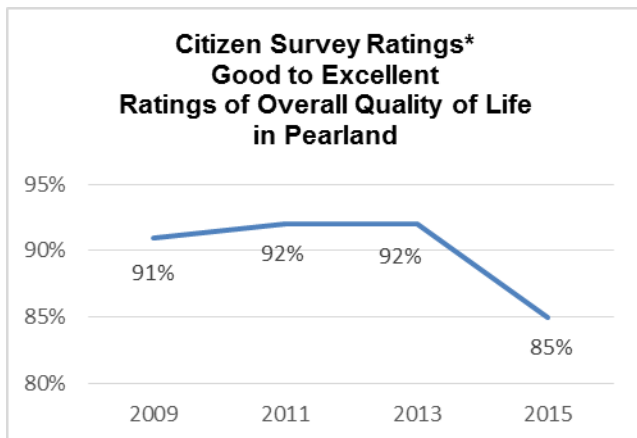
- ◆ Awarded various Capital Improvements projects including Bailey Road construction project, Industrial Drive Realignment Project, Independence Park Phase 1 Design Contract, Nature Center Design Contract, Mykawa Design Contract, Fire Station #1 Design Contract, Linwood-Orange-Old Alvin Design Contract, Corrigan Sub-Basin Design Contract, Service Center Design Contract.
- ◆ Reduced Total Tax Rate.
- ◆ Reduced Debt Service Tax Rate.
- ◆ Finalized agreement with Keep Pearland Beautiful to take over the operations of the Stella Roberts Recycling Center.
- ◆ Inaugurated the addition of a sixth member of the Pearland City Council.

FISCAL YEAR 2017 OBJECTIVES

- ◆ Provide leadership and direction over the issuance of all bonds and refinancing.
- ◆ Provide leadership and direction over all contracts for professional services and construction for all capital projects.
- ◆ Conduct Early Budget Input Session in accordance with the City's Strategic Priorities.
- ◆ Develop annual budget that will insure sustainability for the City over the next 15 to 20 years.
- ◆ Provide leadership in accordance with the Governance Model.
- ◆ Inauguration of the addition of a seventh member of the Pearland City Council.

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target
Ordinances Considered	60	65	90	71
Resolutions Considered	170	175	250	198



**Pearland Citizen Surveys are completed every other year, therefore these results are representative of the 2015 Survey.*

CITY MANAGER

OVERVIEW

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

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

Key Budget Items for FY 2017 Include:

- Early Budget Input meeting scheduled for February 2017.

GOALS

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

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Held City Council Early Budget Input Session in February of 2016.
- ◆ Began implementation of the City's new Enterprise Resource Planning (ERP) System.
- ◆ Submitted annual operating budget recommending a total tax rate decrease.

FISCAL YEAR 2017 OBJECTIVES

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

PERFORMANCE MEASURES

	<u>FY 2014 Actual</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Target</u>	<u>FY 2016 Actual</u>
Number of authorized FTE ¹ employees per 1,000 population	6.28	6.26	6.38	6.35
GF Operating Budget \$ per capita	\$587.26	\$619.26	660.88	644.35

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

HUMAN RESOURCES

OVERVIEW

The Human Resources Department develops, disseminates, and trains employees regarding the City personnel policies; administers the City's benefit and compensation plans, and oversees the hiring, development and retention of City employees. The department is responsible for staff recruitment, new employee orientation, compensation administration, training and extensive recordkeeping. Department personnel investigate employee grievances, interpret City policy and assist employees in a myriad of health and benefit capacities. The department assists supervisors with employee performance, regulatory compliance, employee relations and risk management.

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 2017 Include:

- ◆ Risk Manager (funding split between General Fund and Property Insurance Fund) - \$106,948.

GOALS

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

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Launched on-line Learning Management System (LMS) for compliance training and professional development.
- ◆ Created and began publishing quarterly Employee Newsletter.
- ◆ Created various committees/task forces to encourage involvement in policy development, wellness initiatives, employee recognition and improve internal communication.
- ◆ Began development of a safety/inspection program.
- ◆ Initiated a City-wide compensation and classification study with Management Advisory Group.
- ◆ Organized inaugural City Wellness Fair in concert with open enrollment sessions.
- ◆ Began work with New World, Administration, and Finance on ERP to create new payroll/HR system.

FISCAL YEAR 2017 OBJECTIVES

- ◆ Complete City-wide compensation and classification study with Management Advisory Group.
- ◆ Full implementation of the Human Resource and Payroll modules of the New World Systems.
- ◆ Transition internal service methodology to provide departments with a dedicated, full-service Business Partner, to develop closer working relationships with supervisors, better assist with employee development, recruitment and selection and training.
- ◆ Research and determine feasibility of new services: safety initiatives, safety committee(s), certified interviewer program, employee referral program, succession planning, etc.
- ◆ Review and improve processes such as exit interview, volunteer intake, intern program, orientation, etc.
- ◆ Determine and develop service level expectations and data to track, report and rate HR functions/services.
- ◆ Host trainings on recruitment, safety manual, process/policy changes/updates and software.

PERFORMANCE MEASURES

	<u>FY 2014</u> <u>Actual</u>	<u>FY 2015</u> <u>Actual</u>	<u>FY 2016</u> <u>Projection</u>	<u>FY 2017</u> <u>Target</u>
Number of vacated or new positions posted	155	175	140	100
Number of employment applications received	8,507	7,500	10,420	8,000
Annualized Citywide turnover rate (FT employees)	15.6%	10%	13.4%	10%
Number of training hours to new and existing employees	100	50	68	80
Percent of positions filled within 30 days of posting	65%	85%	84%	85%

CITY SECRETARY

OVERVIEW

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

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

Key Budget Items for FY 2017 Include:

- ◆ No significant items.

GOALS

- ◆ Record and maintain all City Council actions accurately and in a timely manner.
- ◆ Administer and produce timely Public Information as requested under the Texas Public Information Act.
- ◆ Maintain and preserve City documents.
- ◆ Administer the department's budget efficiently and monitor the funds allocated and expended.
- ◆ Administer Oaths of Office to new City employees and officials as mandated by State Law.
- ◆ Maintain claims information log.
- ◆ Issue Alcoholic Beverage Permits in an efficient and timely manner to maintain compliance with the City Ordinance and Texas Alcoholic Beverage Commission regulations.
- ◆ Process Peddlers Permits in an efficient and timely manner to allow the community to be served by vendors who are legally permitted to conduct business in the City door-to-door in compliance with City Ordinance.
- ◆ Accept and process applications to serve on Boards and Commissions in a timely manner and verify that information on the application qualifies the applicant to serve.

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Completed phase one of the implementation of the Meeting Management Solution automated agenda system.
- ◆ Implemented Alcohol Permits as part of the CRW, Inc., software program.
- ◆ Successfully conducted the May General Election and a Special Runoff Election using vote centers.

FISCAL YEAR 2017 OBJECTIVES

- ◆ Complete the implementation of the automated agenda system.
- ◆ Conduct bi-monthly Records Management Meetings with Department's Records Coordinators.
- ◆ Enter current Alcohol Permits into TRAKIT software program for full implementation of the software.

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
PUBLIC RECORDS				
Open Records Requests processed (<i>Freedom of Information Act</i>)	1,004	1,252	1,294	1,400
ELECTIONS				
Number of registered voters (average)	58,563	59,909	64,240	66,120
Number of votes cast (average)	3,382	3,564	2,569	3,967
Average % of voter turnout	5.8%	5.95%	4.0%	6.0%

LEGAL DEPARTMENT

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 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 2017 Include:

- ◆ No significant changes.

GOALS

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

FISCAL YEAR 2016 ACCOMPLISHMENTS

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

FISCAL YEAR 2017 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.
- ◆ Provide competent and efficient prosecutorial services for the City's Municipal Court.

INFORMATION TECHNOLOGY

OVERVIEW

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

STRATEGIC COUNCIL PRIORITY: Information Systems 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 2017 include:

- ◆ Addition of a Full Time Senior Office Assistant - \$62,796.

GOALS

- ◆ Provide citywide innovation and leadership in the utilization and deployment of information technology services and applications.
- ◆ Ensure high-quality, effective and efficient production and support services for our employees.
- ◆ Maintain a secure information technology environment, ensuring the confidentiality, integrity and availability of critical information and systems.
- ◆ Continue to educate City staff as to what options and resources are available to them in order to 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.
- ◆ Use GIS technologies wherever possible to continuously improve efficiency and increase productivity across the City.
- ◆ Maintain, update and expand the digital mapping systems of the City's infrastructure.
- ◆ Provide timely, accurate, and meaningful GIS data.
- ◆ Convert and integrate available data into a standard format to import into a centralized database.
- ◆ Produce informative maps, reports, and digital graphics, and assist with presentation of geographic information.
- ◆ Utilize GPS equipment for data acquisition and analysis.
- ◆ Maintain Public Works as-built/record drawing library.

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Supported technological configurations for the FY 2016 Enterprise Resource Planning (ERP) "go live" conversion.
- ◆ Assisted with Networking/Audio Visual solutions of Community Center renovation.
- ◆ Supported GIS needs for TRAKIT "Community Development" software and "New World Systems" integration.
- ◆ Upgraded ArcSDE SQL Server to ArcGIS 10.4 software version.
- ◆ Upgraded ArcGIS Desktop end users to ArcGIS 10.4 software version.
- ◆ Upgraded GIS Home page functionality – online map services for mobile devices.
- ◆ Updated the water, storm and centerline, sanitary and lane mile inventory in the City's GPS system.
- ◆ Initiated a trackable management program for field and office.
- ◆ Updated the inventory of water meters in the City recorded in the GPS system.
- ◆ Updated the inventory of street lights in the City.
- ◆ Trained field personnel to perform basic data entry into ArcMap.
- ◆ Provided more advanced training for GIS Specialist on interpreting Engineering plans.
- ◆ GIS Specialist performed more on-site training for field personnel.

INFORMATION TECHNOLOGY

FISCAL YEAR 2017 OBJECTIVES

- ◆ Continue technological configurations for the FY 2016 Enterprise Resource Planning (ERP) “go live” conversion.
- ◆ Assisting with Networking/Audio Visual solutions of City Hall.
- ◆ Support GIS needs for TRAKiT “Community Development” software and “New World Systems” integration.
- ◆ Upgrade ArcSDE SQL Server to ArcGIS 10.5 software version.
- ◆ Upgrade ArcGIS Desktop end users to ArcGIS 10.5 software version.
- ◆ Migrate GIS system to new platform to improve performance.
- ◆ Upgrade GIS Home page functionality - online map services for mobile devices.
- ◆ Update the water, storm and centerline, sanitary and lane mile inventory in the City’s GPS system.
- ◆ Major consolidation of city network, SCADA network, and traffic network.
- ◆ Expansion of city fiber to improve backhaul of City network.
- ◆ Initiate a trackable management program for field and office.
- ◆ Update the inventory of water meters in the City recorded in the GPS system.
- ◆ Update the inventory of street lights in the City.
- ◆ Train field personnel to perform basic data entry into ArcMap.
- ◆ Continue to provide more advanced training for GIS Specialist on interpreting Engineering plans.
- ◆ Continue to provide GIS Specialist more on-site training for field personnel.

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
Number of PC's supported	575	576	680	700
Number of new software programs installed	1	2	2	1
Average Number of GIS layers maintained	103	104	120	125
Number of Maps Requested/Prepared	217	237	235	235

FINANCE DEPARTMENT

OVERVIEW

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

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

Key Budget Items for FY 2017 Include:

- ◆ Addition of a Staff Accountant - \$73,483

GOALS

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

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Completed implementation of the financial modules with "go-live" of the financials and budget.
- ◆ Began to implement the new time keeping system, Executime, with advanced scheduling for Public Safety departments and time keeping systems for other departments with integration into the City's New World financial systems.
- ◆ Compiled and presented to City Council debt maturity options for the City's water/sewer fund; lowering interest costs, through changing the rate structure.
- ◆ Bid, awarded and replaced the City's 7 year old water/sewer rate model which the City uses to forecast rate changes.
- ◆ Awarded the Government Finance Officers Association's annual Distinguished Budget Award and its Certificate of Achievement for Excellence in Financial Reporting.

FINANCE DEPARTMENT

FISCAL YEAR 2017 OBJECTIVES

- ◆ Complete implementation of the payroll module with “go-live” of April 2017.
- ◆ Implement a new time keeping system, Executime, with advanced scheduling for Public Safety departments and time keeping systems for other departments with integration into the City’s New World Financial Systems.
- ◆ Potentially implement a new budget process and timeline based off the functionalities and capabilities of a new budget system.
- ◆ Update Comprehensive Financial Management Policies.
- ◆ Implement Fixed Assets module in New World Financial Systems.
- ◆ Implement GASB reporting module.
- ◆ Update module for multi-year plan.
- ◆ Complete physical inventory in fiscal year 2017.
- ◆ Apply and receive the Government Finance Officers Association’s annual Distinguished Budget Award and its Certificate of Achievement for Excellence in Financial Reporting.

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
Investments in compliance with policy and PFIA	100%	100%	100%	100%
Number of audit comments	0	0	0	0
Tax Backed Bond Rating				
Moody’s	Aa2	Aa2	Aa2	Aa2
S&P	AA	AA	AA	AA
Fitch	AA	AA	AA	AA
Revenue Bond Rating				
Moody’s	Aa3	Aa3	Aa3	Aa3
S&P	AA-	AA-	AA-	AA-
Fitch	AA-	AA-	AA-	AA-

OTHER REQUIREMENTS

OVERVIEW

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

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

Key Budget Items for FY 2017 Include:

- ◆ 3% cost of living increase for all personnel (\$1,129,798 total for all funds; \$951,563 budgeted in General Fund)
- ◆ \$200,000 for Phase I implementation of Compensation and Classification Study
- ◆ \$225,000 earmarked for future Police Vehicle Replacement Fund
- ◆ \$200,000 for Community Development staffing based on Staffing Assessment study.
- ◆ Radio maintenance agreement with City of Houston- \$225,000
- ◆ KPB franchise fee - \$230,700
- ◆ Sales tax incentives (Kelsey Seybold and Costco) - \$230,000
- ◆ Capital leases - Seimens energy lease (\$114,486), lease on fire truck (\$87,471), ERP lease (\$166,809) and lease on ladder truck and Parks and Recreation equipment (\$222,833).

LIBRARY

OVERVIEW

Library services are provided through a cooperative effort between the City of Pearland and Brazoria County that support two facilities – the Tom Reid Library on the east side of the City, and the Business Center Drive Library on the west. The City provides the buildings and takes responsibility for their maintenance and other operating expenses. Brazoria County supplies the libraries' materials, computers, network access, and employees. As part of the voter-approved bond referendum in 2007, funding was approved to expand the current building. As a result of two years of successful performance and continued growth in Pearland, the Business Center Drive Library has been increased by 65 percent for a total of 10,000 square feet of available library space.

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 conducts classes on accessing the Brazoria County Library System's eBooks on standard eReaders.

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 2017 Include:

- ◆ No significant items.

GOAL

- ◆ Provide the Pearland community with traditional and progressive library services that support citizens' access to educational, informative, leisurely, and scholarly books and periodicals. In addition, the libraries provide small meeting spaces, public Internet access, and educational programs for children, and assistive services for all ages.

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Completed design of the Tom Reid Building expansion and renovation project.
- ◆ Began implementation of the Brazoria County Library System long range plan for 2016-2020.
- ◆ Enrolled 1,635 children and 137 teens in the summer reading club and summer reading club attendance included 3,808 children and 216 teens.
- ◆ Held computer classes at the Melvin Knapp Activity Center and ESL (English as a Second Language) classes at the Pearland Westside Library.

FISCAL YEAR 2017 OBJECTIVES

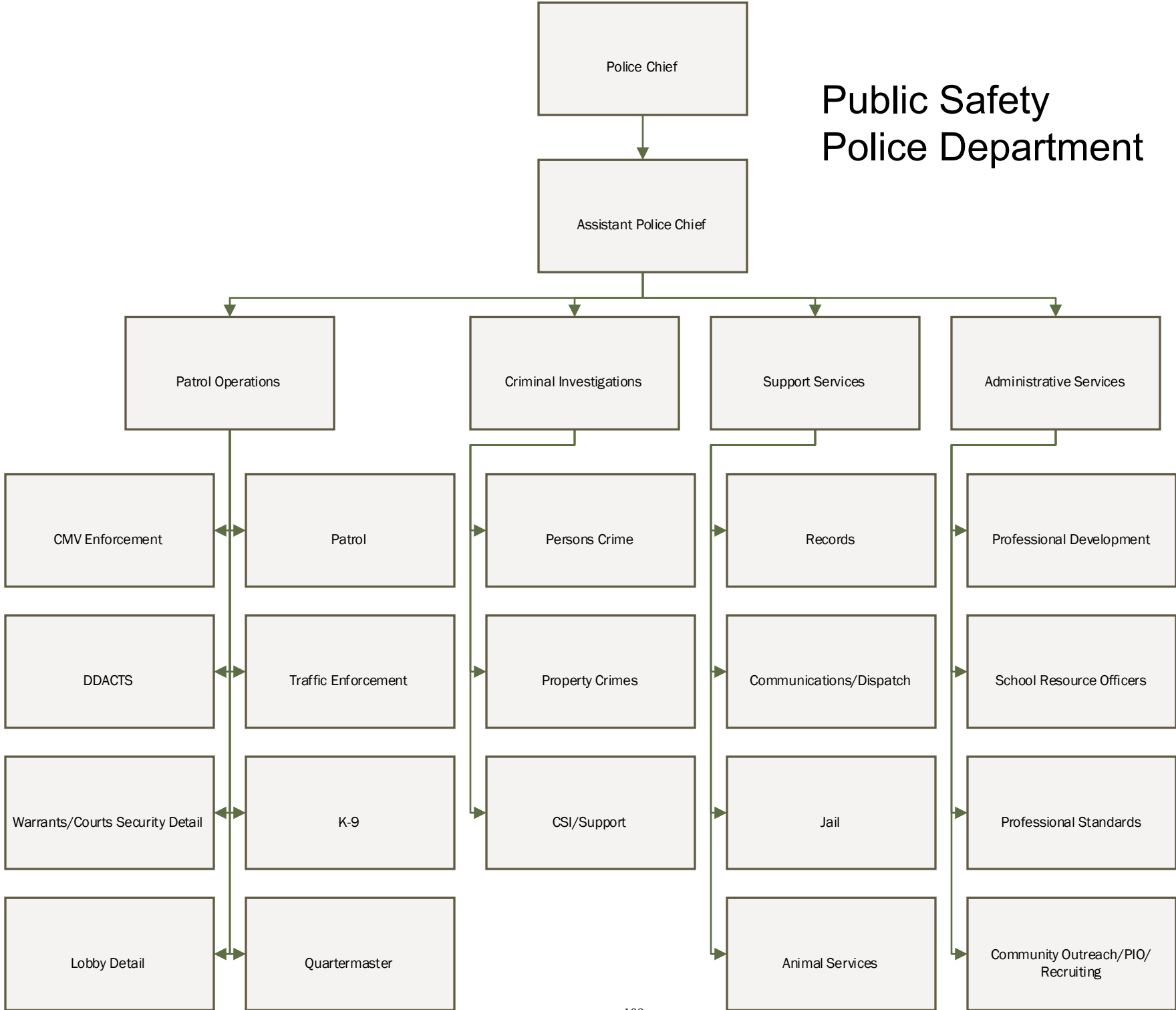
- ◆ Begin construction on the expansion and renovation of the Tom Reid Library building.
- ◆ Maintain current service levels at the Tom Reid Library during the expansion.
- ◆ Initiate a design-input proposal for a Westside Library facility.

PERFORMANCE MEASURES*

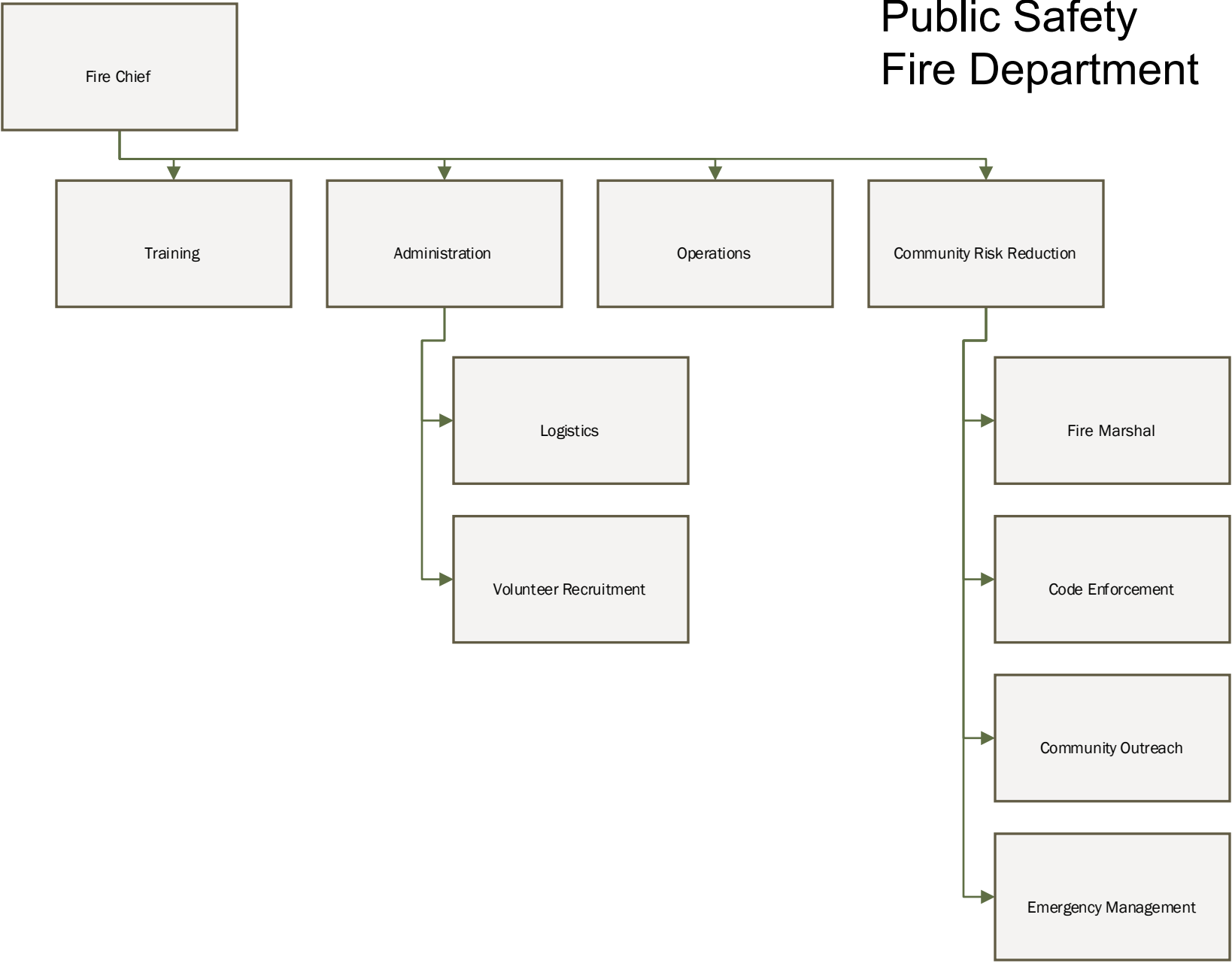
	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017* Target
<u>Tom Reid Library</u>				
Number of volumes	103,514	104,000	130,000	84,000
Number of items checked out - circulation	340,293	370,188	400,000	440,000
<u>Business Center Drive Library</u>				
Number of volumes	38,173	40,923	42,000	60,000
Number of items checked out - circulation	322,600	362,652	370,000	503,000

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

Public Safety Police Department



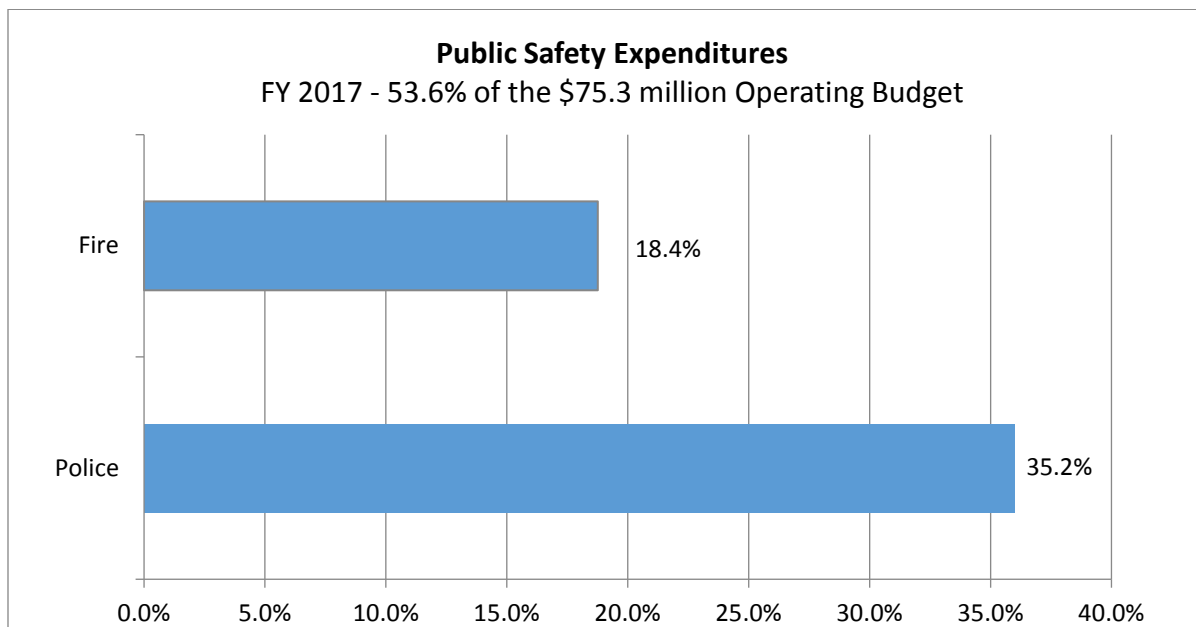
Public Safety Fire Department



**PUBLIC SAFETY
EXPENDITURE SUMMARY
FY 2017 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Police Administration	1,387,166	1,516,888	1,463,801	1,556,194
Patrol Operations	12,484,295	13,937,619	14,460,335	14,823,995
Commercial Vehicle Enforcement	226,033	240,825	266,846	234,291
Investigations	2,670,163	2,903,185	2,953,824	3,237,782
Police Community Services	683,706	715,416	846,005	777,403
Police Training	98,505	300,829	312,836	312,155
School Resource Officer	1,158,883	1,206,006	1,319,860	1,285,831
Police Communications/Records	1,797,938	2,038,923	2,024,897	2,125,270
Jail	1,048,056	1,142,777	1,099,274	1,154,587
Animal Services	774,747	993,517	987,270	984,345
POLICE TOTAL	22,329,492	24,995,985	25,734,948	26,491,853
Fire Administration	938,092	1,048,927	1,146,854	1,049,894
Fire Operations	9,283,302	11,054,327	11,647,793	11,136,810
Fire Marshal	686,434	921,194	930,941	917,255
Emergency Management	34,509	38,561	35,836	148,347
Health/Code Enforcement	420,431	572,965	603,156	556,701
FIRE TOTAL	11,362,768	13,635,974	14,364,580	13,809,007
PUBLIC SAFETY TOTAL	33,692,260	38,631,959	40,099,528	40,300,860

EXPENDITURES BY CATEGORY	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Salaries & Wages	28,189,147	31,299,063	31,964,020	33,586,540
Materials & Supplies	799,801	1,271,024	1,310,175	1,248,188
Buildings & Grounds	34,995	11,340	16,110	15,540
Repair & Equipment Maintenance	1,089,093	1,288,953	1,270,365	1,156,931
Miscellaneous Services	1,721,665	2,025,424	2,041,986	1,850,223
Inventory	115,697	101,628	132,405	45,360
Capital Outlay	1,741,861	2,634,527	3,364,467	2,398,078
PUBLIC SAFETY TOTAL	33,692,260	38,631,959	40,099,528	40,300,860



POLICE DEPARTMENT

OVERVIEW

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

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

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

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

Key Budget Items for FY 2017 include:

- ◆ Addition of four new Police Officers and two vehicles for 6 months. - \$349,820.
- ◆ Six new vehicles for the Patrol Division; three of which would serve the DDACTS unit, one for the Traffic Unit and two for Patrol Fleet spare units. - \$338,430.
- ◆ Two new vehicles for the Criminal Investigations Division; two for newly assigned investigators and one for a spare unit. - \$71,134.
- ◆ Implementation of phase I of the Police Utilization Study - \$100,000.

GOALS

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

POLICE DEPARTMENT

FISCAL YEAR 2016 ACCOMPLISHMENTS

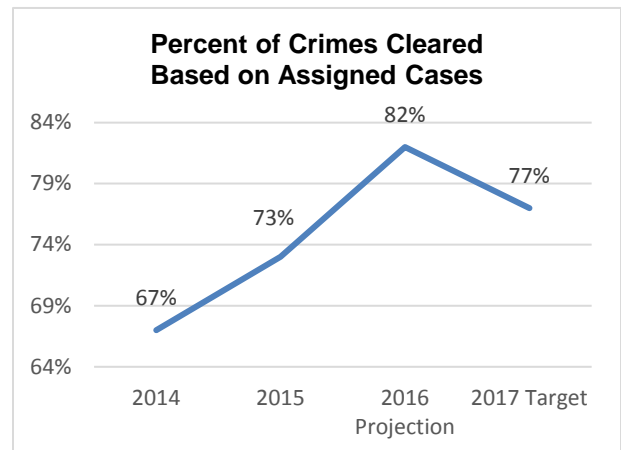
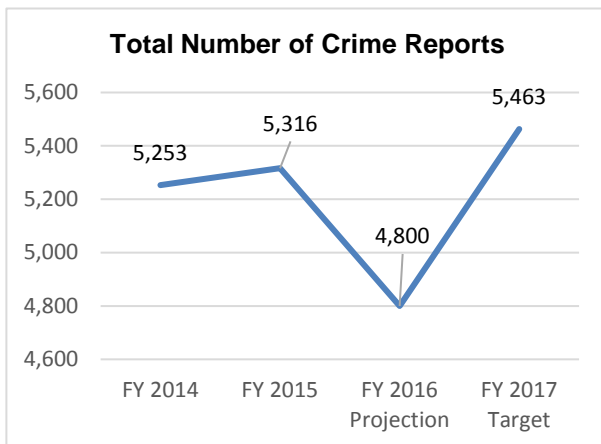
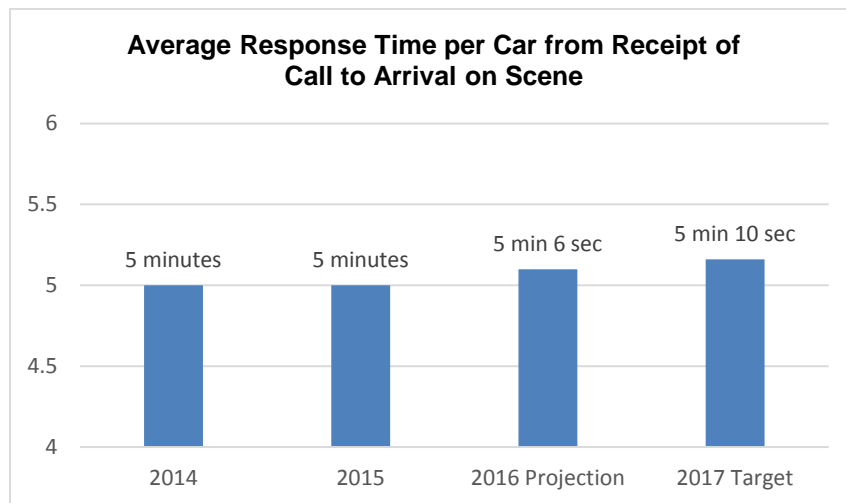
- ◆ Conducted department-wide mandatory training to ensure that all officers meet State-mandated training requirements for the new TCOLE training cycle for 2015-2017.
- ◆ Continued to explore grants and other funding options for a mobile command post that can be utilized for SWAT operations and high-profile events where a command center for police operations is necessary.
- ◆ Continued recruiting efforts through proven effective means to attract a large and diverse applicant pool. Worked with Human Resources to promote employment opportunities within all areas of the Department.
- ◆ Implemented a Teen Citizen's Police Academy, based upon the popular adult Citizen's Police Academy (CPA) course as an outreach program to Pearland youth regarding the role of police in society.
- ◆ Added a School Resource Officer to the program to more effectively meet the needs of our partnership with PISD.
- ◆ Implemented a proactive unit that will use the Data Driven Approaches to Crime and Traffic Safety (DDACTS) program guidelines addressing crime and traffic problems with more efficiency.
- ◆ Certified two additional Animal Control Officers to conduct animal cruelty investigations.
- ◆ Commercial Vehicle Enforcement officers continued to host safety meetings with Pearland businesses involved in the commercial vehicle industry.
- ◆ Trained all classified personnel and jail staff for a Mental Health Certification Course within the next two fiscal years to most effectively interact with members of the public who may be in mental distress.
- ◆ Tested and evaluated body cameras for officers to determine suitability for the Department.
- ◆ Updated the patrol vehicle video system to current specifications.
- ◆ Staffed, planed, and trained personnel for the return of Alarm Billing and Permitting to this Department from the private contractor.
- ◆ Assigned an investigator to a Federally-designated High Intensity Drug Trafficking Area (HIDTA) task force.
- ◆ Purchased a 3D plotting laser scanner to use during crime scene and advanced accident investigation renderings.
- ◆ Increased the level of communication and training with Alvin ISD officers due to the number of their schools within the City of Pearland.
- ◆ Completed a Police Utilization Study in order to assess staffing and utilization.

FISCAL YEAR 2017 OBJECTIVES

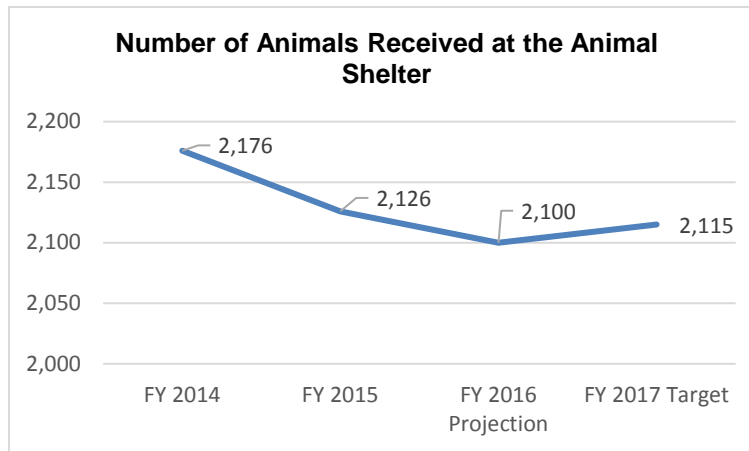
- ◆ Fill an opening in Dispatch created by the retirement of a Telecommunications Operator.
- ◆ Obtain Basic Telecommunications Operator certification for two recently hired Dispatch employees.
- ◆ Increase the availability of the department's main Public Information Officer through the assignment of an iPad for use in transmitting real-time public information releases to news and social media outlets.
- ◆ Increase youth outreach efforts through the reactivation of a Law Enforcement Exploring post and the creation of a Youth Leadership Academy.
- ◆ Increase communication with minorities through the creation of a 'Unidos' (United) program focused on building positive relations with Pearland's Hispanic community.
- ◆ Form a retail business cooperative with police, retail businesses, hotels and convenience stores for increased communication and coordination of crime preventions efforts.
- ◆ Create a faith-based outreach program intended to enhance communication with area houses of worship.
- ◆ Increase proactive investigative efforts focused on targeting child predators.
- ◆ Increase the investigative capability of the Criminal Investigations Division by creating a new detective position.
- ◆ Better focus Fraud investigative efforts by using a solvability matrix to identify cases with the greatest probability of closure.
- ◆ Obtain an RFID (Radio Frequency Identification Device) system to track and monitor cell and security checks in the jail for increased accountability and prisoner safety.
- ◆ Increase jail staffing from 3 jailers per squad to 4 jailers per squad to ensure adequate staffing for jail and prisoner security.
- ◆ Create an interface between the Jail and Dispatch that will immediately notify Dispatch personnel when a jail duress alarm is activated so police personnel can be dispatched to assist.
- ◆ Add an additional Records Clerk to replace a clerk reassigned from report management duties to alarm compliance duties.

POLICE DEPARTMENT

- ◆ Increase productivity for Receptionist staff by adding a printer to the front office workstation.
- ◆ Expand K9 training to include a solidified cadre of local K9 handlers as a support mechanism and expand training tools to include some synthetic training aids, which provide a more stable and consistent scent marker.
- ◆ Evaluate crime and traffic statistics and adjust zones pursuant to the department's Data Driven Approaches to Crime and Traffic Safety policing model.
- ◆ Assign a Traffic Division officer specifically to perform crash investigations in addition to existing Traffic functions to decrease call volume on Patrol officers which will lead to increased crash investigation efficiency due to the specialized nature of the position.
- ◆ Obtain E-ticket writers/mobile tablets with report management system connectivity for Patrol and the Motorcycle unit in order to more accurately track activity and to increase efficiency during traffic stops.
- ◆ Expand existing Commercial Vehicle Enforcement education efforts for owners and operators of commercial vehicles regarding safe operation, equipment requirements, and state/federal laws.
- ◆ Add two more officers to the proactive Data Driven Approach to Crime and Traffic Safety (DDACTS) unit and expand proactive operations.
- ◆ Review current district/beat assignments for reconfiguration to maximize geographic response capabilities.
- ◆ Review and consider reconfiguring patrol shift start times to reflect calls for service manpower needs.
- ◆ Work with Information Technology, the Fire Department and city hall partners to configure locations for remote patrol car/body worn camera upload access and office space.
- ◆ Initiate a "Bike Rodeo" program in conjunction with Parks and Recreation and the Fire Department.

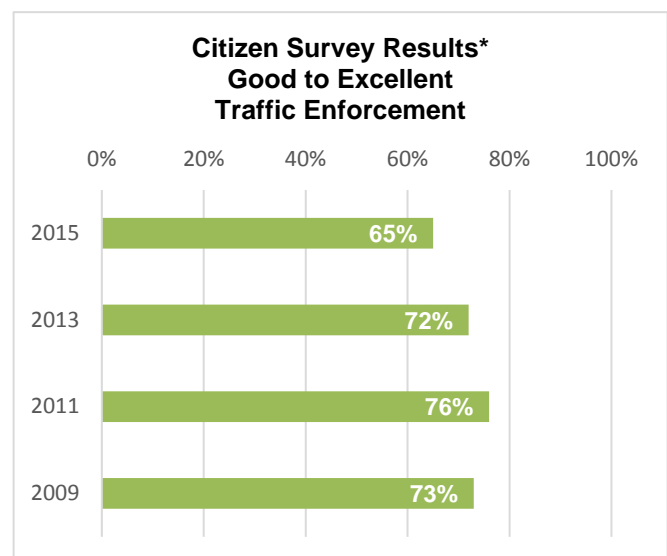
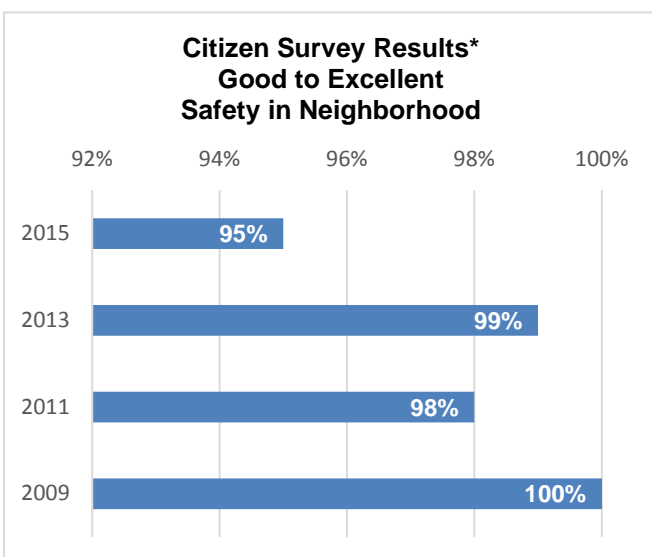


POLICE DEPARTMENT



PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
Violent and non-violent person crimes reported	759	796	777	811
Property and society crimes reported	4,494	4,520	4,023	4,097
Training hours completed, Pearland Officers	19,485	11,994	15,444	16,000
Number of 911 calls received by dispatch	36,279	35,526	33,050	34,834
Average time - citizen call to unit dispatched (in seconds)	61	63	57	60
Average number of 911 calls per Telecommunication Operator	230	260	240	230
Number of offense reports	13,962	12,793	10,845	11,158
Total arrests made by police	7,081	6,115	5,100	5,191
Dispatched calls per Patrol Officer	595	679	780	545
Average response time per car	5min 0sec	5min 0sec	5min 6sec	5min 10sec
Number of animals received at animal shelter	2,176	2,126	2,100	2,140
Percent of animals adopted	48%	55%	64%	65%



*Pearland Citizen Surveys are completed every other year, therefore these results are representative of the 2015 Survey.

FIRE DEPARTMENT

OVERVIEW

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

The Operations Division provides fire suppression, rescue, and emergency medical services to the City and surrounding areas, serving an area comprised of the Pearland City Limits and its Extra-Territorial Jurisdiction (ETJ). The community improved its ISO Public Protection Classification to a rating of 2/8B, which puts Pearland in the top 5% of communities in the nation.

The Community Risk Reduction Division is composed of Code Enforcement, Fire Marshal's Office, Emergency Management and public safety education. The Fire Marshal's Office provides fire inspections, public fire prevention education, and fire investigations. Code Enforcement provides health inspections of food establishments, including restaurants, schools, and group homes for compliance to City ordinances. Emergency Management prepares and manages comprehensive plans for community disaster response and preparation.

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

Key Budget Items for FY 2017 include:

- ◆ Addition of an Emergency Management Coordinator (9 months) - \$117,534.
- ◆ Purchase 12 iPads for ambulances and chief officers - \$17,100.
- ◆ Implement a Fire Station alerting system at Stations 4 & 5 - \$144,980.

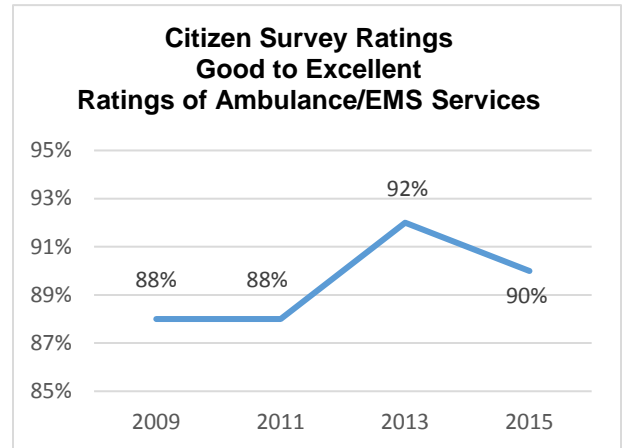
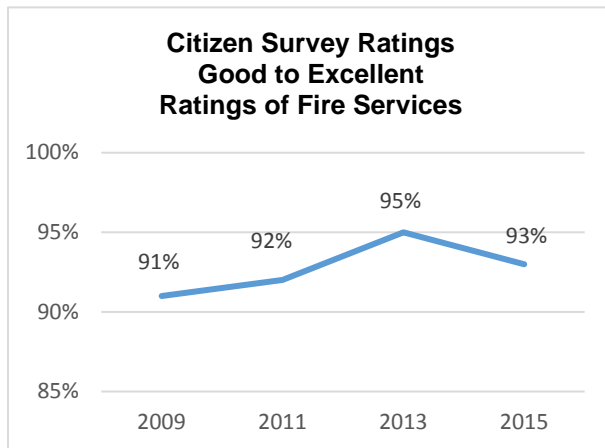
GOALS – SAFE COMMUNITY

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

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Opened and staffed the new Fire Station #2.
- ◆ Purchased a new ladder truck.
- ◆ Completed a volunteer Fire and EMS Academy.
- ◆ Implemented new medical protocols in partnership with the City's new Medical Director.
- ◆ Completed the Fire Department Strategic Plan.
- ◆ Started designing a new Fire Station #1 to replace the old Fire Station #1.
- ◆ Decreased response times.
- ◆ Worked toward a program of increased funding from Brazoria County for ETJ incidents.

FIRE DEPARTMENT



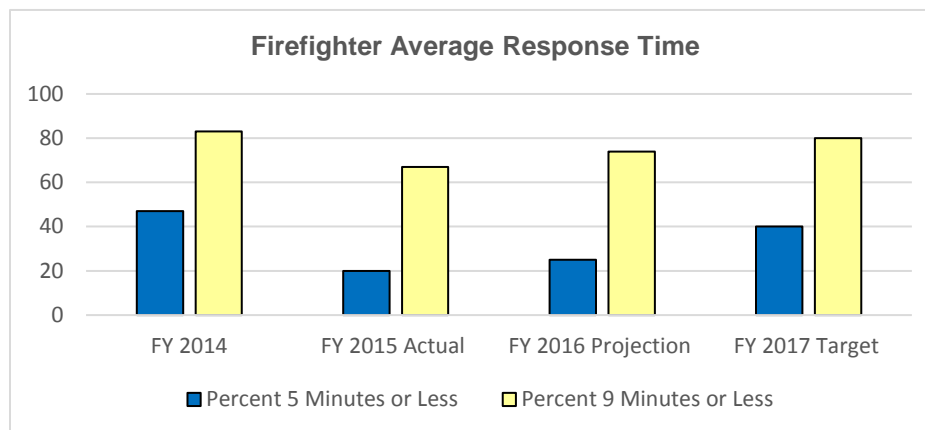
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FISCAL YEAR 2017 OBJECTIVES

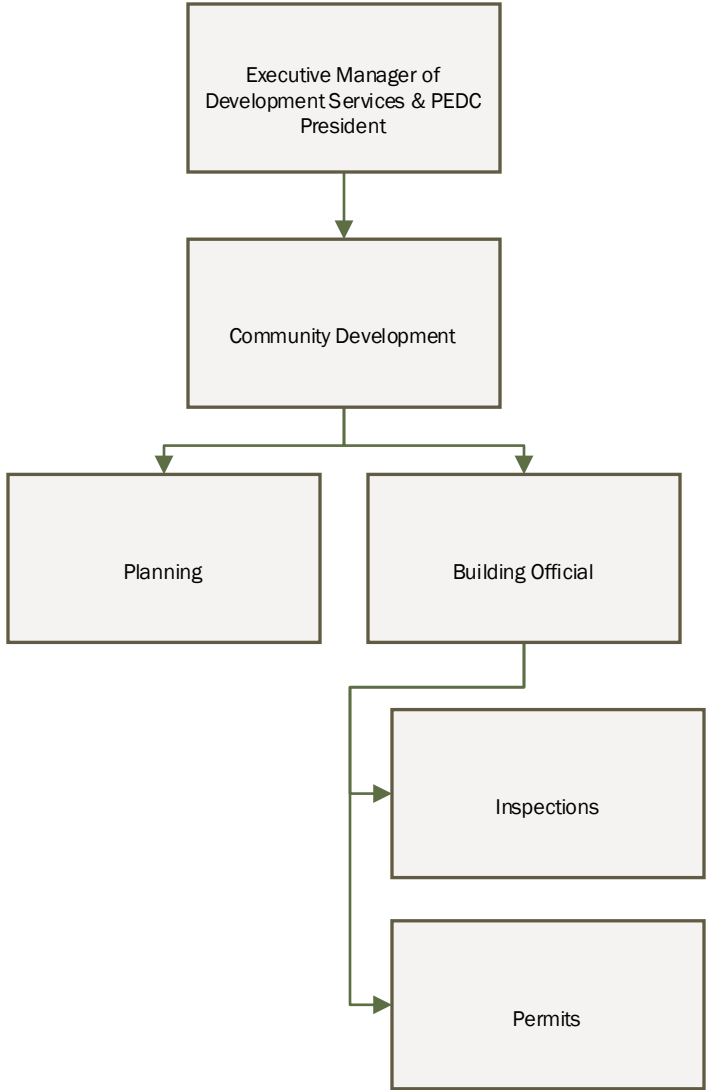
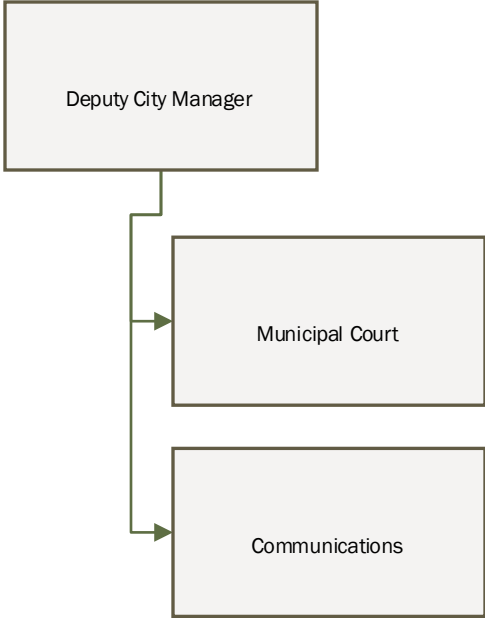
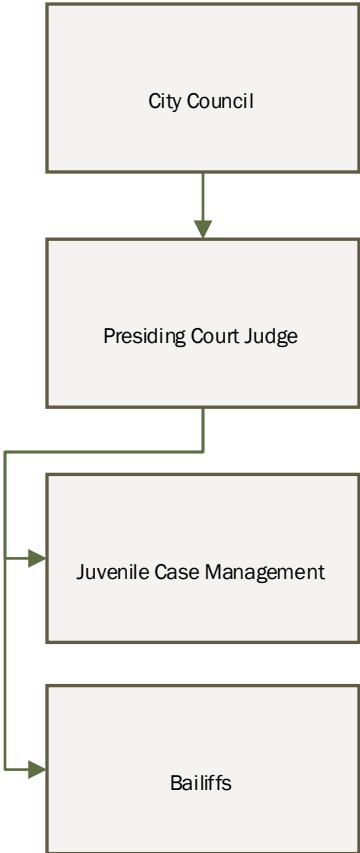
- ◆ Equip and place in service the new ladder truck ordered in FY2016.
- ◆ Complete 1 volunteer Fire and EMS Academy.
- ◆ Continue Implementation of Fire Department Strategic Plan.
- ◆ Complete Fire Department Standards of Cover and Staffing Utilization Study.
- ◆ Decrease response times.
- ◆ Obtain increased funding from Brazoria County for ETJ incidents

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2016 Target
Average Response Time:				
Percent 5 minutes or less	47%	20%	25%	40%
Percent 9 minutes or less	83%	67%	74%	80%
Total Estimated Fire Loss	\$1,800,000	\$1,700,000	\$4,421,186	\$2,000,000
Number of Code Enforcement Cases Opened	2,070	4,596	2,560	2,700
Number of Annual Inspections	1,600	1,946	1,244	2,000
Emergency Medical Transports	4,499	4,700	4,616	4,800
Public Safety Education Hours	279	300	306	400



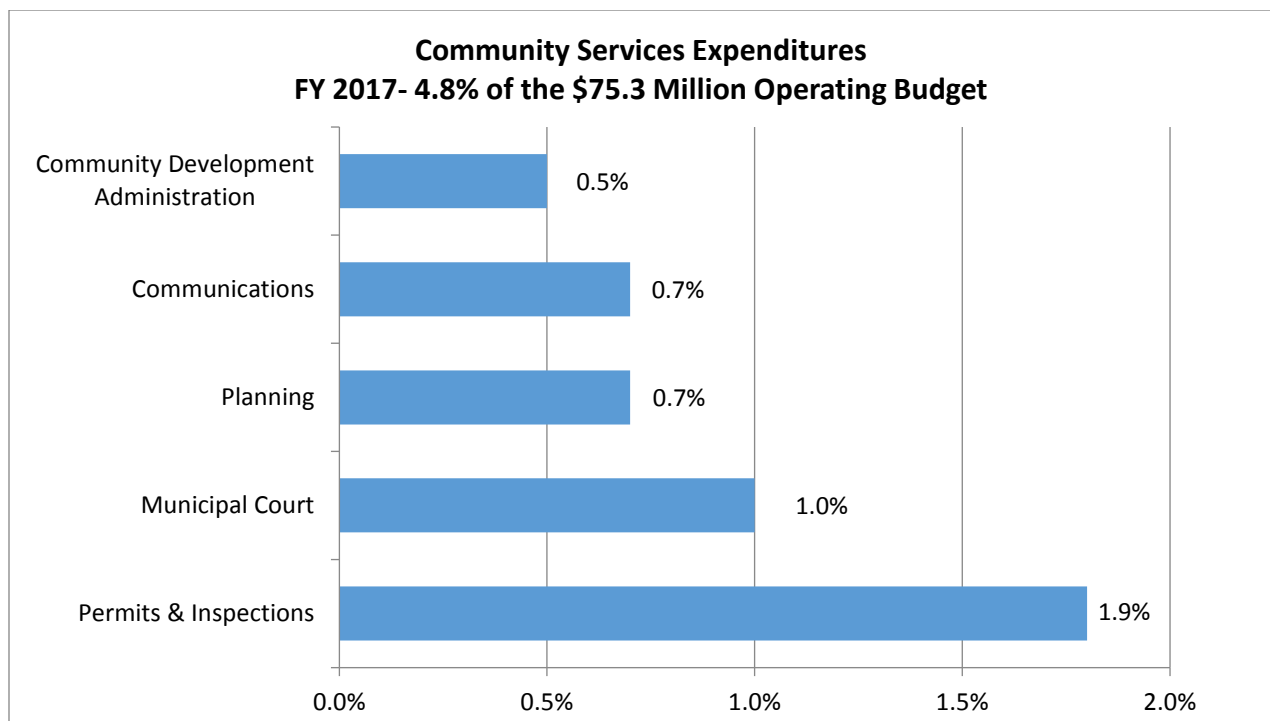
Community Services



**COMMUNITY SERVICES
EXPENDITURE SUMMARY
FY 2017 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Community Development				
Community Development Administration	432,537	364,389	368,689	379,306
Permits & Inspections	1,177,799	1,313,438	1,389,409	1,390,036
Planning	407,325	417,793	563,161	519,701
Communications	474,457	470,466	474,651	508,936
Municipal Court	671,881	737,917	721,624	779,309
COMMUNITY SERVICES TOTAL	3,163,999	3,304,003	3,517,534	3,577,288

EXPENDITURES BY CATEGORY	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Salaries & Wages	2,432,722	2,739,042	2,757,362	3,045,164
Materials & Supplies	143,452	142,656	127,112	134,622
Buildings & Grounds	328			
Repair & Equipment Maintenance	24,750	17,644	17,534	15,600
Miscellaneous Services	549,804	358,476	568,449	379,702
Sundry Charges	1,624	1,145	2,200	2,200
Inventory	11,319	2,200		
Capital Outlay		42,840	44,877	
COMMUNITY SERVICES TOTAL	3,163,999	3,304,003	3,517,534	3,577,288



COMMUNITY DEVELOPMENT

OVERVIEW

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

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

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

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

Key Budget Items for FY 2017 Include:

- ◆ Annexation – property surveys, analysis - \$40,000.
- ◆ Reclassify one part Time Office Assistant to a full time Office Assistant - \$28,691.
- ◆ Reclassify one part time Inspector to full time Inspector - \$38,692.
- ◆ Add one additional full time building inspector - 70,000.
- ◆ Add one full time Receptionist position – \$44,200.
- ◆ Add one full time Planner position – \$70,000.
- ◆ Professional Services for 3rd party inspection and plan review - \$90,000.

GOALS

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

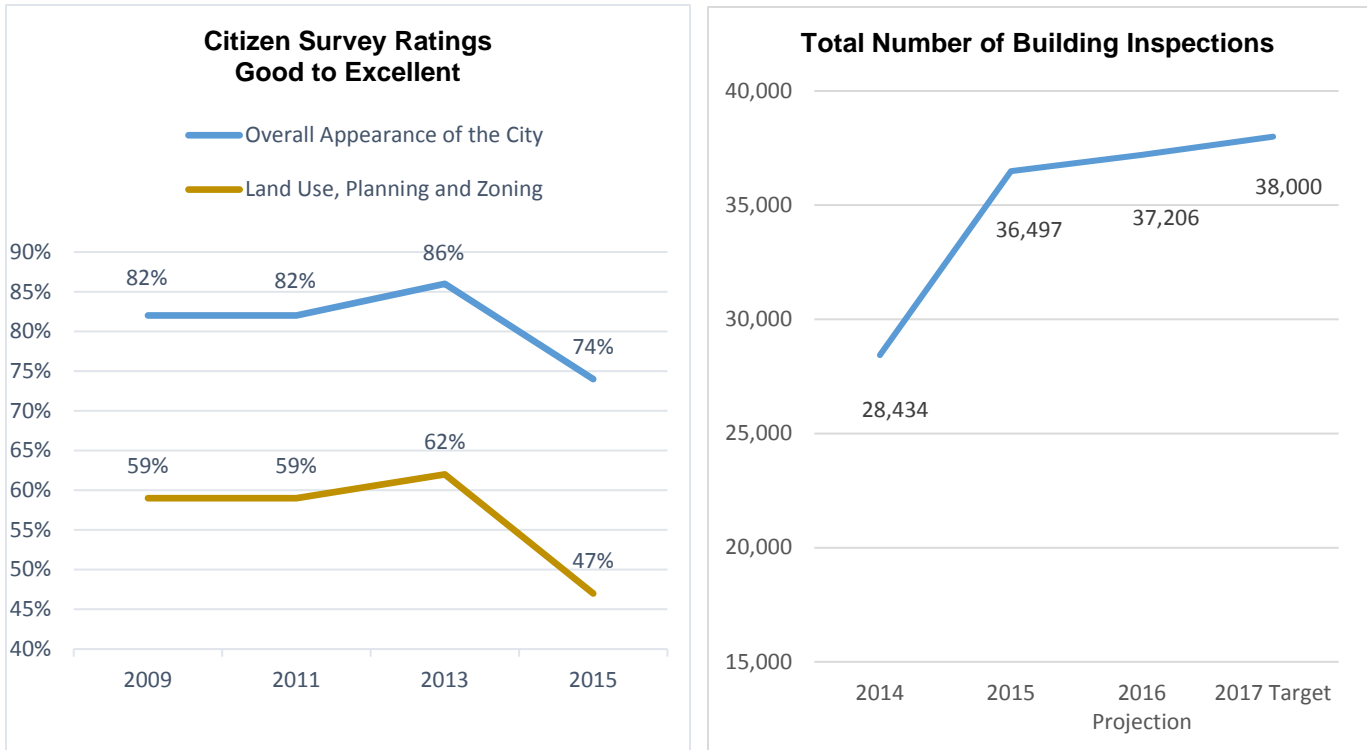
FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Completed Bailey Avenue annexations.
- ◆ Implemented Enterprise Resource Planning (ERP) – TRAKiT software.
- ◆ Adopted 2015 International Building Codes (“I-Codes”).
- ◆ Implemented satellite garage sale permit issuance at the City’s Public Safety Building.
- ◆ Continued to implement action Steps listed in the 2015 Comprehensive Plan.
- ◆ Completed “paper lite” initiative for Planning including paperless plan reviews.
- ◆ Continued “paper lite” initiative for Permits and Inspections. Transitioned from paper inspection tickets to real time inspection results via iPads.
- ◆ Conducted annual Pearland Development Forum.
- ◆ Continued professional training for staff, Planning and Zoning Commission, and Zoning Board of Adjustment.
- ◆ Continued to provide population updates and special studies.
- ◆ Continued to publish annual and quarterly Community Development newsletter.
- ◆ Revised pre-development information to include all new adopted codes and ordinances.

COMMUNITY DEVELOPMENT

FISCAL YEAR 2017 OBJECTIVES

- ◆ Complete annexations of areas located at the intersection of CR 59 & CR 48 and south of Tom Bass Park.
- ◆ Ongoing improvements to the Enterprise Resource Planning (ERP) – TRAKiT software.
- ◆ Continue with implementation of Action Steps listed in the 2015 Comprehensive Plan.
- ◆ Permits and Inspections to complete scanning and archiving of all records for paper document reduction.
- ◆ Implement online permitting credit card payment for citizens and contractors.
- ◆ Implement TRAKiT E-portal for citizens permit access.
- ◆ Relocate to renovated offices.



Pearland Citizen Surveys are completed every other year, therefore these results are representative of the 2015 Survey.

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
Zone Change Cases	19	25	61	60
Total Plat Approvals	143	115	168	160
Site plans reviewed	111	100	125	150
Total plans reviewed	1,185	1,584	1,349	1,425
Total building inspections	28,434	36,497	37,206	38,200
Total permits issued	13,972	18,186	14,612	16,000
Average Value Single Family Home Permitted	\$231,173	\$225,366	\$293,425	\$293,500

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 web site and government cable station - Pearland TV, which is broadcast on Comcast Channel 16, U-verse Channel 99, and online at cityofpearland.com. 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 2017 include:

- ◆ Redesign of the City's Pearnert Intranet - \$17,000.
- ◆ Completion of the City's bi-annual Citizen Survey - \$18,000.

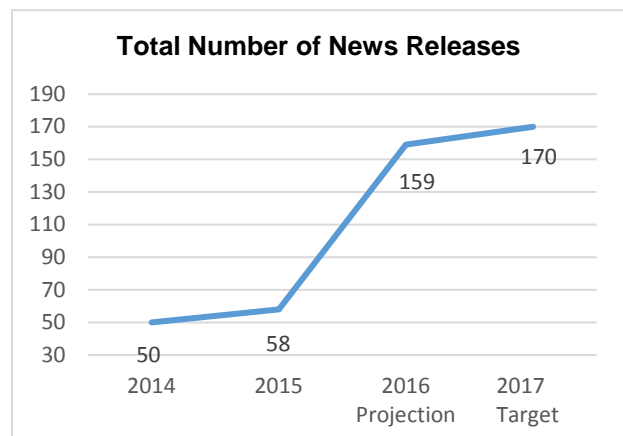
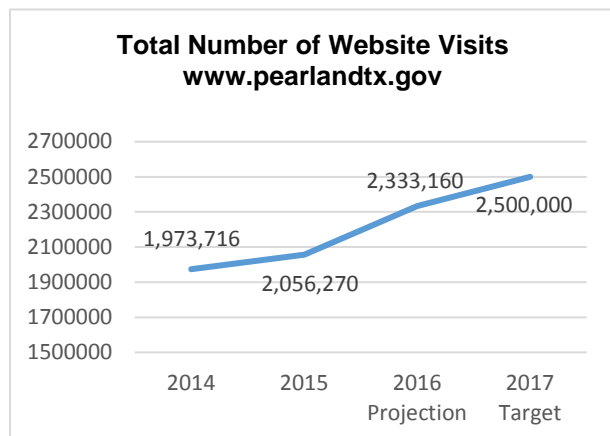
GOALS – ENGAGED COMMUNITY

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

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Developed a 5-year comprehensive Communications Plan to drive marketing and communications for the City.
- ◆ Provided marketing/communications support for the most successful pet adoption event in the history of the City where more than 50 adoption applications were received.
- ◆ Completed a social media audit in an effort to improve strategy and engagement regarding social media pages.
- ◆ Increased transportation/mobility-related communications by 15 percent.
- ◆ Filmed, edited and produced a Pearland TV I Remember segment highlighting one of the oldest City businesses resulting in a nearly 26,000 reach on Facebook.
- ◆ Received 3 awards in communications excellence from various state and national city/county marketing/communications associations.
- ◆ Redesigned 2 electronic newsletters – Pearland Connect & the Rec Report.
- ◆ Improved mobile website functionality by modifying more than 100 city website pages.

PERFORMANCE MEASURES



COMMUNICATIONS

FISCAL YEAR 2017 OBJECTIVES

- ◆ Develop and implement a plan to increase social media followers/fans to YouTube (650), Twitter (4,575), Facebook (14,500) and Instagram (1,500).
- ◆ Complete the redesign of the City's website (pearlandtx.gov).
- ◆ Complete the redesign of Pearnert* – the City's intranet portal.
- ◆ Develop and implement a plan to market the City's app – Connect2Pearland in an effort to increase use.
- ◆ Follow the guiding principles outline in the Department Strategic Plan which include: serving as brand ambassadors, being inclusive, proactive, transparent, consistent and responsive.
- ◆ Build out of and purchase of equipment for Pearland TV studio.
- ◆ Complete the FY 2017 Citizen Survey.

Citizen Survey 2015* How Citizens Get Their Information		
Type of Source	Major Source	Minor Source
City Website	68%	24%
Local Newspaper	27%	46%
Other Local Media	32%	41%
PEG Channel	9%	36%
Social Media	29%	35%
Water Bill Insert	27%	45%
City Publications	17%	48%

**Pearland Citizen Surveys are completed every other year, therefore these results are representative of the 2015 Survey.*

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
Facebook fans/friends	5,499	8,589	11,800	14,500
Twitter followers	1,289	2,254	3,290	4,575
YouTube subscribers	147	264	350	650
Instagram fans/followers	N/A	436	1,235	1,500
Percent of news releases published	96%	95%	93%	75%

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 2017 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 2016 ACCOMPLISHMENTS

- ◆ Procurement of a full-time Bailiff allowing better security for citizens, Judge and court staff.
- ◆ Accomplished the "paper lite" initiative by the scanning of all documents filed with the court.
- ◆ Continued the prosecution and adjudication of court cases in accordance with the Constitution, laws and legal regulations of the United States, the State of Texas, and all applicable governments therein.

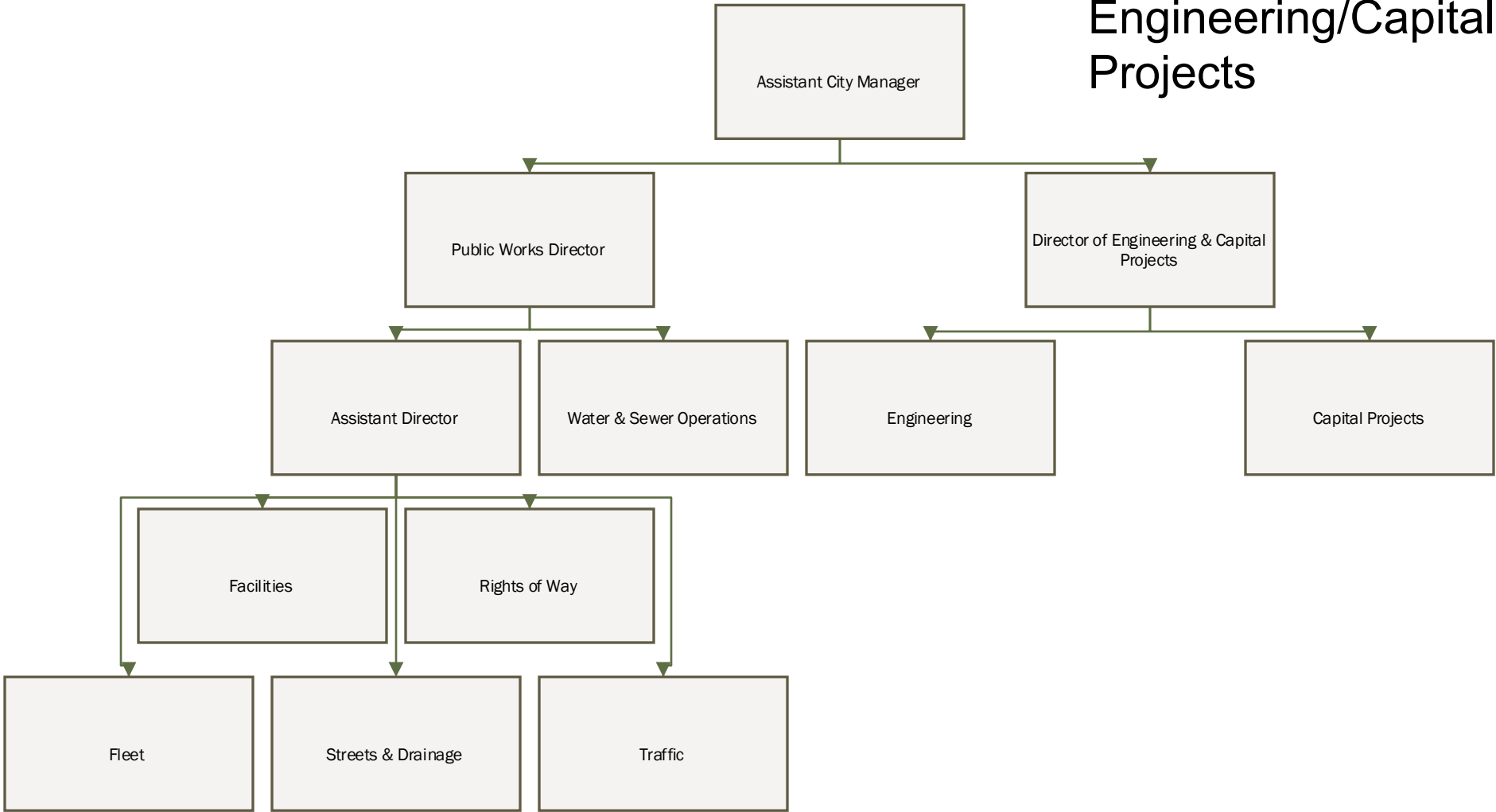
FISCAL YEAR 2017 OBJECTIVES

- ◆ Secure grant funds for a portable walk-through metal detector to improve security for administrative and judicial staff.
- ◆ Beginning the process of utilizing ticket writers with our Police Department.
- ◆ Continue the prosecution and adjudication of court cases in accordance with the Constitution, laws and legal regulations of the United States, the State of Texas, and all applicable governments therein.

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
Number of Judge trials prepared	217	346	143	225
Number of Jury trials prepared	622	510	300	450
Number of warrants issued	9,438	8,195	6,390	7,500
Total number of charges brought in	23,182	19,233	17,611	18,500
Percent Guilty Charge	68%	61%	57%	60%
Percent Charges Dismissed	12%	21%	17%	18%
Outstanding warrants	17,644	17,480	16,236	16,800
Value of outstanding warrants	\$8,395,229	\$8,580,728	\$8,275,346	\$8,400,000

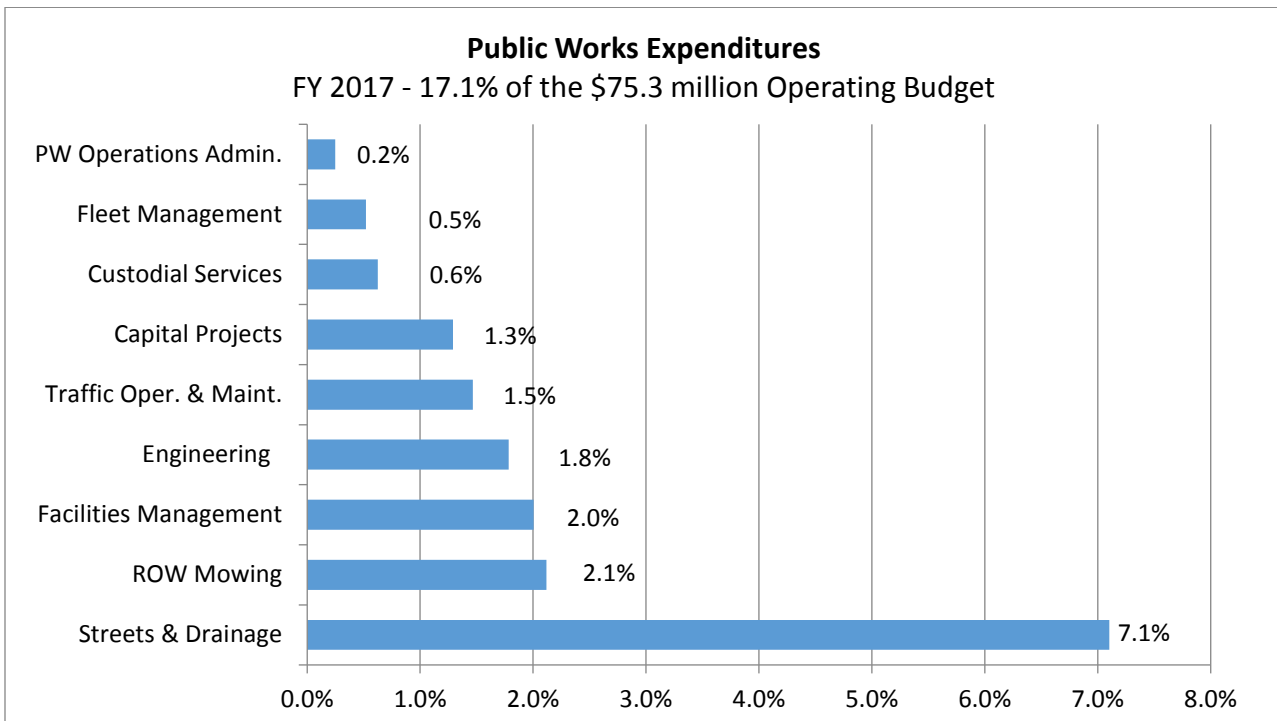
Public Works and Engineering/Capital Projects



**PUBLIC WORKS
EXPENDITURE SUMMARY
FY 2017 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Capital Projects	843,783	911,715	884,252	970,533
Engineering	986,341	1,162,814	1,309,037	1,342,684
Public Works Operations Administration	219,339	158,901	176,879	185,738
Traffic Operations and Maintenance	747,644	1,150,196	1,353,565	1,103,149
Custodial Services	252,637	355,016	443,464	470,568
Fleet Management	486,236	354,290	389,975	390,956
Streets & Drainage	4,829,976	4,964,212	5,401,125	5,345,357
ROW Mowing	615,557	1,453,099	1,462,102	1,594,820
Engineering and Capital Projects Administration	259,117	261,040	269,417	
Facilities Management	1,351,981	1,035,605	1,286,517	1,508,260
PUBLIC WORKS TOTAL	10,592,610	11,806,888	12,976,333	12,912,065

EXPENDITURES BY CATEGORY	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Salaries & Wages	4,102,444	4,525,407	4,279,865	4,482,334
Materials & Supplies	357,698	415,486	445,672	400,156
Buildings & Grounds	1,209,663	1,363,811	2,291,811	2,161,193
Repair & Equipment Maintenance	231,930	263,249	253,317	235,558
Miscellaneous Services	3,084,683	4,651,611	4,935,947	4,710,145
Inventory	38,132		24,860	
Capital Outlay	1,568,059	587,324	744,861	922,679
PUBLIC WORKS TOTAL	10,592,610	11,806,888	12,976,333	12,912,065



PUBLIC WORKS

OVERVIEW

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

Within the General Fund, the Public Works Department provides maintenance and custodial services to all City facilities, manages City vehicles and motorized equipment, including preventive maintenance and minor repairs; maintains and manages the City's streets, signals, landscapes, sidewalks, ditches and drainage channels, including but not limited to, street sweeping, pothole patching, culvert setting, and cleaning storm drains, inlets and lines throughout the City.

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

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

Key Budget Items for FY 2017 include:

- ◆ Roof management plan - \$70,492.
- ◆ Overhead door maintenance contract - \$38,110.
- ◆ Automatic gate maintenance contract - \$18,460.
- ◆ Building automation system service agreement - \$13,800.
- ◆ Safety training and equipment - \$3,000.
- ◆ Facility pressure washing – sidewalks and windows - \$68,450.
- ◆ Public Safety building sally port floor replacement - \$21,236.
- ◆ Grounds maintenance for bridges and bridge decks - \$38,800.
- ◆ Forklift replacement - \$50,000.
- ◆ Pavement markings and striping - \$110,000.
- ◆ Additional landscape sites - \$29,173.
- ◆ Replace dump truck - \$99,425.
- ◆ New carpet/floor cleaning equipment - \$13,800.
- ◆ Flaggers in work zone training - \$8,514.
- ◆ Replace asphalt distributor trailer - \$65,595.

GOALS

- ◆ Provide reliable, safe, and aesthetically pleasing roadways and sidewalk systems through systematic inspection and maintenance.
- ◆ Maintain and enhance where possible the appearance of City ROW through street sweeping, turf and landscape maintenance management practices.
- ◆ Reduce flooding and minimize the chance of property damage, injury or loss of life through a program of drainage facility maintenance and construction.
- ◆ Maintain a Project Management staff that is highly trained and proficient with the necessary tools to manage complex projects in a professional manner.
- ◆ Manage project scope, schedule and budget, and provide innovative solutions to deliver best value projects within budget and on schedule.
- ◆ Provide effective Right-of-Way coordination to resolve public and private utility conflicts in advance of project construction.
- ◆ Develop and maintain the City's Five-Year CIP in conjunction with the Finance Department.

PUBLIC WORKS

- ◆ Develop and maintain the City's Design Criteria Manual, Specifications, Standard Details, and Infrastructure Master Plans.
- ◆ Develop a strategic department growth plan that efficiently provides support to our Capital Improvement Program, the Public Works Department, Parks & Recreation Department, and other City departments.

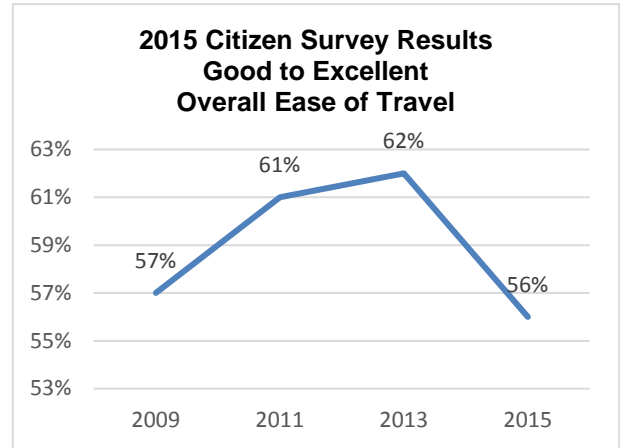
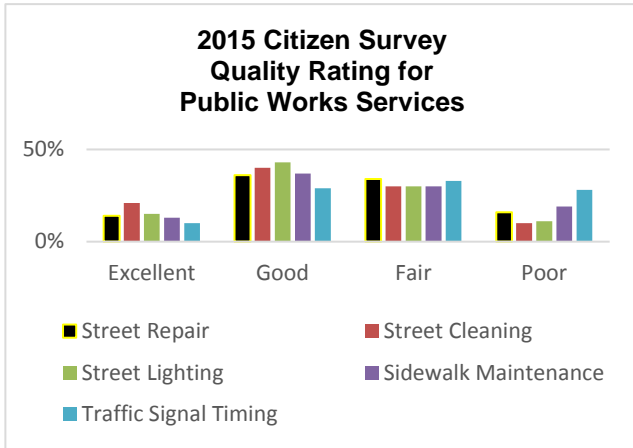
FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Began the development of a facility condition rating system that identifies the condition of major infrastructure at City facilities and identifies the remaining useful life of each.
- ◆ Managed rehabilitation of roadways identified through ROW assessment.
- ◆ Selected a work order system vendor and began integration with ERP system as well as ROW Assessment and GIS.
- ◆ Continued work on City-wide ITS traffic signal project upgrades.
- ◆ Implemented new signal timing plans along key corridors.
- ◆ Identified water and sanitary collection system infrastructure that has outlived its expected life and replace or repair those lines as resources allow.
- ◆ Installed/replaced 644 linear feet of culvert pipe via City crews and contractor.
- ◆ Installed/replaced 16,311 linear feet of sidewalk via sidewalk contract.
- ◆ Swabbed 26,810 linear feet of ditches via City crews and contractor.
- ◆ Flushed 25,458 linear feet of culvert pipe.
- ◆ Filled 4,021 potholes in asphalt pavement streets.
- ◆ Improved the effectiveness of our services by maintaining projects budget, scope, schedule and communication with the community, internal department partners, external partners and sponsors.
- ◆ Built quality into project management processes in order to ensure the community's expectations are met and satisfaction with services are achieved.
- ◆ Began the development of a Right-of-way Policy that governs the design and maintenance of all City's ROWs.
- ◆ Developed a transparent mowing program and street sweeping program, which are available online via a City GIS mapping layer.
- ◆ Completed the process of transitioning all right-of-way maintenance from Parks to Public Works and successfully placed all properties within a maintenance contract.

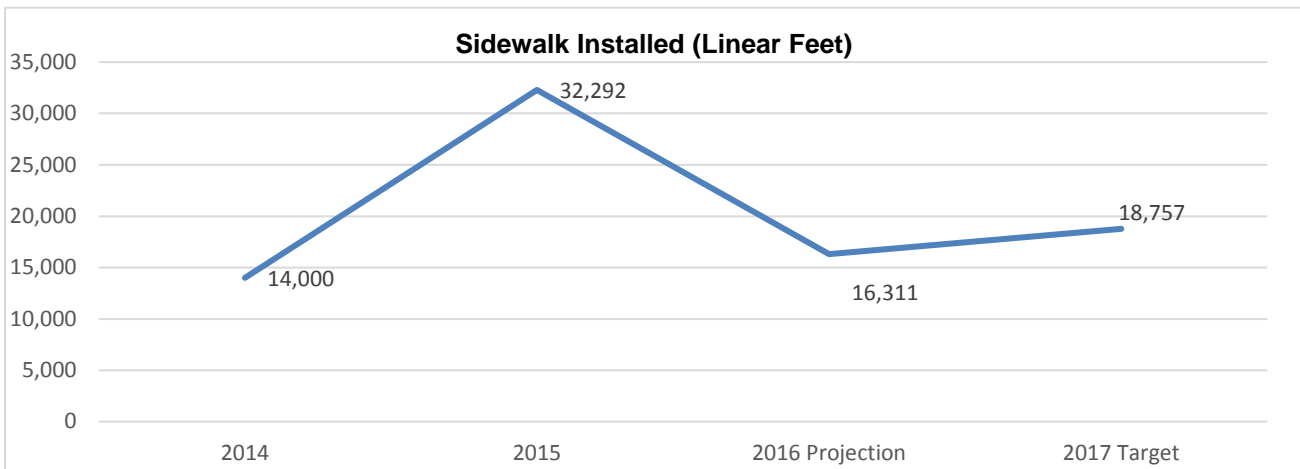
FISCAL YEAR 2017 OBJECTIVES

- ◆ Continue the development of a facility condition rating system that identifies the condition of major infrastructure at City facilities and identifies the remaining useful life of each.
- ◆ Continue rehabilitation of roadways identified through ROW assessment and funded through budget process.
- ◆ Complete and adopt the Right-of-Way Policy.
- ◆ Complete, adopt and implement the Open Ditch Right-of-Way Mowing Policy.
- ◆ Implement a bridge & bridge deck grounds maintenance program.
- ◆ Complete City-wide ITS traffic signal project upgrades.
- ◆ Implement new signal timing plans along key corridors.
- ◆ Identify water and sanitary collection system infrastructure that has outlived its expected life and replace or repair those lines as resources allow.
- ◆ Install/replace 500 linear feet of culvert pipe via City crews and contractor.
- ◆ Install/replace 18,500 linear feet of sidewalk via sidewalk contract.
- ◆ Swab 30,000 linear feet of ditches via City crews and contractor.
- ◆ Flush 25,000 linear feet of culvert pipe.
- ◆ Fill 3,000 potholes in asphalt pavement streets.
- ◆ Improve the effectiveness of our services by maintaining projects budget, scope, schedule and communication with the community, internal department partners, external partners and sponsors.
- ◆ Build quality into project management processes in order to ensure the community's expectations are met and satisfaction with services are achieved.

PUBLIC WORKS



Pearland Citizen Survey completed every other year, therefore these results are representative of the 2015 Survey.



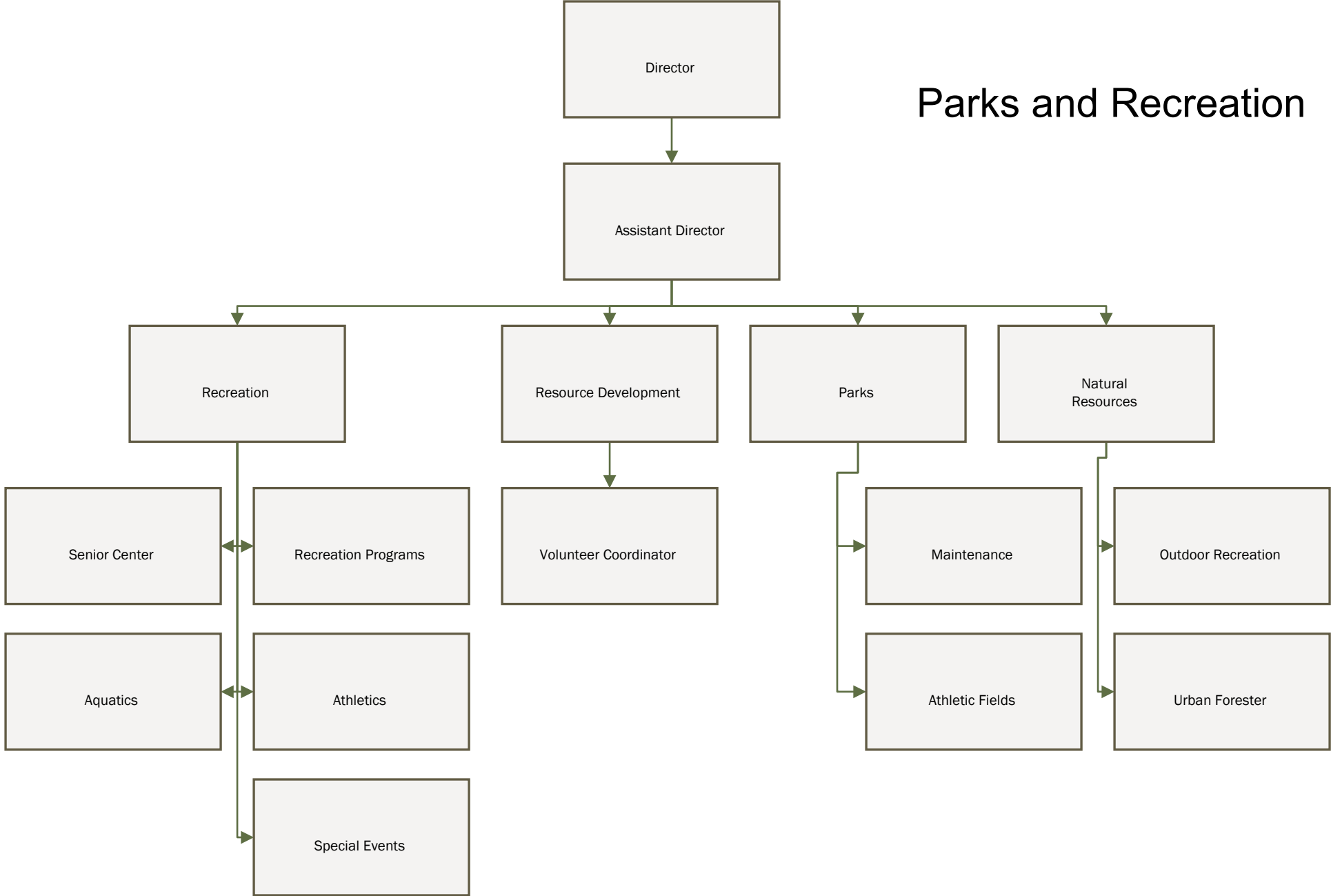
PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
Percent of water plants mowed within the 2-week schedule	96%	79%	66%	100%
Street Sweeping in Miles	950	804	1,160	1,250
Ditch/Culvert Cleaning (in feet)	54,879	20,452	36,810	30,000
Percent of lane miles in need of repair (asphalt)	37%	37%	37%	37%
Number of open sidewalk repair work orders	405	522	637	600
Number of Potholes Repaired	3,886	3,500	4,769	3,500
Culvert Pipe Installed/Replaced (Feet)	313	300	222	300
Total value of current active projects (millions)	\$199	\$259	\$305	\$300*
Percent of Change Orders to Total Contract Value	<5%	<5%	<5%	<5%
Average number of active projects being administered	30	35	28	30
<i>Percent of active projects started on schedule**</i>	81%	88%	80%	75%
<i>Percent of active projects completed on schedule**</i>	67%	63%	75%	70%

**FY17 targets do not include FY16 budgeted projects that began in FY17, or carry over into FY17. Based on CIP.*

***Based on the active number of projects being administered.*

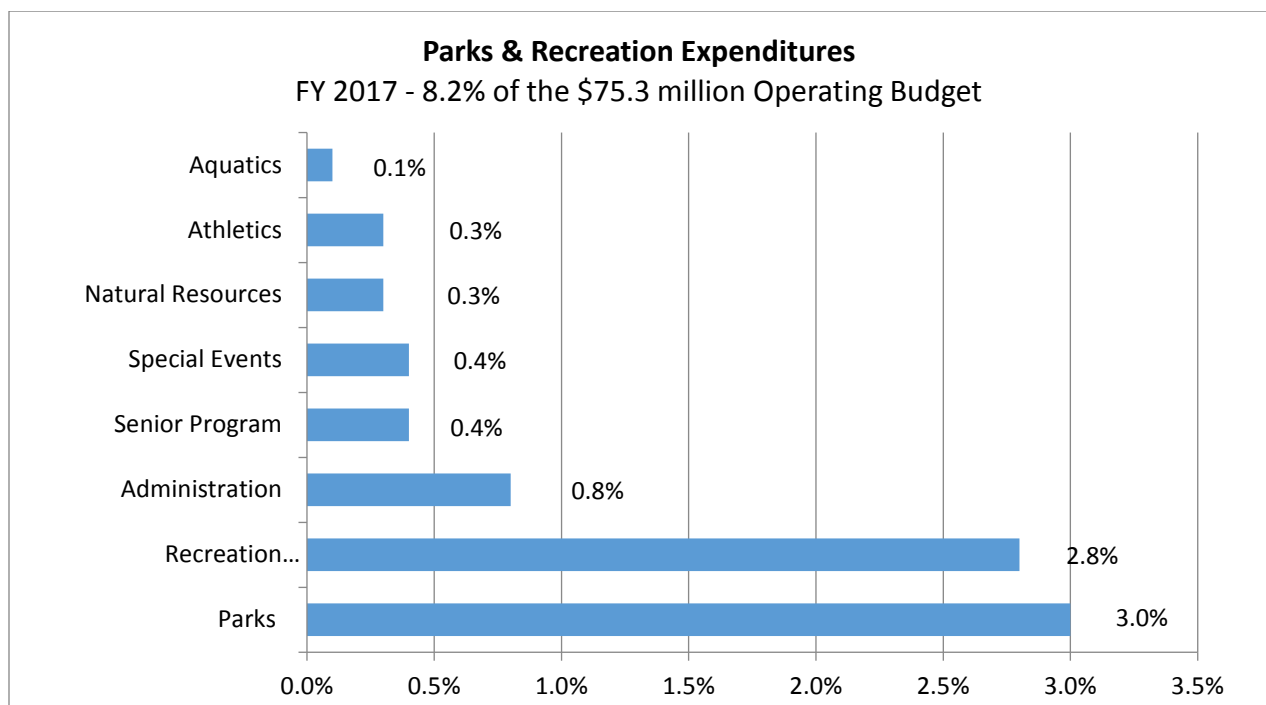
Parks and Recreation



**PARKS & RECREATION
EXPENDITURE SUMMARY
FY 2017 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2015	FY 2016	FY 2016	FY 2017
	Actual	Original Budget	Year End Amended	Adopted Budget
Administration	837,997	618,155	766,279	609,133
Recreation Center/Natorium	2,111,380	2,371,334	2,396,551	2,102,125
Athletics	269,528	329,357	280,119	306,571
Special Events	252,477	319,682	337,339	328,866
Senior Program	218,721	283,592	273,796	289,634
Parks	1,717,029	2,616,758	2,369,948	2,212,958
Natural Resources			78,488	325,631
Aquatics	93,367	148,398	108,487	30,829
Recycling	206,422	57,475	100,918	
PARKS & RECREATION TOTAL	5,706,921	6,744,751	6,711,925	6,205,747

EXPENDITURES BY CATEGORY	FY 2015	FY 2016	FY 2016	FY 2017
	Actual	Original Budget	Year End Amended	Adopted Budget
Salaries & Wages	3,557,102	3,987,627	3,924,016	3,693,480
Materials & Supplies	364,303	506,516	527,145	445,791
Buildings & Grounds	269,390	627,703	767,791	646,692
Repair & Equipment Maintenance	129,777	115,101	109,401	84,257
Miscellaneous Services	1,352,843	1,456,784	1,242,533	1,189,157
Inventory	5,252	0	5,515	
Capital Outlay	28,254	51,020	135,524	146,370
PARKS & RECREATION TOTAL	5,706,921	6,744,751	6,711,925	6,205,747



PARKS & RECREATION

OVERVIEW

Pearland Parks and Recreation, in collaboration with the Parks, Recreation and Beautification Board, local and regional partners as well as other City departments, administers a Parks and Recreation Master Plan that provides a comprehensive policy direction to the year 2030 to meet both current and future parks and recreation needs, and in turn, to enhance livability in the community. In addition to leisure classes, athletics and aquatics, special events, wellness, fitness and youth development programs and camps, senior citizens programs, and parks maintenance, the department maintains 10 neighborhood parks and 3 larger community parks, a Recreation Center/Natatorium, the Westside Events Center and the Melvin Knapp Senior Center.

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

Key Budget Items for FY 2017 include:

- ◆ Reclassify a Part Time Recreation Specialist to a Full Time Recreation Specialist - \$10,788.

GOALS

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

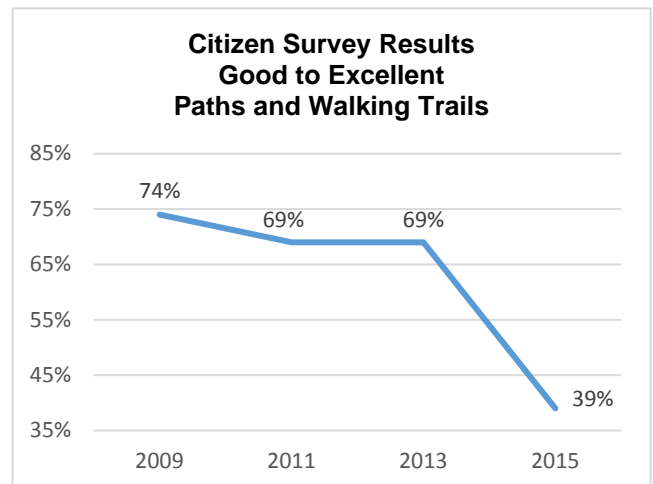
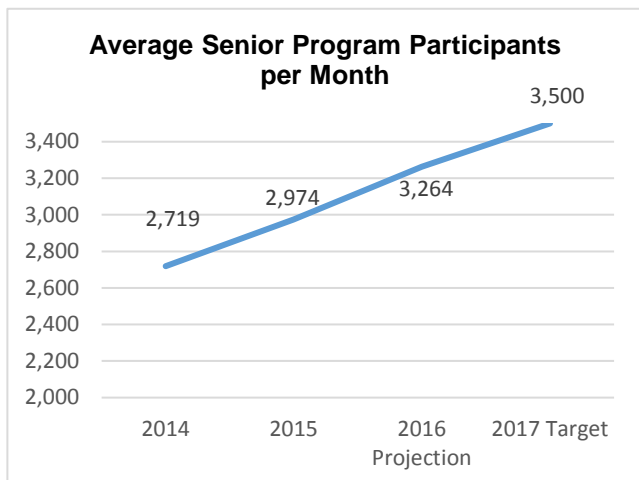
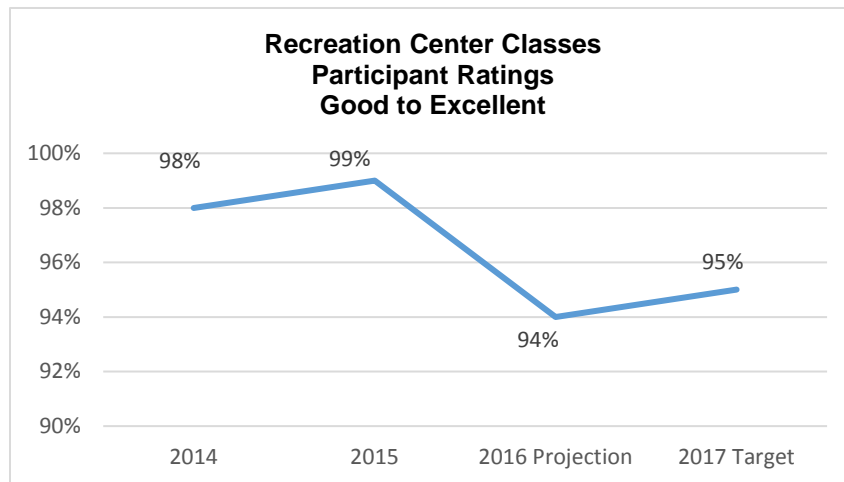
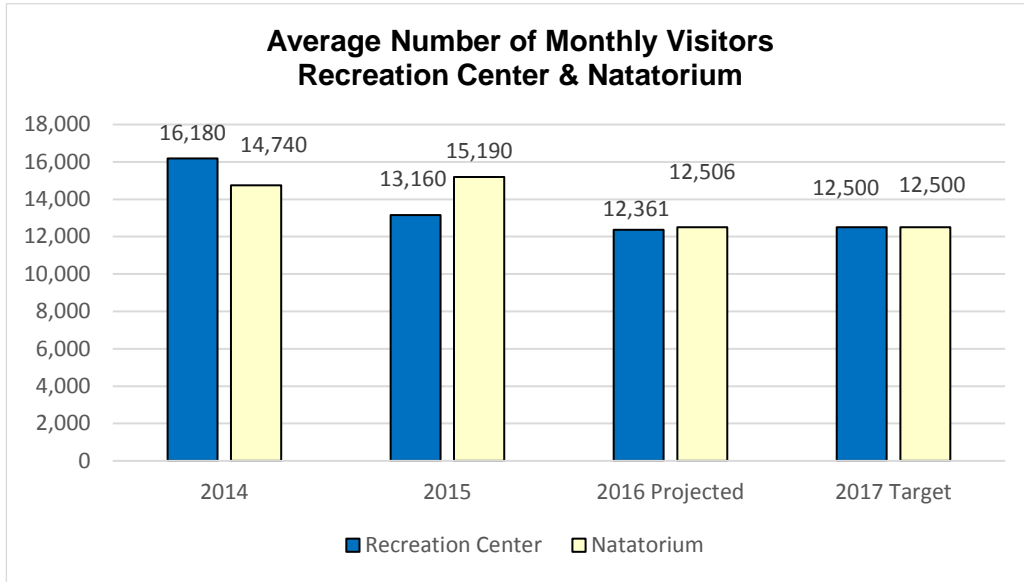
FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Developed and implemented new youth recreational programs.
- ◆ Developed and implemented active adult and senior recreational programs.
- ◆ Provided inclusive transportation opportunities for those with ADA needs by collaborating with local providers and other organizations.
- ◆ Hosted 2016 AAU Jr. Olympic Games for Swimming.
- ◆ Implemented organic fertilization program to complement increased over-seeding efforts.
- ◆ Updated park signs in accordance with adopted standards.
- ◆ Reviewed & updated Parkland Dedication Ordinance.
- ◆ Opened Hickory Slough Sportsplex.
- ◆ Awarded host city for the 2018 and 2019 Texas Amateur Athletic Federation Winter Games of Texas.
- ◆ Renovated interpretive signage at Shadow Creek Ranch Nature Trail.

FISCAL YEAR 2017 OBJECTIVES

- ◆ Develop a volunteer based "Park Watch" to patrol parks.
- ◆ Build a GIS inventory for trails & trail amenities.
- ◆ Build a GIS system for recording and tracking park and trail projects.
- ◆ Create a Cultural Event Plan.
- ◆ Incorporate technology into events and programs.

PARKS & RECREATION
PERFORMANCE MEASURES



Pearland Citizen Survey are completed other year, therefore these results are representative of the 2015 Survey.



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**WATER AND SEWER FUND
FY 2017 ADOPTED BUDGET**

OVERVIEW

The Water & Sewer Fund is an enterprise fund that includes water and sewer system operations. The fund is operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The City provides water and sewer service to approximately 36,000 residential and commercial customers. Water & Sewer revenues provide 90% of the total revenue generated in the Water & Sewer Fund. As such, the City of Pearland continually monitors and evaluates the need to adjust water and sewer rates in order to ensure that the fund is self-supporting, that infrastructure rehabilitation is adequate, and that all bond covenants are in compliance. For fiscal year 2017, a water and sewer revenue increase of 15.6% is required to meet the needs of the system, which consists of \$946,517 from growth and \$5,293,470 from rate adjustments.

	FY 2015 ACTUAL	FY 2016 ORIGINAL BUDGET	FY 2016 YEAR END AMENDED	FY 2017 ADOPTED BUDGET
<u>REVENUES</u>				
SALE OF WATER	\$15,581,945	\$17,846,715	\$18,500,000	\$19,793,158
SEWER REVENUES	12,862,796	16,181,749	15,600,000	20,442,367
OTHER SERVICE CHARGES	1,756,051	1,617,554	1,618,750	1,604,000
INVESTMENT EARNINGS	232,170	105,000	123,500	125,000
OTHER MISCELLANEOUS INCOME	219,422	232,557	175,557	195,500
TRANSFERS IN	3,368,959	2,582,700	2,582,700	2,650,000
OTHER FINANCING SOURCES	5,718,964		423,293	
TOTAL	39,740,307	38,566,275	39,023,800	44,810,025
<u>EXPENSES</u>				
UTILITY CUSTOMER SERVICES	961,043	1,173,683	1,140,963	1,283,371
INFORMATION TECHNOLOGY/GIS	119,676	175,429	226,264	466,890
OTHER REQUIREMENTS	18,221,353	17,730,759	15,060,822	19,867,217
PUBLIC WORKS OPERATIONS ADMINISTRATION	640,717	568,079	614,636	762,221
WATER/SEWER GROUNDS	416,856	439,456	431,033	406,965
LIFT STATIONS	987,956	1,398,412	1,975,104	1,628,002
WASTEWATER TREATMENT	4,842,682	4,614,742	5,826,496	6,039,220
WATER PRODUCTION	7,496,149	7,982,126	10,169,713	9,907,878
DISTRIBUTION & COLLECTION	1,799,878	2,023,112	2,595,181	2,479,306
CONSTRUCTION	559,835	733,434	827,452	789,777
WATER METER SERVICES	1,240,439	1,583,527	1,524,287	1,761,175
TOTAL	37,286,585	38,422,759	40,391,951	45,392,022
REVENUES OVER/(UNDER) EXPENSES	2,453,721	143,516	(1,368,151)	(581,997)
Beginning Cash Equivalents	15,373,775	11,940,401	15,624,805	14,256,654
Reserve for Debt Service	1,929,503	2,623,222	2,623,222	2,688,411
Ending Cash Equivalents	\$15,897,993	\$9,460,695	\$11,633,432	\$10,986,246
Bond Coverage - 1.4	0.65		1.50	1.65
Cash Reserve Ratio - 25%	43%		29%	26%

**WATER AND SEWER FUND
REVENUE & EXPENSE SUMMARY
FY 2017 ADOPTED BUDGET**

FISCAL YEAR 2015-2016

Projected revenues of \$39,023,800 are \$457,525, or 1.2%, more than the original budget and \$716,507, or 1.8%, less than the fiscal year 2015 actual of \$39,740,307. The fiscal year 2016 projected revenue is higher than the original budget due to the increase in water usage. Revenues from the sale of water and sewer services are projected to be \$71,536 or 0.2% higher than budgeted. Other service charges are projected to come in slightly more than the original budget amount.

Fiscal Year 2016 expenses are anticipated to be \$40,391,951. This is \$1,969,192 more than the original budget of \$38,422,759, as water purchases have increased. Expenses are \$3,105,366 higher than the fiscal year 2015 actual. Projected expenses in water production were higher than the previous year due to an increase in water purchases for residential and commercial use. The ending balance at September 30, 2016 is estimated to be \$11,633,432 with a 29% cash reserve ratio and a bond coverage of 1.5.

FISCAL YEAR 2016-2017

Fiscal Year 2017 revenues total \$44,810,025, an \$5,786,225 increase from the fiscal year 2016 projections and a \$6,243,750 increase from fiscal year 2016 original budget. Water and sewer charges increased by \$6,135,525, or 15.7%, over the 2016 projections. This is mainly due to an anticipated revenue increase of 15.6%, or \$5,293,470, and an increase in customer growth of 2.5% or \$946,517.

Fiscal year 2017 expenses total \$45,392,022 and include annual debt service payments of \$15,638,601 million, an increase of \$4.56 million from fiscal year 2016. Expenses are \$5,000,071 or 12.4%, higher than the fiscal year 2016 projections and are \$6,969,263, or 18.1%, higher than the original budget.

Enhancements to the budget total \$736,707, \$185,126 recurring and \$551,581 non-recurring. Enhancements include additional funding for a backflow compliance program (\$142,553), replacing two Kubota excavators (\$108,422), a chemical vacuum feed system (\$60,000), variable frequency drives for return activated sludge pumps at Barry Rose WRF (\$35,000), UV system for JHEC WRF (\$70,000), well point equipment trailer (\$68,080), water reclamation facility building repairs (\$100,000), level indicator for bleach and bi-sulfite tanks at Longwood WRF (\$20,000), a ditch witch water valve and hydrant program machine replacement (\$43,590) and sewer line camera replacement (\$8,500).

The budget anticipates two water/sewer bond sales; one totaling \$47.37 million to fund infrastructure improvements in the capital improvement program. The second is TWDB financing in the amount of \$17.5 million for Surface Water Plant Phase 1 and Water Meter Change-out.

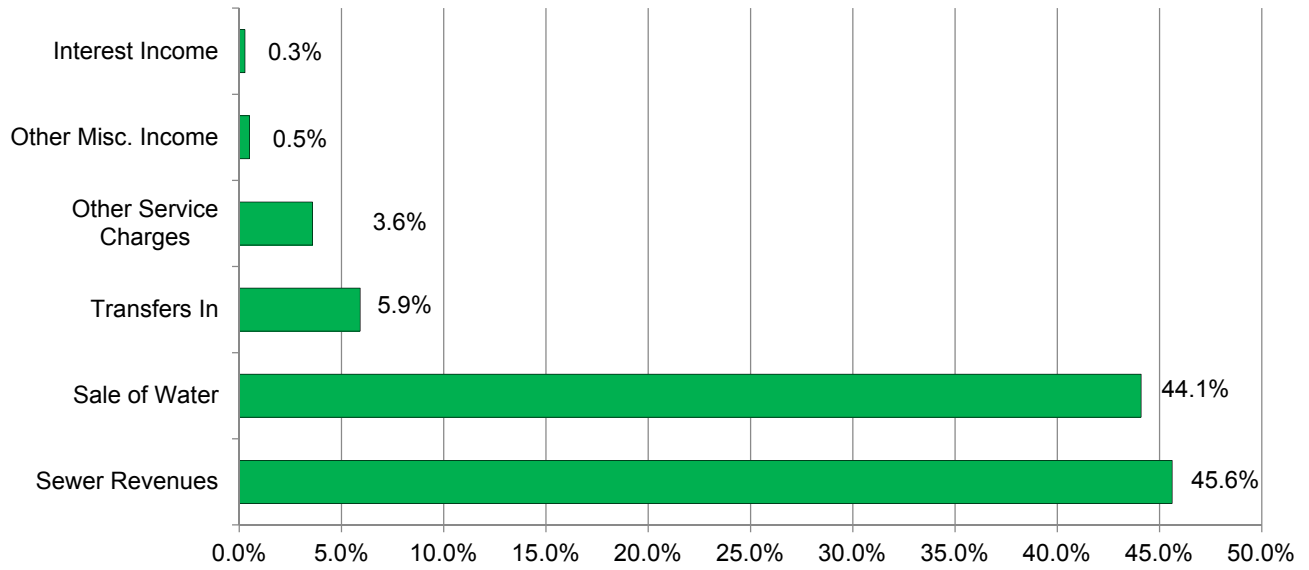
Available ending balance at September 30, 2017 is expected to be \$10,986,246. Even with the 15.6% revenue increase, expenditures exceed revenues by \$581,997. Bond coverage is 1.65 and cash reserves are 26%.

Based on a 15.6% revenue increase and changes to the overall rate structure, monthly bills based on consumption scenarios are as follows:

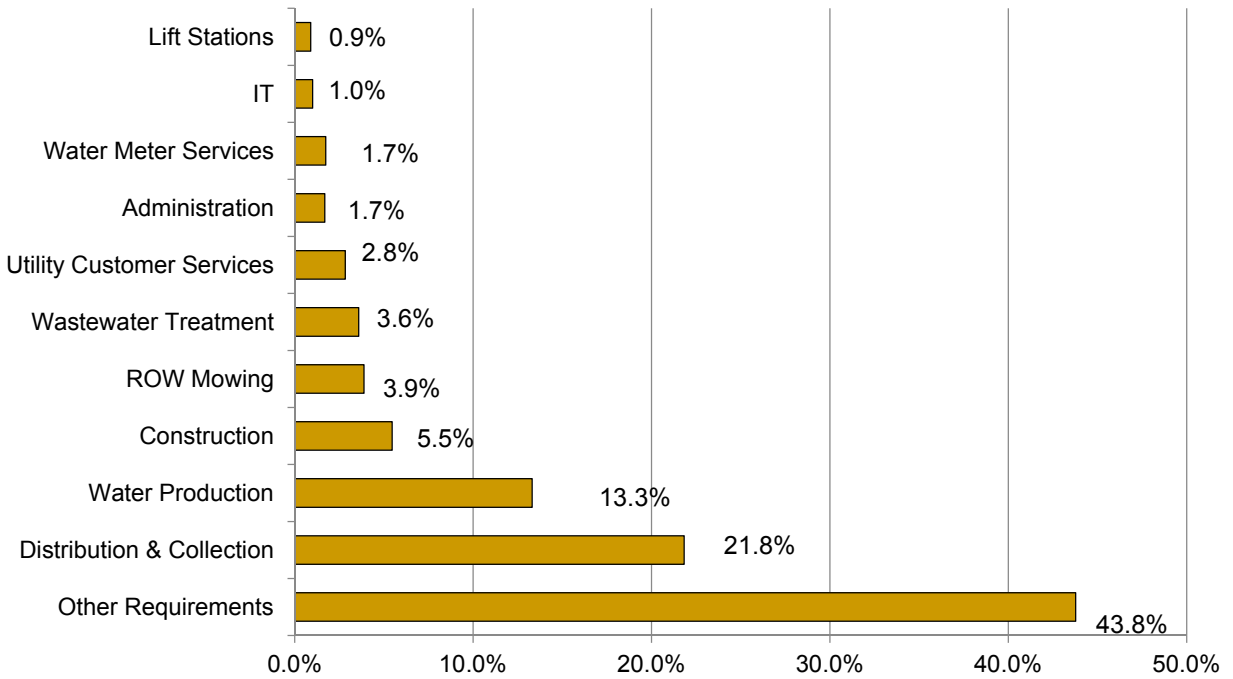
RESIDENTIAL 5/8" or 3/4" METER WITH SEWER CAP OF 6,000 GALLONS

Consumption	Current Bill	2017 Bill	Amount Changed
Base (0-2,000)	\$31.22	\$34.64	\$ 3.42
6,000	\$61.02	\$67.20	\$ 6.18
8,000	\$69.72	\$76.08	\$ 6.36
10,000	\$78.42	\$84.96	\$ 6.54
15,000	\$100.17	\$107.16	\$ 6.99

WATER AND SEWER REVENUES FY 2017



WATER AND SEWER EXPENSES FY 2017



**WATER AND SEWER FUND
REVENUES
FY 2017 ADOPTED BUDGET**

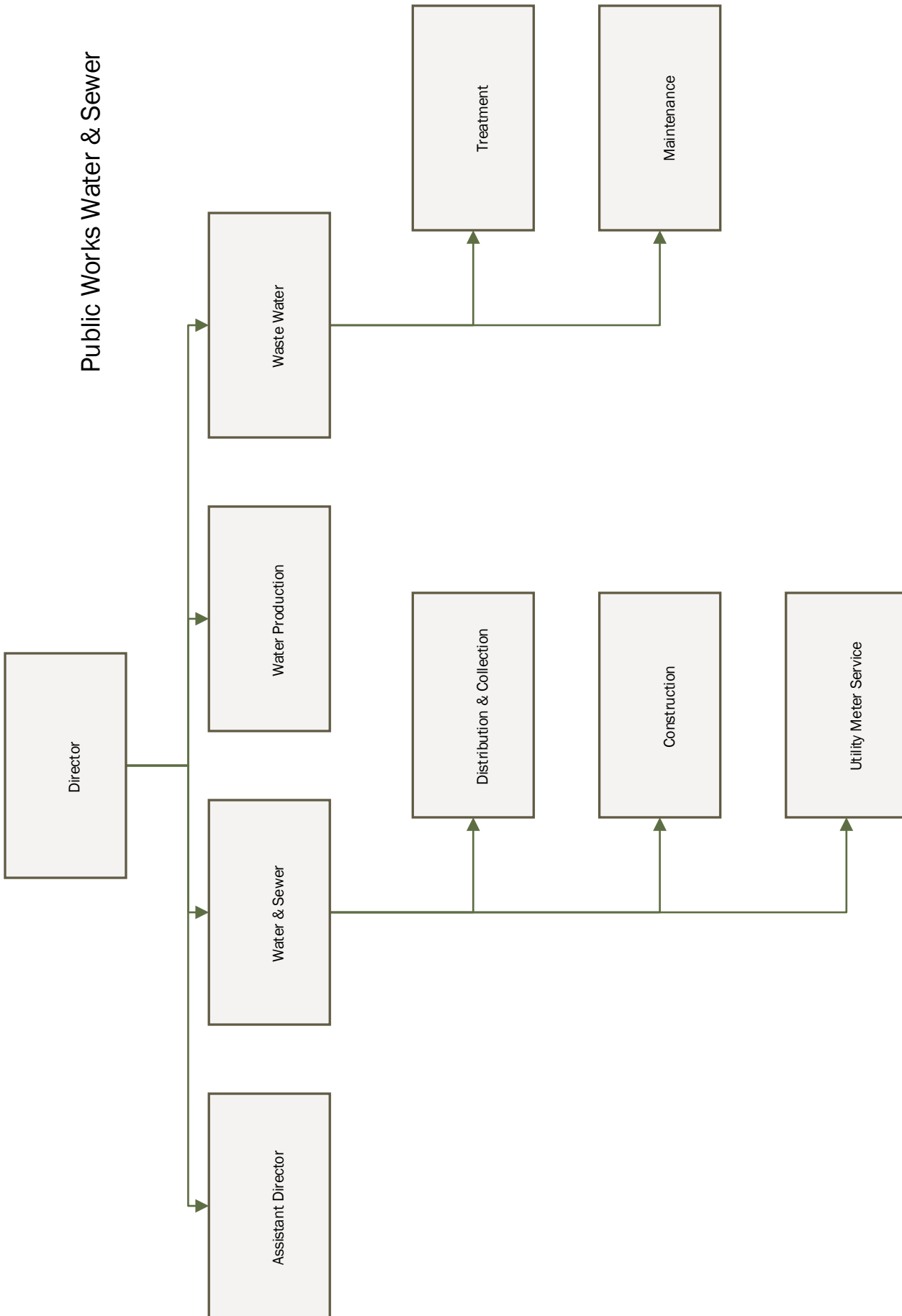
ACCOUNT NUMBER	REVENUE CATEGORY	FY 2015 ACTUAL	FY 2016 ORIGINAL BUDGET	FY 2016 YEAR END AMENDED	FY 2017 ADOPTED BUDGET
600-000-000.3600.010	Interest Earnings	140,069	105,000	123,500	125,000
600-000-000.3600.040	Unrealized Gain/Loss	92,101			
*INVESTMENT EARNINGS		232,170	105,000	123,500	125,000
600-000-000.3800.080	Phone & Fax Reimbursement	3,488	3,557	3,557	3,500
600-000-000.3800.140	Sale of Property		9,000	9,000	9,000
*MISCELLANEOUS		3,488	12,557	12,557	12,500
600-000-000.4000.040	Capital Lease Proceeds			423,293	
600-000-000.4000.050	Contributed Capital	5,718,964			
*OTHER FINANCING SOURCES		5,718,964		423,293	
600-000-000.3900	Transfers In	3,368,959	2,582,700	2,582,700	2,650,000
*TRANSFERS IN		3,368,959	2,582,700	2,582,700	2,650,000
600-130-390.3500.330	Water Sales	15,581,945	17,846,715	18,500,000	19,793,158
600-130-390.3500.340	Sewer Charges	12,862,796	16,181,749	15,600,000	20,442,367
600-130-390.3500.350	Sanitation Billing Fee	379,432	390,054	330,000	330,000
600-130-390.3500.360	Connection Fee	183,256	170,200	175,000	175,000
600-130-390.3500.370	Water Tap Fee	578,628	450,000	450,000	450,000
600-130-390.3500.380	Sewer Tap Fee	8,862	5,000	5,000	5,000
600-130-390.3500.390	Late Payment Fee	529,284	510,000	565,000	550,000
600-130-390.3500.400	Meter Set Fee	3,950	2,700	2,500	2,500
600-130-390.3500.410	Curb Stop Replacement Fee	482	500	500	500
600-130-390.3500.420	Reconnect Fee	32,175	45,400	40,000	40,000
600-130-390.3500.430	Grease Trap Fee	39,408	40,500	50,000	50,000
600-130-390.3500.440	Miscellaneous	575	3,200	750	1,000
*CHARGES FOR SERVICE		30,200,792	35,646,018	35,718,750	41,839,525
600-130-390.3800.160	NSF Fees	6,868	9,000	8,000	8,000
*MISCELLANEOUS		6,868	9,000	8,000	8,000
600-305-100.3800.100	Recycle	94,988	106,000	95,000	100,000
600-305-100.3800.270	Miscellaneous	114,078	105,000	60,000	75,000
*MISCELLANEOUS		209,066	211,000	155,000	175,000
TOTAL		39,740,307	38,566,275	39,023,800	44,810,025

**WATER AND SEWER FUND EXPENSE
SUMMARY
FY 2017 ADOPTED BUDGET**

EXPENSES BY DEPT/DIVISION	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Utility Customer Service	961,043	1,173,683	1,140,963	1,283,371
Information Technology/GIS	119,676	175,429	226,264	466,890
Other Requirements	18,221,353	17,730,759	15,060,822	19,867,217
<i>Public Works</i>				
Public Works Administration	640,717	568,079	614,636	762,221
Water/Sewer Grounds	416,856	439,456	431,033	406,965
Lift Stations	987,956	1,398,412	1,975,104	1,628,002
Water Reclamation	4,842,682	4,614,742	5,826,496	6,039,220
Water Production	7,496,149	7,982,126	10,169,713	9,907,878
Distribution & Collection	1,799,878	2,023,112	2,595,181	2,479,306
Construction	559,835	733,434	827,452	789,777
Water Meter Services	1,240,439	1,583,527	1,524,287	1,761,175
<i>Sub-Total Public Works</i>	<u>17,984,513</u>	<u>19,342,888</u>	<u>23,963,902</u>	<u>23,774,544</u>
WATER & SEWER FUND TOTAL	<u>37,286,585</u>	<u>38,422,759</u>	<u>40,391,951</u>	<u>45,392,022</u>

EXPENSES BY CATEGORY	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Salaries & Wages	5,810,737	6,451,789	6,494,280	6,946,836
Materials & Supplies	6,437,414	6,645,763	8,216,422	8,938,479
Building & Grounds	61,619	90,621	121,640	110,340
Repair & Maintenance	1,867,263	1,726,494	3,026,597	2,800,746
Miscellaneous Services	4,525,724	5,154,855	5,767,363	5,822,094
Inventory	78,911	24,200	29,200	25,000
Transfers/Other Charges	17,890,850	17,491,037	14,765,347	19,585,935
Capital Outlay	614,066	838,000	1,971,102	1,162,592
WATER & SEWER FUND TOTAL	<u>37,286,585</u>	<u>38,422,759</u>	<u>40,391,951</u>	<u>45,392,022</u>

Public Works Water & Sewer



PUBLIC WORKS - UTILITIES

OVERVIEW

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

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

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

Key Budget Items for FY 2017 Include:

- ◆ Addition of Backflow Compliance Manager - \$142,553
- ◆ Replace two Kubota Excavators - \$108,422
- ◆ Chemical Vacuum Feed System for Liberty and Magnolia Water Facilities- \$60,000
- ◆ Variable frequency drives for return activated sludge pumps at Barry Rose Water Reclamation Facility (WRF) - \$35,000
- ◆ Ultraviolet Disinfection System Replacement at JHEC WRF - \$70,000
- ◆ Well point Equipment Trailer - \$68,080
- ◆ Wastewater Treatment Plant building repair - \$100,000.
- ◆ Level indicator for bleach and bi-sulfite tanks at Longwood WRF - \$20,000.
- ◆ Contracted ground maintenance for treatment plants - \$226,740
- ◆ Ditch Witch water valve & hydrant program machine replacement - \$43,590.
- ◆ Sewer line camera replacement - \$8,500

GOALS

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

FISCAL YEAR 2016 ACCOMPLISHMENTS

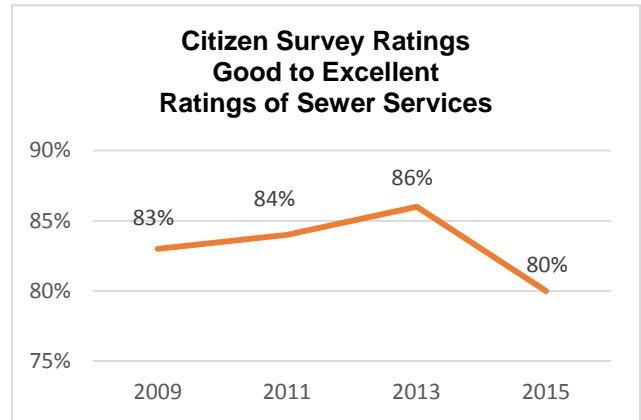
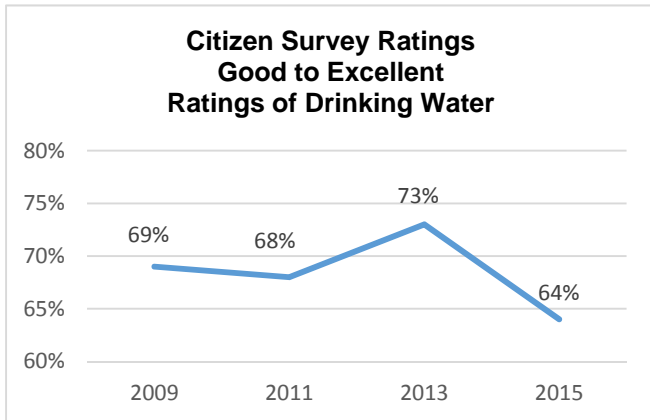
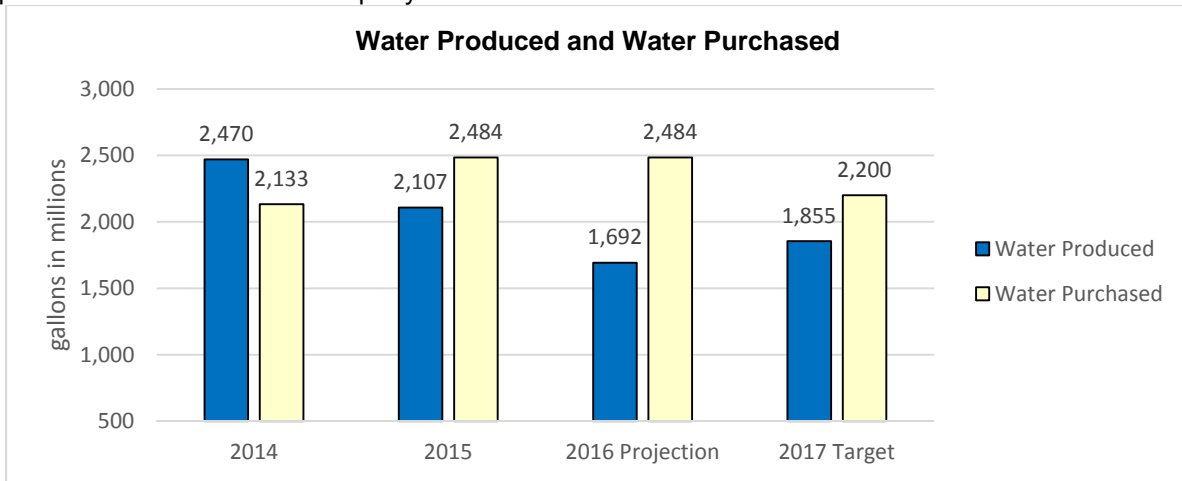
- ◆ Continued to identify water and sanitary lines that have outlived their expected life or are likely to fail, and replace or repair those lines as resources allow.
- ◆ Installed vacuum chemical feeder at 521 water production facility.
- ◆ Water line cleaning, pigging at various locations.
- ◆ Demolish old Fire Stations 3 & 4.

PUBLIC WORKS - UTILITIES

- ◆ Sanitary Sewer Project on Mclean Road.
- ◆ Orange Street and Linwood water line Improvement.
- ◆ Interconnect Meter installed with Clear Brook MUD.

FISCAL YEAR 2017 OBJECTIVES

- ◆ Continue to identify water and sanitary lines that have outlived their expected life or are likely to fail, and replace or repair those lines as resources allow.
- ◆ Build new compliant containment walls for chemical tanks at all water facilities.
- ◆ Internally rehab one bolted ground water storage tank at the Garden Road water facility.
- ◆ Internally rehab two welded ground water storage tanks - Kirby Drive water facility, Magnolia water facility.
- ◆ Install new water lines on North Washington Ave., North Sam Antoine Ave., and North Pearland Ave.
- ◆ Repair sewer main lines for Tranquility Lakes lift stations.



Pearland Citizen Surveys are completed every other year, therefore these results are representative of the 2015 Survey.

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
Wastewater gallons treated in billion gallons	2.493	3.331	3.513	3.724
Cost per gallon to treat wastewater	\$0.0015	\$0.0014	\$0.0017	\$0.0016
Water main installation (feet)	1,615	4,650	10,000	15,000
Sewer main installation (feet)	0	350	200	400
Cost per gallon of water purchased	\$0.0023	\$0.0019	\$0.0020	\$0.0020
Percent of time Waste Water Treatment Plant over capacity	61%	71%	20%	0%

FINANCE UTILITY CUSTOMER SERVICES

OVERVIEW

Utility Customer Services (Utility Billing) reports to the Director of Finance and is responsible for the billing and collection of water, sewer and garbage fees. Utility Billing is also responsible for coordinating residential and commercial solid waste collection.

STRATEGIC COUNCIL PRIORITY: The collection and management of payments from residential and business customers that receive utility services from the City are handled in ways that meet the City's general principles of financial accountability and transparency, for a Fiscally Responsible Government.

Key Budget Items for FY 2017 Include:

- ◆ Added 1 FT Customer Service Representative and moved 2 PT to 1 FT – \$80,562.

GOALS

- ◆ Collaborate with other City departments to ensure timely and accurate meter reads for billing and financial integrity.
- ◆ Ensure accurate accounting of all revenues from the billing generated.
- ◆ Maintain high collection rate and low delinquency rate through service disconnection and collection policies.
- ◆ Provide excellent customer service to internal and external customers.
- ◆ Update and maintain City of Pearland Utility Billing web information.
- ◆ Identify missing waste accounts for customers receiving services for the purpose of creating necessary billing accounts and initiating proper billing mechanisms.
- ◆ Collaborate with commercial customers and contract waste management partner to prevent contaminants from entering local recycling collections.

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Implemented 16% revenue increase through newly adopted utility rate.
- ◆ Worked with waste service contractor to improve consistent service performance for residents and customers.
- ◆ Increased messaging to customers relating to services and topics of interest provided by Water Billing & Collections Department.
- ◆ Refreshed staff training of customer service through introduction and reinforcement of “The Pearland Way.”
- ◆ Transitioned 1 part-time staffer to full time employee.

FISCAL YEAR 2017 OBJECTIVES

- ◆ Complete implementation of New World ERP Utility Management Software.
- ◆ Prepare process documentation and system account clean-up for ERP Implementation in March 2016, with plans for full “go live” conversion to New World Systems by January 30, 2017.
- ◆ Continue staff development customer service and Excel pivot table training.
- ◆ Improve customer engagement through all contact channels.
- ◆ Produce call center data analytics for continuous process improvements.

PERFORMANCE MEASURES

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projection	FY 2017 Target
Annual meter reads	414,449	428,265	445,154	457,154
Percent of payments processed on-line	45%	50%	60%	66%
Number of cut-offs	1,061	1,284	1,217	1,250

**ENTERPRISE FUND DEBT MATURITY SCHEDULE
FY 2017 ADOPTED BUDGET**

**ENTERPRISE FUND DEBT
REVENUE BONDS**

Year	Principal	Interest	Total
2016-2017	7,630,000	5,129,557	12,759,557
2017-2018	7,785,000	4,872,383	12,657,383
2018-2019	7,960,000	4,692,911	12,652,911
2019-2020	8,150,000	4,505,839	12,655,839
2020-2021	8,405,000	4,303,479	12,708,479
2021-2022	8,460,000	4,086,641	12,546,641
2022-2023	8,680,000	3,861,141	12,541,141
2023-2024	7,860,000	3,622,448	11,482,448
2024-2025	8,130,000	3,400,993	11,530,993
2025-2026	8,625,000	3,158,976	11,783,976
2026-2027	8,940,000	2,824,604	11,764,604
2027-2028	9,275,000	2,472,912	11,747,912
2028-2029	9,610,000	2,127,407	11,737,407
2029-2030	9,925,000	1,795,640	11,720,640
2030-2031	10,245,000	1,448,009	11,693,009
2031-2032	6,300,000	1,085,239	7,385,239
2032-2033	6,510,000	862,255	7,372,255
2033-2034	6,715,000	637,977	7,352,977
2034-2035	3,840,000	403,087	4,243,087
2035-2036	3,040,000	305,199	3,345,199
2036-2037	2,635,000	243,092	2,878,092
2037-2038	2,305,000	192,577	2,497,577
2038-2039	2,340,000	152,966	2,492,966
2039-2040	1,700,000	111,746	1,811,746
2040-2041	1,700,000	93,556	1,793,556
2041-2042	1,700,000	75,196	1,775,196
2042-2043	1,700,000	56,666	1,756,666
2043-2044	1,700,000	37,966	1,737,966
2044-2045	1,705,000	19,096	1,724,096
TOTAL	173,570,000	56,579,557	230,149,557

**GENERAL OBLIGATION
& REFUNDING SERIES**

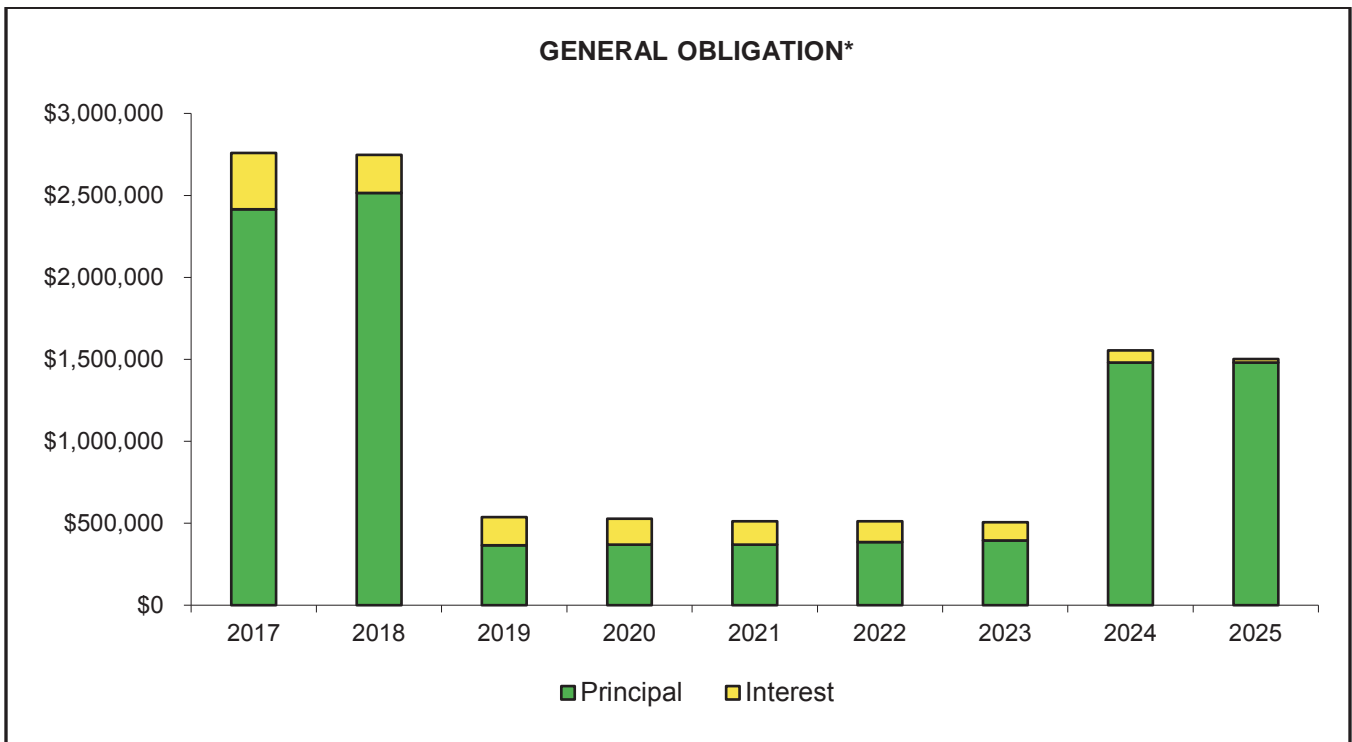
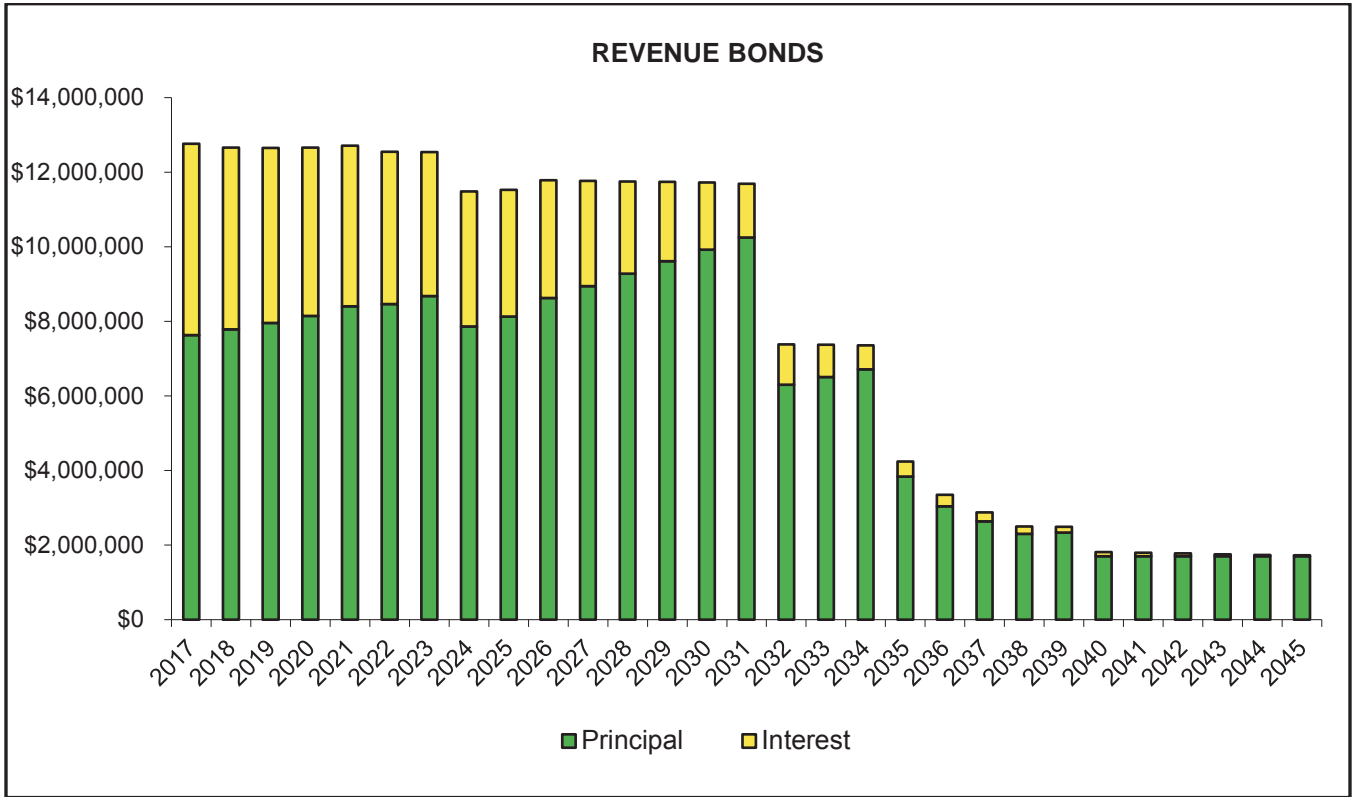
Year	Principal	Interest	Total
2016-2017	2,415,000	344,000	2,759,000
2017-2018	2,515,000	232,188	2,747,188
2018-2019	365,000	171,700	536,700
2019-2020	370,000	157,000	527,000
2020-2021	370,000	142,200	512,200
2021-2022	385,000	127,100	512,100
2022-2023	395,000	111,500	506,500
2023-2024	1,480,000	74,000	1,554,000
2024-2025	1,480,000	22,200	1,502,200
2025-2026			
2026-2027			
2027-2028			
2028-2029			
2029-2030			
2030-2031			
2031-2032			
2032-2033			
2033-2034			
2034-2035			
2035-2036			
2036-2037			
2037-2038			
2038-2039			
2039-2040			
2040-2041			
2041-2042			
2042-2043			
2043-2044			
2044-2045			
TOTAL	9,775,000	1,381,888	11,156,888

<u>Series Name</u>	<u>Outstanding</u>
General Obligation Improvement and Refunding Bonds 2009*	4,220,000
Water & Sewer Revenue Bonds Series 1999	2,300,000
Water & Sewer Revenue Bonds Series 2006	8,715,000
Water & Sewer Revenue Bonds Series 2007	33,730,000
Water & Sewer Revenue Bonds Series 2008	13,125,000
Water & Sewer Revenue Bonds Series 2009	10,555,000
Water & Sewer Revenue Bonds Series 2010A	11,690,000
Water & Sewer Refunding Bonds Series 2010B	7,150,000
Permanent Improvement Refunding Bonds Series 2012*	5,555,000
Water & Sewer Revenue Bonds Series 2012	7,360,000
Water & Sewer Revenue Bonds Series 2014	8,865,000
Water & Sewer Revenue Bonds Series 2016	8,880,000
Water & Sewer Revenue Bonds Series 2016B (TWDB)	11,100,000
Water & Sewer Revenue Bonds Series 2016C (TWDB)	50,100,000
TOTAL	183,345,000

* Excluding portion associated with General Fund.

**Does not include new debt anticipated to be issued in fiscal year 2017 or in the future.

**ENTERPRISE FUND DEBT TO MATURITY
FY 2017 ADOPTED BUDGET**



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

**ENTERPRISE FUND DEBT SERVICE SCHEDULE
FY 2017 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT		INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/17
		ISSUED	PRINCIPAL			
3/1/2017	Series 1999 Revenue Bond	4,000,000		52,900	52,900	
9/1/2017			540,000	52,900	592,900	
	Fiscal Year Total		540,000	105,800	645,800	1,760,000
3/1/2017	Series 2006 Revenue Bond	13,845,000		217,022	217,022	
9/1/2017			100,000	217,022	317,022	
	Fiscal Year Total		100,000	434,044	534,044	8,615,000
3/1/2017	Series 2007 Revenue Bond	40,135,000		755,394	755,394	
9/1/2017			950,000	755,394	1,705,394	
	Fiscal Year Total		950,000	1,510,788	2,460,788	32,780,000
3/1/2017	Series 2008 Revenue Bond	14,950,000		307,895	307,895	
9/1/2017			315,000	307,895	622,895	
	Fiscal Year Total		315,000	615,790	930,790	12,810,000
3/1/2017	Series 2009 Permanent Improvement	11,660,000	2,065,000	97,613	2,162,613	
9/1/2017	and Refunding Bonds*			45,988	45,988	
	Fiscal Year Total		2,065,000	143,600	2,208,600	2,155,000
3/1/2017	Series 2009 Revenue Bond	13,130,000		261,406	261,406	
9/1/2017			410,000	261,406	671,406	
	Fiscal Year Total		410,000	522,813	932,813	10,145,000
3/1/2017	Series 2010A Revenue Bond	14,040,000		240,116	240,116	
9/1/2017			425,000	240,116	665,116	
	Fiscal Year Total		425,000	480,231	905,231	11,265,000
3/1/2017	Series 2010B Refunding Bond	8,970,000		136,597	136,597	
9/1/2017			385,000	136,597	521,597	
	Fiscal Year Total		385,000	273,194	658,194	6,765,000
3/1/2017	Permanent Improvement and	6,230,000	350,000	103,700	453,700	
9/1/2017	Refunding Bond Series 2012*			96,700	96,700	
	Fiscal Year Total		350,000	200,400	550,400	5,205,000
3/1/2017	Series 2012 Revenue Bond	8,670,000		105,578	105,578	
9/1/2017			755,000	105,578	860,578	
	Fiscal Year Total		755,000	211,155	966,155	6,605,000
3/1/2017	Series 2014 Revenue Bond	9,210,000		158,409	158,409	
9/1/2017			210,000	158,409	368,409	
	Fiscal Year Total		210,000	316,819	526,819	8,655,000
3/1/2017	Series 2016 Revenue Bond	8,880,000		187,284	187,284	
9/1/2017			445,000	124,856	569,856	
	Fiscal Year Total		445,000	312,141	757,141	8,435,000
3/1/2017	Series 2016B Revenue Bond (TWDB)	11,100,000		4,326	4,326	
9/1/2017			1,235,000	3,762	1,238,762	
			1,235,000	8,088	1,243,088	9,865,000
3/1/2017	Series 2016C Revenue Bond (TWDB)	50,100,000		181,163	181,163	
9/1/2017			1,860,000	157,533	2,017,533	
			1,860,000	338,696	2,198,696	48,240,000
	TOTAL	214,920,000	10,045,000	5,473,558	15,518,558	173,300,000

*Excludes General Fund Component.
Does not include new debt anticipated to be issued.

**ENTERPRISE FUND DEBT SERVICE SCHEDULE
FY 2017 ADOPTED BUDGET**

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As Of 9/30/17	Annual	Requirements	
Water & Sewer Revenue Bond Series 1999	4.60%	1999 2020	4,000,000	1,760,000	3/1/2017 9/1/2017 9/1/2017	52,900 52,900 540,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2006	4.5%, 4.3%, 4.375%, 4.625% 4.75%, 5.0%, 5.125%, 4.88%	2006 2031	13,845,000	8,615,000	3/1/2017 9/1/2017 9/1/2017	217,022 217,022 100,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2007	5.5%, 5.25%, 5%, 4.5% 3.5%, 4.48%	2007 2031	40,135,000	32,780,000	3/1/2017 9/1/2017 9/1/2017	755,394 755,394 950,000	Interest Interest Principal
Permanent Imp and Refunding Bonds 2009*	2.0%, 2.50%, 2.75%, 5.0%, 4.0%	2009 2018	11,660,000	2,155,000	3/1/2017 3/1/2017 9/1/2017	97,613 2,065,000 45,988	Interest Principal Interest
Water & Sewer Revenue Bond Series 2008	3.25%, 4.125%, 4.2%, 4.5% 4.3%, 5.0%, 4.67%	2008 2034	14,950,000	12,810,000	3/1/2017 9/1/2017 9/1/2017	307,895 307,895 315,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2009	1.6%, 2.05%, 2.13%, 2.45% 2.64%, 2.86%, 3.08%, 3.35% 3.60%, 3.85%, 4.10%, 4.45% 4.65%, 4.81%, 5.0%, 5.07% 5.23%, 5.27%, 5.39%, 5.45% 5.60%, 5.64%, 4.9%	2009 2034	13,130,000	10,145,000	3/1/2017 9/1/2017 9/1/2017	261,406 261,406 410,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2010A	1.75%, 2.0%, 2.50%, 3.0% 3.13%, 3.25%, 3.50%, 4.0%, 4.25% 4.375%, 4.50%, 4.08%	2010 2035	14,040,000	11,265,000	3/1/2017 9/1/2017 9/1/2017	240,116 240,116 425,000	Interest Interest Principal
Water & Sewer Refunding Bond Series 2010B	1.75%, 2.0%, 2.50%, 3.0% 3.13%, 3.25%, 3.50%, 4.0% 4.13%, 4.25%, 4.38%, 4.50% 3.69%	2011 2023	8,970,000	6,765,000	3/1/2017 9/1/2017 9/1/2017	136,597 136,597 385,000	Interest Interest Principal
Per. Improv. & Refunding Bond Series 2012*	3.0%, 4.0%, 5.0%, 3.72%	2012 2025	6,230,000	5,205,000	3/1/2017 9/1/2017 9/1/2017	103,700 96,700 350,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2012	2.0%, 3.0%, 3.10%, 3.25%, 3.375%, 3.5%, 3.625%, 3.07%	2012 2037	8,670,000	6,605,000	3/1/2017 9/1/2017 9/1/2017	105,578 105,578 755,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2014	2.0%, 3.0%, 3.125%, 3.25% 3.375%, 3.50%, 3.625%, 4.0%	2014 2039	9,210,000	8,655,000	3/1/2017 9/1/2017 9/1/2017	158,409 158,409 210,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2016		2016 2036	8,880,000	8,435,000	3/1/2017 9/1/2017 9/1/2017	187,284 124,856 445,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2016B	0.09%, 0.20%, 0.32%	2016 2025	11,100,000	9,865,000	3/1/2017 9/1/2017 9/1/2017	4,326 3,762 1,235,000	Interest Interest Principal

**ENTERPRISE FUND DEBT SERVICE SCHEDULE
FY 2017 ADOPTED BUDGET**

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As Of 9/30/17	Annual	Requirements
Water & Sewer	0.09%, 0.20%, 0.32%, 0.43%	2016	50,100,000	48,240,000	3/1/2017	181,163 Interest
Revenue Bond Series 2016C	0.54%, 0.59%, 0.640%, 0.70% 0.76%, 0.82%, 0.87%, 0.92% 0.96%, 1.0%, 1.02%, 1.04% 1.06%, 1.07%, 1.08%, 1.09% 1.10%, 1.110%, 1.120%	2045			9/1/2017 9/1/2017	157,533 Interest 1,860,000 Principal
TOTAL			214,920,000	173,300,000		15,518,558

*Excludes General Fund Component.
Does not include new debt anticipated to be issued.

**SOLID WASTE FUND
SUMMARY OF REVENUES, EXPENSES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

The City's contract with Waste Management, awarded in 2006 was renewed in 2011, with an amendment in December 2013, and expiring 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 2016 projection is based on a current rate of \$17.48 per household per month from October through December, \$17.52 from January through September pursuant to quarterly fuel adjustments provided for in the Waste Management contract.

The fiscal year 2017 budget assumes no change to the base rate effective October 2016, based on CPI in April 2016, and includes growth in the customer base of 75 to 95 new units per month. No rate adjustments for fuel are included.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
<u>OPERATING REVENUES</u>				
Sales Tax Discount	\$2,734	\$2,758	\$2,758	\$2,700
Charges for Services	6,601,742	6,818,144	6,731,865	7,145,789
Miscellaneous	32,668	8,200	100	1,000
Interest Income	1,379	1,895	1,375	1,375
TOTAL	6,638,524	6,830,997	6,736,098	7,150,864
<u>OPERATING EXPENSES</u>				
Miscellaneous Services	6,412,262	6,818,144	6,833,455	7,145,789
Other Expenses	4,896	13,320		
Inter-fund Transfers	340,000			
TOTAL	6,757,158	6,831,464	6,833,455	7,145,789
REVENUES OVER (UNDER) EXPENSES	(118,635)	(467)	(97,357)	5,075
BEGINNING CASH EQUIVALENTS	212,401	68,515	93,766	(3,591)
ENDING CASH EQUIVALENTS	\$93,766	\$68,048	(\$3,591)	\$1,484

SOLID WASTE

GOALS

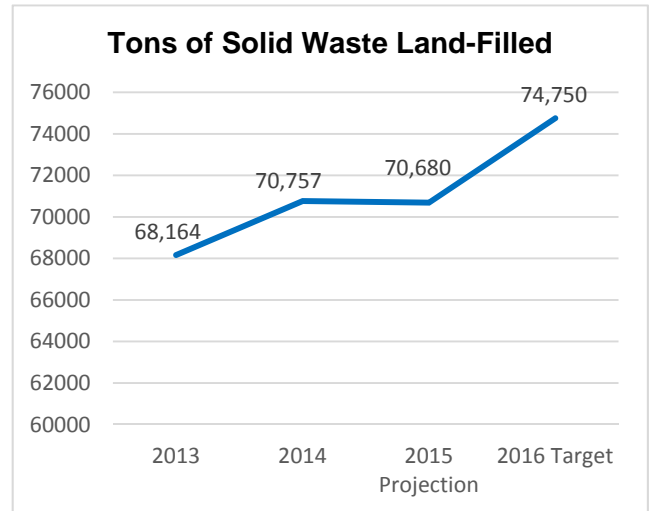
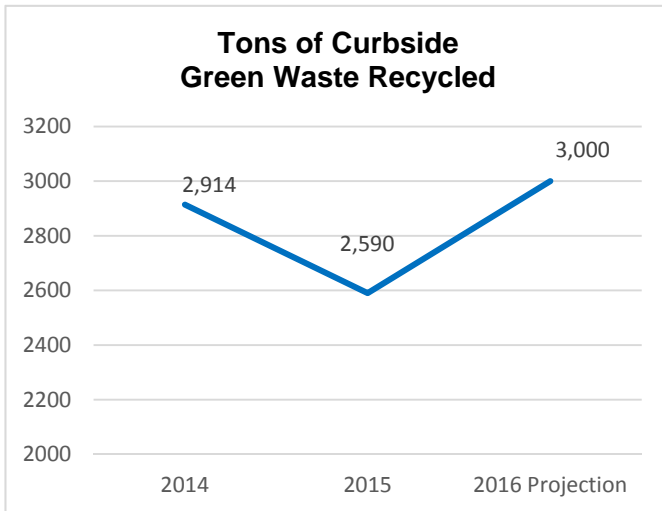
- ◆ Provide consistent, high-quality solid and green waste collection and disposal services to residents and commercial businesses within the City of Pearland.
- ◆ Provide public education and awareness to residents and businesses as necessary.
- ◆ Provide proactive client notification of changes that affect customer services to City designee.
- ◆ Continuously improve customer service by promoting a customer-focused culture that is directly responsive to the residents of the City of Pearland.
- ◆ Ensure the City's contractor has corporate resources and equipment are in proper working order and are in sufficient quantity to manage daily operational deliverables.

FISCAL YEAR 2016 ACCOMPLISHMENTS

- ◆ Improved communication protocols to ensure completion of routes by deadlines.
- ◆ Discontinued service to customers with payment and account delinquencies.
- ◆ Outsourced recycling management and activities to the Keep Pearland Beautiful non-profit organization.

FISCAL YEAR 2017 OBJECTIVES

- ◆ Improve customer service performance through the implementation of dedicated measures to direct accountholders to the proper point of contact for complaints, service adjustments and dispute resolution.
- ◆ Expand local recycling capabilities to include the ability to accept textile products at the Stella Roberts Recycle Center, as operated by Keep Pearland Beautiful (KPB).
- ◆ Support contract provider efforts to improve trash and curbside recycling activities through increased automation and apparatus innovations.



Citizen Survey Results* Good to Excellent Rating – Garbage Collection and Recycling				
	2009	2011	2013	2015
Garbage Collection	88%	88%	89%	89%
Recycling	89%	88%	87%	85%

**Pearland Citizen Surveys are completed every other year, so no update is available for these measures at this time.*

CAPITAL PROJECT FUNDS

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

Fund 500 Pay-As-You-Go (formerly Fund 050) – A fund to pay for non-water and sewer projects in a pay-as-you-go (cash) basis.

Fund 501 Certificates of Obligation (formerly Fund 068) – A fund created to pay for non-water and sewer projects being funded by Certificates of Obligation.

Fund 502 Mobility Bonds (formerly Fund 070) – A fund used to account for mobility projects.

Fund 503 Certificates of Obligation Series 2006 (formerly Fund 200) – A fund set up to pay for non-water and sewer projects being funded by 2006 Series Certificates of Obligation.

Fund 504 Certificates of Obligation Series 2007 (formerly Fund 201) – A fund set up to pay for non-water and sewer projects being funded by 2007 Series Certificates of Obligation.

Fund 505 General Obligation Series 2007A (formerly Fund 202) – A fund set up to pay for non-water and sewer projects being funded by 2007A Series General Obligation bonds.

Fund 506 General Obligation Series 2009, 2010, 2011, 2014 (formerly Fund 203) – A fund set up to pay for non-water and sewer projects being funded by 2009, 2010, 2011, 2014 and future Series General Obligation bonds.

Fund 550 Utility Impact Fee (formerly Fund 042) – A fund created to account for impact fees collected and water and sewer projects from the development of property based on the impact to the water and sewer system.

Fund 555 Shadow Creek Ranch Impact Fee (formerly Fund 044) – A fund created to account for those fees collected and water and sewer projects from the development of property in the Shadow Creek Ranch area based on the impact to the water and sewer system.

Fund 560 Certificates of Obligation Series 1998 (formerly Fund 064) – A fund set up to pay for those projects being funded by 1998 Series Certificates of Obligation.

Fund 565 Water & Sewer Revenue Bonds (formerly Fund 067) – A fund set up to pay for water and sewer projects being funded by Revenue Bonds.

Fund 570 Water & Sewer Pay-As-You-Go (formerly Fund 301) – A fund set up to pay for water and sewer projects in a pay-as-you-go (cash) basis.

Fund 575 MUD 4 Capital Program (formerly Fund 302) – A fund created to pay for projects in the old MUD 4 area.

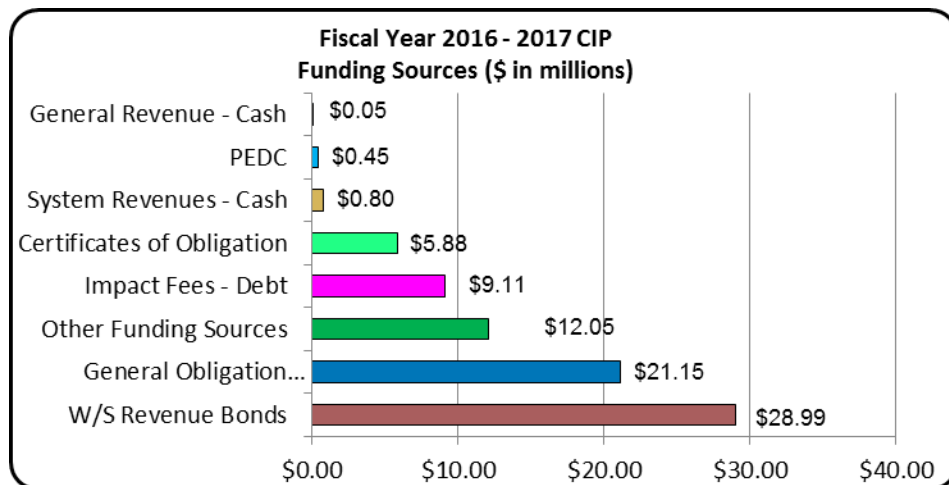
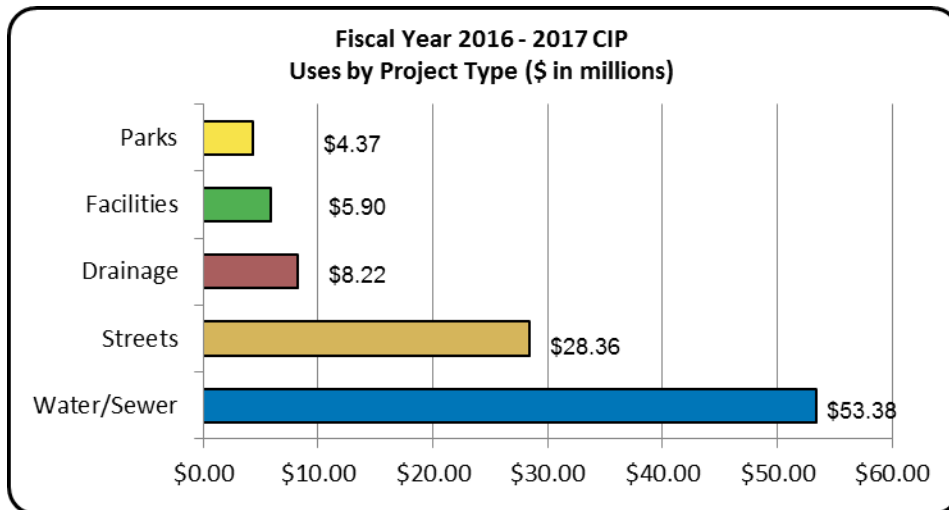
CAPITAL PROJECT FUNDS FY 2017 ADOPTED BUDGET

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

The City maximizes every source of funding available and is constantly looking at leveraging funding through the use of federal, state and county dollars. Currently the City is working on several street improvement and trail projects that have received H-GAC TIP State and Federal funds in the amount of \$155 million. These projects are in various phases and will be completed over the next several years. Pearland places significant importance on infrastructure improvement and rehabilitation, as evidenced by a \$162 million bond referendum that passed in May 2007, as well as a Five-Year CIP (2017 - 2021) totaling \$545.4 million. The Five-Year CIP completes the 2007 bond referendum in 2021, due to the letting of TIP projects. New/proposed capital needs in the amount of \$114,709,239 have been identified, excluding potential projects that would arise from the completion of master plans, such as the parks master plan, the drainage master plan, the facilities assessment study or potential transportation improvement plan opportunities.

Keeping with Council's direction to have a manageable program that can be reasonably completed within a three to five year time period, the City has prioritized projects and has capped the next bond referendum at \$69,680,555, which is used in the Five-Year CIP and forecast. The target for the next bond referendum is when the City reaches approximately \$8 billion in taxable property valuation so as to not have an increase in the debt service tax rate.

The first year of the Five-Year Capital Improvement Program is incorporated into the annual budget to appropriate funds. Capital projects for fiscal year 2016 - 2017 total \$100,225,962, excluding transfers and bond issuance costs.



Water/Sewer projects total \$53.38 million, or 53.3%, of the capital improvement program for FY 2017. Major projects include the installation of approximately 7,500 feet of 16" waterline along Alameda Road from Broadway to Mooring Point, installation of a waterline extension along McHard Road from Cullen Parkway to Mykawa Road, installation of approximately 3,000 LF of 12" waterline along Hughes Ranch Road from CR 94 to Cullen Parkway, replacement of underground piping infrastructure at water production facilities, replacement of transite waterline pipe throughout the city, preliminary engineering report for the construction of a 10 MGD surface water treatment plant, design of a third ground storage tank and related piping and controls to work in conjunction with the McHard Road water transmission line, the first half of the water meter change out program, oversizing of the Riverstone Ranch development's sewer infrastructure, expansion of the Reflection Bay Water Reclamation facility by 4 MGD, installation of the McHard Road Trunk Sewer from Garden to Southdown WRF, design for the expansion of the Barry Rose WRF from 3.1 MGD to 4.5 MGD, the retirement of Orange Mykawa Lift Station, and the relocation of the Mykawa Scott Lift Station.

Street projects total \$28.36 million, or 28.3%, of the total FY 2017 capital improvement program and include funding for the right-of-way and construction of a 3.5 mile extension of McHard Road from Mykawa Road to Cullen Parkway, design of approximately 3 miles of 4-lane concrete curb and gutter divided Mykawa Road Widening from Beltway 8 to FM 518, and the right-of-way purchase to extend Smith Ranch Road from Hughes Ranch Road to Broadway. Also included is the widening of Max Road from the future Hughes Ranch alignment and connecting with Reid Boulevard and the design of SH 288 Northbound Frontage Road from CR 59 to FM 518. Old Alvin Road will be designed for widening from Plum Street to McHard Road from a 2-lane asphalt to a 4-lane undivided curb and gutter roadway and East Orange Street reconstruction from Main Street to Shlieder Drive. Mykawa, Max, McHard, Smith Ranch Road and SH 288 Northbound Frontage Road are 80% funded by HGAC TIP funds.

Facilities total \$5.9 million, or 5.9%, and include the remodel of approximately 50,910 square feet of space in the City Hall Complex. Funding will support the renovation to better accommodate departmental staff at City Hall and in the Community Center for growth, efficiencies and safety. In addition, construction for a new 10,000 – 12,000 square foot office facility at the Orange Street Service Center and the construction of the relocation of Fire Station #1 will begin.

Drainage projects total \$8.22 million, or 8.2%, of the total and include \$3,795,406 for the construction of a sub-regional detention pond and conveyance system for the Southeast Quadrant of Old Townsite Drainage and \$2,770,232 for the construction of the Corrigan Ditch Sub-Basin of Mary's Creek Drainage improvements. Funding for the improvements of the drainage system from Linwood to Old Alvin along Orange Street is also included this year.

Parks projects total \$4.4 million, or 4.4%, of the total. Funding is included for the construction of Green Tee Terrace Trail, which will be a 10-foot hike and bike trail from the Pearland Eastside Library/City Hall to Barry Rose Road, along the Clear Creek Corridor. The construction of Independence Park Phase I, which will include the re-orientation of the entry into the park, relocation and upgrade of the existing playground, improvements to the existing pavilion, the construction of additional parking, an amphitheater for special events and landscaping is funded. The Delores Fenwick Nature Center funding will be used to begin construction on a building to demonstrate/program environmental educational displays, demonstration gardens, interpretive exhibits, restrooms, a classroom with a 50 seat capacity, 400 sq. ft. of storage and pervious parking areas.

For the Water/Sewer component, the City anticipates two bond sales, one totaling \$20.59 million to fund infrastructure improvements in the capital improvement program, and the second is TWDB financing in the amount of \$17.5 million for the preliminary engineering report for the Surface Water Plant Phase I and Water Meter Change-out.

For the remaining \$45.88 million, the City anticipates selling \$21.15 million in GO Bonds approved by the voters in 2007 and selling Certificates of Obligation in the amount of \$5.88 million mainly for facility projects not anticipated with the 2007 bond referendum but needed for Public Safety (Fire Station #1), Library, Park improvements (Independence and Green Tee Trail) and Street enhancements (SH 288 Northbound Frontage Road). A total of \$8.17 million will come from HGAC Transportation Improvement Program funds and developer contributions, mainly for street projects. Cash and future bonds proceeds make up the remaining sources.

**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES
FY 2017 ADOPTED BUDGET**

Governmental Fund

	Fund 500	Fund 501	Fund 502	Fund 503	Fund 504	Fund 505	Fund 506	Total
Revenues:								
Interest Income	2,500	4,500					35,000	42,000
Bond Proceeds		5,370,300					21,653,085	27,023,385
Impact Fees								
Miscellaneous							2,770,232	2,770,232
Intergovernmental		400,000					8,050,134	8,450,134
Transfers In	100,000	1,296,258					481,331	1,877,589
Total Revenues	102,500	7,071,058					32,989,782	40,163,340
Expenditures:								
Drainage							7,065,638	7,065,638
Parks		500,000					3,866,557	4,366,557
Facilities	100,000	5,801,170						5,901,170
Streets		6,300,000					22,058,947	28,358,947
Water								
Sewer								
Total Projects	100,000	12,601,170					32,991,142	45,692,312
Issuance Costs		100,000						100,000
Other Non-Operating								
Transfers Out	161,279	358,533		481,331			400,463	1,401,606
Total Non-Operating	161,279	458,533		481,331			400,463	1,501,606
Total Expenditures	261,279	13,059,703		481,331			33,391,605	47,193,918
Revenues Over/ (Under) Expenditures	(158,779)	(5,988,645)		(481,331)			(401,823)	(7,030,578)
BEGINNING BALANCE	481,669	6,040,015	51	481,331		2,496	406,719	7,412,281
ENDING BALANCE	\$ 322,890	\$ 51,370	\$ 51	\$ 0	\$ 0	\$ 2,496	\$ 4,896	\$ 381,703

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

**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES
FY 2017 ADOPTED BUDGET**

Enterprise Fund

	Fund 550	Fund 555	Fund 560	Fund 565	Fund 570	Fund 575	Total	GRAND TOTAL
Revenues:								
Interest Income	75,000	10,000		12,000	2,500	150	99,650	141,650
Bond Proceeds	19,226,410			13,366,620			32,593,030	59,616,415
Impact Fees	3,400,000	850,000					4,250,000	4,250,000
Miscellaneous								2,770,232
Intergovernmental								8,450,134
Transfers In				200,000	550,000		750,000	2,627,589
Total Revenues	22,701,410	860,000		13,578,620	552,500	150	37,692,680	77,856,020
Expenditures:								
Drainage								7,065,638
Parks								4,366,557
Facilities								5,901,170
Streets							-	28,358,947
Water	13,967,530			6,550,000	550,000		21,067,530	21,067,530
Sewer	25,319,500			6,996,620			32,316,120	32,316,120
Total Projects	39,287,030			13,546,620	550,000		53,383,650	99,075,962
Issuance Costs	1,000,000						1,000,000	1,100,000
Other Non-Operating								
Transfers Out	1,874,169	700,000		102,134	55,459		2,731,762	4,133,368
Total Non-Operating	2,874,169	700,000		102,134	55,459		3,731,762	5,233,368
Total Expenditures	42,161,199	700,000		13,648,754	605,459		57,115,412	104,309,330
Revenues Over/ (Under) Expenditures	(19,459,789)	160,000		(70,134)	(52,959)	150	(19,422,732)	(26,453,310)
BEGINNING BALANCE	26,068,199	1,439,382	27,602	172,209	379,530	(133)	28,086,787	35,499,068
ENDING BALANCE	\$ 6,608,410	\$1,599,382	\$ 27,602	\$102,075	\$326,571	\$ 17	\$ 8,664,055	\$ 9,045,758

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

**SUMMARY OF CAPITAL PROJECT FUNDS
FY 2017 ADOPTED BUDGET**

Project #	Project Name	Project Description				
Drainage Projects						
DR 1302	Southeast Quadrant of Old Townsite Drainage	The 71.4-acre service area boundary is approximately 150 ft. south of FM 518 on the north side, Old Alvin Rd on the east, Beechcraft St. on the south and S. Houston Ave. on the west and is within the southeast quadrant of the Old Townsite. The scope of the project is the development of a sub-regional drainage and detention plan to serve the 71.4 acre area. The project will develop a Preliminary Engineering Report utilizing the 8 acre feet of volume in the Baker's Landing pond and develop plans for a proposed detention pond location along Old Alvin utilizing a collection and conveyance system along Walnut and Old Alvin streets. The proposed pond will provide detention for both development and street improvements within the area and will also provide a detention buy-in strategy for re-development within the 71 acre Old Town Site area.				
Project Budget	2017 Budget	O & M Impact				
\$4,740,308	\$3,795,406	2017	2018	2019	2020	2021
		\$0	\$21,000	\$21,000	\$21,000	\$21,000
DR 1602	Corrigan Ditch Sub-Basin of Mary's Creek Drainage Improvements	The project site is located along Wagon Trail Road between FM 518 and Bardet Road. The project includes the reconstruction of Wagon Trail (FM 518 to Bardet Road), Cantu Rd, and Ochoa Rd in order to improve the drainage and roadway infrastructure. This project will require purchase of drainage easement in order to extend the drainage system along Ochoa Rd to outfall into Corrigan Ditch.				
Project Budget	2017 Budget	O & M Impact				
\$3,350,232	\$2,770,232	2017	2018	2019	2020	2021
		\$0	\$0	\$0	\$0	\$0
DR1701	PER for Future Bond Referendum	Provide funding for preliminary engineering on future projects yet to be identified from the Drainage Master Plan to be conducted in FY 2016. Preliminary engineering would tighten down scopes and provide for estimated construction dollars that would be needed to take a proposition to the voters.				
Project Budget	2017 Budget	O & M Impact				
\$500,000	\$500,000	2017	2018	2019	2020	2021
		\$0	\$0	\$0	\$0	\$0
Drainage Total Budget	2017 Budget	O & M Impact				
\$8,590,540	\$7,065,638	2017	2018	2019	2020	2021
		\$0	\$21,000	\$21,000	\$21,000	\$21,000

**SUMMARY OF CAPITAL PROJECTS
FY 2017 ADOPTED BUDGET**

Project #	Project Name	Project Description				
Parks Projects						
P20001	Independence Park Ph I	Phase I Improvements include a reorientation of the entry into the park, relocation and replacement of the existing playground, improvements to electrical & lighting along with minor architectural details in the existing pavilion, upgrade electrical and water around the park for vendor access, pedestrian lighting, re-stripe basketball court, the construction of additional parking, additional 4-6 restrooms, a small stage and sloped earthen berm type amphitheater for special events and landscaping. Add Wi-Fi to the park at the time fiber is extended along John Lizer.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$3,976,050	\$1,770,000	\$0	\$55,779	\$57,582	\$59,445	\$61,371
P20004	Delores Fenwick Nature Center	The project will include a building to demonstrate/program environmental educational displays, demonstration gardens, interpretive exhibits, offices, restrooms, and a classroom with a 50 seat capacity, 400 sq. ft. of storage and pervious parking areas.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$2,308,653	\$2,096,557	\$0	\$276,760	\$283,189	\$284,116	\$294,679
PK1402	Green Tee Terrace Trail	Extension of approximately 8,000' long 10-foot wide hike and bike trail along the Clear Creek Corridor from Broadway through Province Village to Clear Creek over the creek to Hughes Road in conjunction with Gehan Homes. Project includes benches, bike racks, trail signage, trash receptacles, water fountains, shade structures, and a pedestrian bridge over Clear Creek.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$4,173,936	\$500,000	\$0	\$4,463	\$9,371	\$9,840	\$10,332
Parks Total Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$10,458,639	\$4,366,557	\$0	\$337,002	\$350,142	\$353,401	\$366,382

**SUMMARY OF CAPITAL PROJECTS
FY 2017 ADOPTED BUDGET**

Project #	Project Name	Project Description
Facility Projects		
FA0904	City Hall Complex Renovations	The existing Community Center was constructed in 1983 and City Hall in 1986. Departmental Space Programming was completed in 2014. This program incorporates the remodel of approximately 23,110 square feet of the former Community Center for Community Development and Finance & UB departments, renovations to the HVAC, Electrical and Plumbing systems and the installation of a sprinkler system for that building. It includes the remodel of 27,800 square feet in City Hall, the replacement of HVAC systems, including modifications to the Council Chambers, Administration, City Secretary, Legal, HR and Receptionist spaces and will include security and safety (exterior lighting) improvements for both buildings.
Project Budget	2017 Budget	O & M Impact
		2017 2018 2019 2020 2021
\$6,594,245	\$255,770	\$0 \$0 \$0 \$0 \$0
FA1404	Orange Street Service Center Phase 1	Phase 1A consists of Step 1: the remodel of the former EMS building into the Field Operations Support building with parking improvements and Step 2 & 3: the demolition of the existing two story operations support building and Step 3, the construction of a new 12,000 square foot Administration Building and new parking area to house approximately 50 staff including the Assistant City Manager, Public Works Administration and the Engineering and Projects Department. Both buildings will be constructed to meet the City's windstorm criteria of 140mph/ 3 second gusts. The Field Operations Support building will also be upgraded to this standard and will provide lunch room & kitchen, men's and women's locker facilities/ restrooms/ showers for approximately 100 employees.
Project Budget	2017 Budget	O & M Impact
		2017 2018 2019 2020 2021
\$5,068,100	\$1,225,100	\$92,856 \$92,856 \$92,856 \$92,856 \$92,856
FA1601	Fire Station #1	Construction of approximately 9,500 sq. ft. station to house one 4-person Engine Crew and one 2-person EMS Ambulance Crew, and 2 possible trainees. Station will include 8 sleeping rooms, 3 restrooms with showers, and a kitchen dining area, a dayroom, a Lieutenant office, a station command office, and exercise room. Equipment area will consist of 3-60 foot deep drive-thru apparatus bays, a bunker gear storage area, medical supply storage, and an EMS decontamination area. Also the station will support a separation of dirty/clean areas for firefighter health, which will include 2 showers and 1 restroom shower for decontamination. The facility will be located on McHard Road near Pearland Parkway on City owned land. The building will be designed to add 2 60-foot deep apparatus bays in the future.
Project Budget	2017 Budget	O & M Impact
		2017 2018 2019 2020 2021
\$4,785,300	\$4,320,300	\$0 \$78,085 \$86,815 \$90,461 \$101,670

**SUMMARY OF CAPITAL PROJECTS
FY 2017 ADOPTED BUDGET**

Project #	Project Name	Project Description
FA1701	Fiber Backbone	To extend and build out the fiber network to reach all city facilities (buildings, lift stations, parks, traffic signals, and water facilities). Funds in 2017 would get fiber from Broadway at Dixie Farm Road to the Longwood treatment plant and interconnect the water towers to buildings that are in close proximity to them.

Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$500,000	\$100,000	\$0	\$0	\$0	\$0	\$0

Facility Total Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$16,947,645	\$5,901,170	\$92,856	\$170,941	\$179,671	\$183,317	\$194,526

**SUMMARY OF CAPITAL PROJECTS
FY 2017 ADOPTED BUDGET**

Project #	Project Name	Project Description				
Streets Projects						
T20002	Old Alvin Road Widening - Plum Street to McHard Road	Reconstruction of approximately 5,700 feet of Old Alvin Rd from Plum St to McHard Rd from a 2-lane asphalt to a major collector 44 wide BC-BC 4-lane undivided curb and gutter roadway. Project includes underground drainage with 6' sidewalks along the east side and will tie into the existing bridge across town ditch.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$11,201,862	\$8,729,957	\$4,807	\$19,226	\$19,226	\$19,226	\$19,226
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. A Drainage Study, Environmental Assessment, and 95% Construction Plans were created for the segment between BW8 and McHard Rd from a previous design effort. Will require full environmental assessment and ROW takings along alignment. Run approximately 11,000' of fiber from FM 518 to Brookside.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$43,045,723	\$1,044,000	\$0	\$0	\$0	\$0	\$7,169
TR1205	Max Road Expansion - Hughes Ranch to Reid Blvd.	Widen 3,700 LF of Max Road from the future Hughes Ranch alignment and connecting with Reid Boulevard, just west of the Food Town shopping center. The roadway will be four lanes, divided, with concrete curb and gutter, including storm sewers, outfalls and detention. A traffic signal will be installed at the intersection of Hughes Ranch Road and Max Road, and a new bridge will be constructed over Hickory Slough. A 10-ft multi-use path will be incorporated on the west side of the roadway from Hughes Ranch to Broadway per the Trail Master Plan. Run approximately 4,500' of fiber from FM 518 to Hughes Ranch Road west of lift station.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$9,921,836	\$2,840,000	\$4,097	\$38,731	\$40,667	\$42,701	\$44,836
TR1405	McHard Road Extension (Mykawa Road to Cullen Parkway)	The extension of approximately 3.5 miles of McHard Road, from Cullen Parkway to Mykawa Road, consisting of a 4-lane, concrete, curb and gutter, divided roadway with raised medians and underground drainage. Includes storm sewers, outfalls and detention, five traffic signals at secondary thoroughfares and major collectors, sidewalks, street lighting and landscaping. This project will be coordinated with the McHard Road Trunk Sewer extension and McHard Road Water Line Extension. Run approximately 39,000' of fiber from Alice Water Plant to Shadow Creek Parkway.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$43,460,289	\$8,628,187	\$0	\$0	\$158,971	\$190,765	\$190,765

**SUMMARY OF CAPITAL PROJECTS
FY 2017 ADOPTED BUDGET**

Project #	Project Name	Project Description				
TR1501	Smith Ranch Road Extension (CR 94) - Hughes Ranch Road to Broadway	Expansion of Smith Ranch Road from 2-lanes of asphalt into 4-lanes, divided, with raised medians, concrete curb and gutter, storm sewer, and landscaping. Project will include planning and construction of provisions for utility services along both sides of the right of way. Limits are from Hughes Ranch Road, south approximately 3,250 LF to 2,040 LF north of Broadway. Run approximately 7,000' of fiber from FM 518 to Westside Event Center.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$6,857,103	\$816,803	\$0	\$0	\$15,813	\$33,208	\$34,869
TR1701	SH 288 Northbound Frontage Road - CR 59 to FM 518 (Broadway)	Construct a three lane concrete curb and gutter "urban" cross-section frontage road from County Road 59 to FM 518 (Broadway), northbound only, to include a U-Turn lane under the CR59 Overpass, to include access lane to SH 288 main lanes. Project includes right of way acquisition for detention pond. This project will include extension of City utilities under a separate project to be defined at a later date.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$9,943,543	\$900,000	\$0	\$0	\$0	\$0	\$0
TR1703	East Orange Street Reconstruction - Main St. to Schlieder Dr.	Reconstruct approximately 4,830 feet of East Orange Street from Main Street to Schlieder Drive within existing 60 foot Right of Way. Reconstruct as a concrete curb and gutter cross section to match West Orange with underground drainage and sidewalks. Incorporate corridor drainage improvements including Park Street and Old Alvin outfalls to Town Ditch to ensure positive drainage for the north end of the Old Town area. Repair or replace damaged sanitary manholes within the work zone. Project will include the construction of the mixed use trail along the top bank of Town Ditch corridor from Main Street (SH35) to Old Alvin Road, Phase III of the Trail Connectivity plan. A segment of the trail will be installed on City owned property north of Orange Street between Grand and Park Streets in conjunction with drainage work through this area.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$6,000,000	\$5,400,000	\$0	\$0	\$0	\$0	\$0
Streets Total Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$130,430,356	\$28,358,947	\$8,904	\$57,957	\$234,677	\$285,900	\$296,865

**SUMMARY OF CAPITAL PROJECTS
FY 2017 ADOPTED BUDGET**

Project #	Project Name	Project Description				
Water Projects						
WA1001	General Engineering/CIP Administration	This project provides services necessary for the entire CIP and not project specific but is specific to the water and wastewater projects. The Water and Wastewater Master Plans will be updated and any special studies will be completed as necessary.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$1,016,078	\$550,000	\$0	\$0	\$0	\$0	\$0
WA1505	FM521 Waterline (Broadway to Mooring Pointer)	8,000 feet of 16" water line along Alameda Rd from Broadway to Mooring Pointe.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$2,473,000	\$420,000	\$0	\$0	\$0	\$0	\$0
WA1601	McHard Rd. 16" Waterline Phase II	Phase II extends from Cullen Parkway to Mykawa a total of 17,340 linear feet. This portion of the project is timed to coincide with Right of Way approval and acquisition for the McHard Road project.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$5,936,480	\$5,836,480	\$0	\$0	(\$375,000)	(\$750,000)	(\$750,000)
WA1602	Hughes Ranch Road West 12" Water Line	Installation of approximately 3,000 LF of 12" water line along Hughes Ranch Road from CR 94 to Cullen Parkway. This water line connection will be done in coordination with the Hughes Ranch Road Expansion from CR 94 to Cullen Parkway. Infill of existing system 1,550 LF North Hampton to Brookney and 1,450 LF Smith to May Court.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$1,491,000	\$906,000	\$0	\$0	\$0	\$0	\$0
WA1605	Surface Water Plant	Pilot testing, design, and construction of a 10 MGD Surface Water Treatment Plant that will treat raw water from the Gulf Coast Water Authority (GCWA) canal for distribution throughout the City's water system. A future phase will include an additional 10 MGD of capacity. The plant will be located on City property on CR48 south of CR59, which is adjacent to the GCWA canal. Pilot testing will begin in FY2017 followed by design and construction. The project is scheduled to be completed over a five year period with new capacity available by 2022/2023. Installation of fiber to serve the City's SCADA system.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$112,325,000	\$6,500,000	\$0	\$0	\$0	\$0	\$0
WA1701	FM521 Ground Storage Tank Expansion	Installation of a third ground storage tank and related piping and controls to work in conjunction with the McHard Road water transmission line. Includes a 3,600' run of conduit and fiber to connect the plant to the fiber located on Shadow Creek Parkway.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$2,683,950	\$305,050	\$0	\$60,086	\$120,172	\$120,172	\$120,172

**SUMMARY OF CAPITAL PROJECTS
FY 2017 ADOPTED BUDGET**

Project #	Project Name	Project Description				
WA1702	Water Meter Changeout	Changeout of approximately 36,500 water meters and drive-by reading system with a wireless remote read and addition of Customer Portal Technology. The changeout will include remote antennae, meters, external antennae on meter lids, installation, hardware and software, and vaults as needed.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$11,300,000	\$5,800,000	\$0	\$0	\$0	\$0	\$0
WA1703	Underground Piping Infrastructure at Water Production Facilities	This program will replace significant portions of the aging large diameter water conveyance pipe located at water production facilities. This program will inspect each of the 10 facilities and make recommendations for the design and replacement of failing piping within each facility.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$1,250,000	\$250,000	\$0	\$0	\$0	\$0	\$0
WA1704	Transite Pipe Water Line Replacement Program	Replace approximately 63 miles of failing Transite pipe water lines (over 30 years old) in the City with PVC water lines. The program will replace the water line infrastructure in the following locations over a period of years - Corrigan, Old Town Site, Sommersetshire, Country Place, Green Tee, Westminster, Brookside Acres, Shadycrest, Creek View, Parkview, Wood Creek, Heritage Green, Clear Creek Estates, and Southdown subdivisions.				
Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$5,500,000	\$500,000	\$0	\$0	\$0	\$0	\$0
Water Total Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$143,975,508	\$21,067,530	\$0	\$60,086	(\$254,828)	(\$629,828)	(\$629,828)

**SUMMARY OF CAPITAL PROJECTS
FY 2017 ADOPTED BUDGET**

Project #	Project Name	Project Description
Waste Water Projects		
WW1405	Reflection Bay Water Reclamation	Growth rates within the service area have increased both average daily flows and the biological loading contained in the plant's influent requiring construction of a 4 MGD treatment capacity expansion. The project includes the design, permitting and construction upgrades of the lift station, headwork's, addition of four continuous flow 1 MGD basins modifications to the existing basins to create two additional 1 MGD continuous flow basins, new filtration and UV disinfectant systems, expansion of the sludge holding tanks, addition of two belt press dewatering systems, a new non-potable water system and new SCADA control for a total plant capacity of 6 MGD.
Project Budget	2017 Budget	O & M Impact
		2017 2018 2019 2020 2021
\$55,441,905	\$20,200,000	\$0 \$180,258 \$240,344 \$240,344 \$240,344
WW1406	McHard Rd Trunk Sewer (Garden to Southdown WWTP)	Install, along McHard Rd, approximately 4,500 feet of 24" trunk sewer from Cullen to Southdown WRF; 5,800 feet of 18" trunk sewer from Cullen to Max Road; and approximately 4,000 LF of 15" trunk sewer from Max Road to Garden Road. The first 4,500' will be constructed in the Developer Agreement with Lake Park Subdivision.
Project Budget	2017 Budget	O & M Impact
		2017 2018 2019 2020 2021
\$6,116,261	\$2,129,500	\$0 \$0 \$0 \$0 \$0
WW1502	Barry Rose WRF Expansion	In 2016 a Preliminary Engineering Report was conducted to determine the specific design parameters required for the plant expansion, including volume and biological loading. In 2017 capacity expansion design will begin. In 2018 the package plant will be relocated to Barry Rose facility to ensure plant effluent remains within permit during the construction schedule. Disassembly and recommissioning is covered in the Reflection Bay project. In 2020 construction of approximately 2 MGD of treatment capacity will begin which will be a separate plant to be run in parallel with the existing plant, for a total capacity of 5 MGD. Run approximately 7,000' of fiber from FM 518 to Plant.
Project Budget	2017 Budget	O & M Impact
		2017 2018 2019 2020 2021
\$32,560,000	\$2,940,000	\$0 \$0 \$0 \$42,060 \$168,241
WW1601	Mykawa Lift Stations	Orange Mykawa Lift Station Retirement: Abandonment of lift station and installation of new 12-inch gravity sewer line along Mykawa from Orange to Walnut for approximately 3,386 LF. To be completed in coordination with Mykawa Road construction. Relocation Mykawa Scott Lift Station: Replacement of the existing lift station, a new 12" force main, approximately 2,500 LF, from Mykawa to SH35 and a new 8 - 12" gravity line, approximately 3,430 LF along Mykawa from Scott Street to Shank. Project will be coordinated with Mykawa Rd. construction. Potentially to include abandonment of Shank Lift Station.

**SUMMARY OF CAPITAL PROJECTS
FY 2017 ADOPTED BUDGET**

Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$6,002,920	\$5,381,620	\$0	(\$4,100)	(\$8,200)	(\$8,200)	(\$8,200)

WW1604 Green Tee 1 to Riverstone Wastewater Diversion (Longwood Service Area Phase 1) Work includes running the remaining 780 equivalent connections from Green Tee basin and redirecting these flows through Riverstone Ranch to Barry Rose plant by running approximately 2600' of 8-10" line from lift station on Golf Crest & Country Club to receiving manhole in Riverstone Ranch and diverting flows from Lift Station #34 via force main across the golf course on Country Club Drive into the Riverstone collection system. This project works in conjunction with the Riverstone Ranch Oversizing agreement.

Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$1,013,580	\$840,000	\$0	\$0	\$0	\$0	\$0

WW1605 Roy/Max/Garden Roads Basin Sewage System This project proposes approximately 4,940 LF of 18" trunk sewer along Broadway St. from Food Town's Lift Station to O'Day Rd, approximately 1,300 LF of 15" trunk sewer along Garden Rd from Broadway to the lift station and 1,200 LF of 12" sewer line along Roy and Max Rd from Broadway to Hickory Slough.

Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$2,845,000	\$50,000	\$0	\$0	\$0	(\$10,933)	(\$16,400)

WW1701 Lift Station Program Convert 30 year Veterans I lift station to a manhole and re-route sanitary sewer to existing gravity sewer. Design of the Mary's Creek lift station rehabilitation with construction to follow in FY18. The lift station which currently has below ground centrifugal pumps and control, will be relocated as a conventional submersible pump lift station.

Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$2,705,000	\$275,000		(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)

WW1702 Sanitary Sewer Rehabilitation Inflow and infiltration program to replace failing waste water lines over thirty years of age in the following areas over a period of years - Corrigan Subdivision, Old Townsite, Sommersetshire, Country Place, Green Tee, Westminster, Brookside Acres, Shadycrest, Creek View, Parkview, Wood Creek, Heritage Green, Clear Creek Estates, and Twin Creek Woods.

Project Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$5,500,000	\$500,000	\$0	\$0	\$0	\$0	\$0

WW Total Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$112,184,666	\$32,316,120	\$0	\$167,958	\$223,944	\$255,071	\$375,785

Grand Total Budget	2017 Budget	O & M Impact				
		2017	2018	2019	2020	2021
\$422,587,354	\$99,075,962	\$101,760	\$814,944	\$754,606	\$468,861	\$624,730



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SPECIAL REVENUE FUNDS

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

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

Court Building Security – Article 102.017 of the Code of Criminal Procedures allows a city to collect a \$3 fee when a defendant is found guilty of a misdemeanor. A fund designated by this article is created to govern this collection and the money may only be used for the purpose of providing security services for buildings housing a municipal court.

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

Court Technology – Article 102.0172 of the Code of Criminal Procedures allows a city to collect a \$4 fee when a defendant is found guilty of a misdemeanor. A fund designated by this article is created to account for this collection, which may be used only to finance technological enhancements of the municipal court.

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

Park Donations – A fund used to account for donations and sponsorships made in support of Parks and Recreation Department events and programs.

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

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 and forfeitures.

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

Sidewalk – A fund created to account for payments received in lieu of installation of sidewalks.

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

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

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

Court Juvenile Management – Article 102.0174 of the Code of Criminal Procedures allows a city to collect up to a \$5.00 fee from each Class C misdemeanor conviction related to salaries and benefits for a Juvenile Case Manager. The City charges a \$4.00 fee for Class C misdemeanor convictions as well as a \$2 Truancy fee, pursuant to Article 45.056 for the same.

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

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

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

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

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

**HOTEL/MOTEL OCCUPANCY TAX FUND
CONVENTION & VISITORS' BUREAU
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

The Hotel/Motel Occupancy Tax Fund is used to account for revenues realized from hotel occupancy taxes. Local hotel occupancy tax revenues may only be spent to establish or enhance a convention center, cover the administrative expenses for registering convention delegates, pay for tourism-related advertising and promotions, fund programs that enhance the arts or pay for historic preservation or restoration projects, and pay for sports related expenses pursuant to state law that will enhance tourism. By law, cities with populations of less than 125,000 must spend at least 1% of hotel tax receipts on advertising, no more than 15% on art programs and a maximum of 50% on historic preservation. In fiscal year 2016, the City funded \$30,000 for a Pear Arts Trail through the Cultural Arts Grants Program to increase tourism and hotel industry activity.

Pearland is home to eleven hotels, totaling 860 rooms: Best Western, Hampton Inn, La Quinta, The Courtyard by Marriott, Comfort Suites, Hilton Garden Inn, Candlewood Suites, two Holiday Inn Express's, Sleep Inn & Suites and Springhill Suites hotels.

Fiscal year 2017 revenue is anticipated to be \$1,551,500 with occupancy tax revenue at \$1,550,000, and total expenditures of \$1,072,180. The budget includes continued co-sponsorship of annual events, such as, International Festival, the Arts & Crafts Show, and the Winefest, as well as office space rental at the Pearland Town Center (PTC), and one part-time receptionist in the Visitors' Center. The budget also continues familiarization trips for hosting planners and press to network for future business and showcasing workshops for Pearland hotels. In fiscal year 2017, Houston will host the NFL Superbowl. With the close proximity to Pearland, the City anticipates a high occupancy rate in the hotels for this event and has budgeted a total of \$101,400 to provide trolley car and shuttle bus service to/from Pearland hotels to City restaurants and attractions and a super concert event on the Saturday before Superbowl.

Fund balance at September 30, 2017 is estimated to be \$4,714,823.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
HOTEL/MOTEL OCCUPANCY TAX	\$ 1,492,169	\$ 1,525,233	\$ 1,525,233	\$ 1,550,000
INVESTMENT EARNINGS	11,348	10,000	2,000	1,500
MISCELLANEOUS	7,506			
TOTAL	1,511,022	1,535,233	1,527,233	1,551,500
EXPENDITURES				
SALARIES & WAGES	254,978	271,868	280,536	286,567
MATERIALS & SUPPLIES	52,183	108,000	115,336	133,336
MAINTENANCE BUILDINGS & GROUNDS	80			
MAINTENANCE EQUIPMENT	241			
MISCELLANEOUS SERVICES REBATE	273,788	276,969	295,966	389,226
TO HILTON HOTEL TRANSFERS	216,275	224,995	224,995	216,276
INVENTORY	1,316	772	772	772
ARTS PROMOTION	3,155		1,003	1,003
HISTORIC PRESERVATION	16,596	30,000	30,000	30,000
CAPITAL OUTLAY		15,000		15,000
			34,000	
TOTAL	818,612	927,604	982,608	1,072,180
REVENUES OVER (UNDER) EXPENDITURES	692,410	607,629	544,625	479,320
FUND BALANCE - BEGINNING	2,998,468	3,601,621	3,690,878	4,235,503
FUND BALANCE - ENDING	\$ 3,690,878	\$ 4,209,249	\$ 4,235,503	\$ 4,714,823

**COURT BUILDING SECURITY FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

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

The fund balance at September 30, 2017 is estimated to be \$7,222.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
FINES & FORFEITURES	\$ 53,104	\$ 52,800	\$ 53,000	\$ 53,000
INVESTMENT EARNINGS	110	120	62	50
TOTAL	53,214	52,920	53,062	53,050
EXPENDITURES				
SALARY & WAGES	78,164	90,218	81,675	38,565
MATERIALS & SUPPLIES	1,436			5,000
REPAIR & MAINTENANCE	18,004	17,266	17,266	17,266
MISCELLANEOUS SERVICES	3,020			1,200
INVENTORY	1,100	6,866	6,866	
TOTAL	101,725	114,350	105,807	62,031
REVENUES OVER (UNDER) EXPENDITURES	(48,511)	(61,430)	(52,745)	(8,981)
FUND BALANCE - BEGINNING	117,459	66,054	68,948	16,203
FUND BALANCE - ENDING	\$ 68,948	\$ 4,624	\$ 16,203	\$ 7,222

**CITYWIDE DONATION FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

The fiscal year 2016 expenditures budget totaled \$50,477, including \$478 for the Police Chaplain Program, \$15,000 for a LUCAS device (chest compression system) for the Fire Department, and \$35,000 for a first phase renovation of the existing Animal Services facility. In fiscal year 2014, Pearland PETS presented Animal Services with a \$25,968 commitment toward the future purchase of a mobile adoption/disaster recovery vehicle; future donations will be held to offset some of the cost of the vehicle. No expenditures are anticipated for fiscal year 2017.

The total fund balance estimated is \$55,946 on September 30, 2017.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
INVESTMENT EARNINGS	\$ 58	\$ 50	\$ 60	\$ 100
MISCELLANEOUS DONATIONS	30,796	20,300	22,300	21,800
TOTAL	30,854	20,350	22,360	21,900
EXPENDITURES				
MATERIALS & SUPPLIES	17,897			
MISCELLANEOUS SERVICES		477	478	
INVENTORY	1,998			
BUILDING & GROUNDS		35,000	35,000	
CAPITAL OUTLAY	500	15,000	12,960	
TOTAL	20,396	50,477	48,438	
REVENUES OVER (UNDER) EXPENDITURES	10,458	(30,127)	(26,078)	21,900
FUND BALANCE - BEGINNING	49,667	57,180	60,124	34,046
FUND BALANCE - ENDING	\$ 60,124	\$ 27,053	\$ 34,046	\$ 55,946

**COURT TECHNOLOGY FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

Fund Balance at September 30, 2017 is estimated to be \$2,406, drawing down fund balance by \$13,569. Based on future fine activity, a portion of the expenditures are anticipated to shift to the General Fund in FY 2018.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
FINES & FORFEITURES	\$ 56,174	\$ 60,000	\$ 60,500	\$ 60,000
INVESTMENT EARNINGS	26	20	13	10
TOTAL	56,200	60,020	60,513	60,010
EXPENDITURES				
MATERIALS & SUPPLIES	1,612	4,287	3,942	4,948
REPAIR & MAINTENANCE	60,034	54,778	56,153	55,992
MISCELLANEOUS SERVICES	8,793	10,800	16,299	10,300
INVENTORY	2,338			2,339
TOTAL	72,777	69,865	76,394	73,579
REVENUES OVER (UNDER) EXPENDITURES	(16,576)	(9,845)	(15,881)	(13,569)
FUND BALANCE - BEGINNING	48,433	22,601	31,856	15,975
FUND BALANCE - ENDING	\$ 31,856	\$ 12,756	\$ 15,975	\$ 2,406

**STREET ASSESSMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

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

Since 2012, the City has collected \$1,240,138 in assessments, leaving a balance at September 30, 2017 of \$1,244,779 due, excluding interest.

Since the City does not know when the sale or the development of the property might occur, the FY 2017 budget reflects no activity.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
INVESTMENT EARNINGS	\$ 57,545	\$	\$ 40,157	\$
STREET ASSESSMENTS	702,187		475,757	
TOTAL	759,732		515,914	
EXPENDITURES				
INTERFUND TRANSFER	759,732		515,914	
TOTAL	759,732		515,914	
REVENUES OVER (UNDER) EXPENDITURES				
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING				
	\$	\$	\$	\$

**PARK DONATIONS FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

In fiscal year 2016 the City paid the initial payment of the fund balance of \$13,833 to the Parks Forever Foundation from past years' water bill donations. Future payments to the Foundation are processed quarterly. During fiscal year 2016, sponsorship funds will be used to continue to help fund recreational programs and special events, including the July 4th celebration and Winterfest.

For fiscal year 2017, in addition to funding special events, \$6,500 is budgeted for event supplies for the Senior Center. Fund Balance at September 30, 2017 is estimated to be \$66,840.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
INVESTMENT EARNINGS	\$ 111	\$ 50	\$ 100	\$ 100
DONATIONS	655	1,000	1,000	1,000
SPONSORSHIPS	131,099	100,000	100,000	100,000
TOTAL	131,865	101,050	101,100	101,100
EXPENDITURES				
PARKS FOUNDATION	14,081	636	1,000	1,000
PROGRAMS	28,104	15,000	15,000	
SENIOR CENTER EVENTS				6,500
PARKS				
SPECIAL EVENTS	90,571	90,000	90,000	120,000
TOTAL	132,756	105,636	106,000	127,500
REVENUES OVER (UNDER) EXPENDITURES	(891)	(4,586)	(4,900)	(26,400)
FUND BALANCE - BEGINNING	99,031	14,132	98,140	93,240
FUND BALANCE - ENDING	\$ 98,140	\$ 9,546	\$ 93,240	\$ 66,840

**TREE TRUST FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

Fiscal year 2015 included funds for trees at Shadow Creek Ranch Park and a woodchipper. \$6,000 has been budgeted for fiscal year 2017 for new development and/or the replacement of damaged trees.

Fund Balance at September 30, 2017 is estimated to be \$761.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
INVESTMENT EARNINGS	\$ 59	\$ 8	\$ 8	\$ 10
MISCELLANEOUS				
TOTAL	59	8	8	10
EXPENDITURES				
BUILDINGS & GROUNDS	432			
TRANSFERS	31,100			
CAPITAL OUTLAY	31,092			6,000
TOTAL	62,624	0	0	6,000
REVENUES OVER (UNDER) EXPENDITURES	(62,565)	8	8	(5,990)
FUND BALANCE - BEGINNING	69,308	6,225	6,743	6,751
FUND BALANCE - ENDING	\$ 6,743	\$ 6,233	\$ 6,751	\$ 761

**POLICE STATE SEIZURE FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

The fiscal years 2016 and 2017 budgets include the cost for undercover vehicles and informants.

The estimated ending balance September 30, 2017 is \$169,645.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
INVESTMENT EARNINGS	\$ 221	\$ 200	\$ 225	\$ 250
SEIZURE FUNDS	8,350		48,434	
MISCELLANEOUS	73		30	
TOTAL	8,645	200	48,689	250
EXPENDITURES				
MATERIALS & SUPPLIES	1,200	1,320	1,200	
MISCELLANEOUS	15,225	35,000	33,800	35,100
TOTAL	16,425	36,320	35,000	35,100
REVENUES OVER (UNDER) EXPENDITURES	(7,780)	(36,120)	13,689	(34,850)
FUND BALANCE - BEGINNING	198,586	184,328	190,806	204,495
FUND BALANCE - ENDING	\$190,806	\$148,208	\$204,495	\$169,645

**FEDERAL POLICE FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

In fiscal year 2016, a Pano-Metric Scanner was purchased for \$68,000 for use at crime scenes and major auto accidents. There are no expenditures budgeted for fiscal year 2017.

Projected fund balance at September 30, 2017 is \$6,832.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
POLICE DRUG REVENUE	\$ 31,445	\$	\$	\$
INVESTMENT EARNINGS	65	55	100	65
TOTAL	<u>31,510</u>	<u>55</u>	<u>100</u>	<u>65</u>
EXPENDITURES				
WEARING APPAREL				
CAPITAL OUTLAY		68,000	68,000	
TOTAL		<u>68,000</u>	<u>68,000</u>	
REVENUES OVER (UNDER) EXPENDITURES	<u>31,510</u>	<u>(67,945)</u>	<u>(67,900)</u>	<u>65</u>
FUND BALANCE - BEGINNING	43,157	72,053	74,667	6,767
FUND BALANCE - ENDING	<u>\$ 74,667</u>	<u>\$ 4,108</u>	<u>\$ 6,767</u>	<u>\$ 6,832</u>

**PARK DEVELOPMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

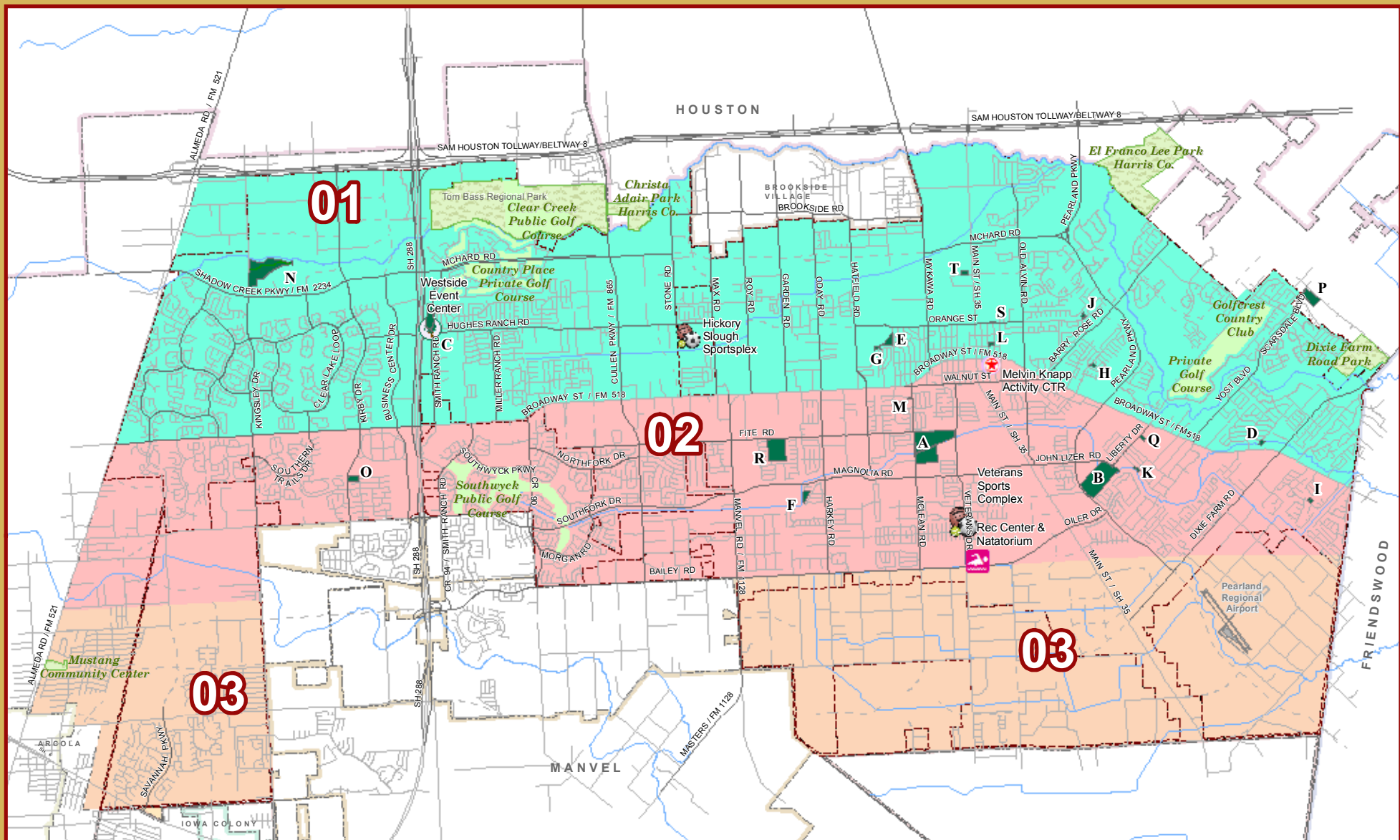
Pursuant to the Unified Development Code, new development either must dedicate parkland or pay the City a fee in lieu of parkland. The City had thirteen parkland areas or zones, which were pared down to three zones upon Council approval in May 2016. Fees, when paid, are identified by zone and use of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

Expenditures for fiscal year 2016 included \$20,000 toward the resurfacing of the Southdown playground, \$15,000 to replat Woodcreek Park, \$86,000 towards \$3.6 million of improvements at Independence Park and \$110,000 towards a \$4.2 million extension of a hike and bike trail along the Clear Creek Corridor.

Fiscal year 2017 major expenditures include \$190,000 each for the John Hargrove Environmental Center (JHEC) and Green Tee Trails in Zones 1 and 2.

Estimated fund balance as of September 30, 2017 is \$726,886.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
PARKLAND FEES/DONATIONS	\$ 344,274	\$ 100,000	\$ 100,932	\$ 50,000
INTEREST INCOME	3,216	3,000	3,550	3,000
TOTAL	347,490	103,000	104,482	53,000
EXPENDITURES				
REIMBURSEMENT TO DEVELOPER				
PROFESSIONAL/CONTRACT SERVICES				
PARK IMPROVEMENT	100,000	231,000	247,986	418,250
TOTAL	100,000	231,000	247,986	418,250
REVENUES OVER (UNDER) EXPENDITURES	247,490	(128,000)	(143,504)	(365,250)
FUND BALANCE - BEGINNING	988,150	1,045,391	1,235,640	1,092,136
FUND BALANCE - ENDING	\$ 1,235,640	\$ 917,391	\$ 1,092,136	\$ 726,886



CITY OF PEARLAND

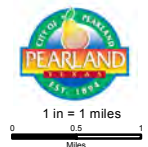
Public Park Zones

- County Parks
- Public Parks
- Golf Course
- Pearland City Limits
- Pearland ETJ

Park Zones

- 01
- 02
- 03

- | | |
|------------------------|---------------------------------------|
| A Centennial Park | K Aaron Pasternak Memorial Park |
| B Independence Park | L Zychlinski Park |
| C Southdown Park | M Sonny Tobias Park |
| D Woodcreek Park | N Shadow Creek Ranch Trail |
| E Woody Street Park | O Southgate Park |
| F Cypress Village Park | P Clear Brook City Park |
| G Corrigan Park | Q Heritage Plaza |
| H Hyde Park | R Dad's Park (Private- Little League) |
| I Pine Hollow Park | S Hunter Park |
| J Creekside Park | T Old Settlers Cemetery |



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

MAP PREPARED: MAY 2016
CITY OF PEARLAND GIS DEPARTMENT

**SIDEWALK FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

Per City Ordinance, sidewalks are to be installed when development occurs. However, in certain instances when the City knows that future streets and roadways will be constructed, the City accepts payment in lieu of installation of sidewalks. Thus, the Sidewalk Fund is used to account for revenues and expenditures associated with the installation of these sidewalks. The cost per square foot is \$6.00 and changes to reflect the City's current contract price at any given time. The City then uses these monies to install the sidewalks once the roadway is complete. Specific sidewalk locations identified with the original payments will be constructed out of the City's General Fund annual sidewalk program, when identified for construction.

Fund balance at September 30, 2017 is estimated to be \$22,509. There is \$4,220 identified in the fund balance for future Mykawa Road construction.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 236	\$ 34	\$ 18	\$
SIDEWALK REVENUE		5,000		5,000
TOTAL	236	5,034	18	5,000
EXPENDITURES				
INTERFUND TRANSFERS	217,224			
OTHER EXPENSES	8,520			
TOTAL	225,744			
REVENUES OVER (UNDER) EXPENDITURES	(225,508)	5,034	18	5,000
FUND BALANCE - BEGINNING	242,999	17,495	17,491	17,509
FUND BALANCE - ENDING	\$ 17,491	\$ 22,529	\$ 17,509	\$ 22,509

**GRANT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

The Grant Fund is used to account for revenues and expenditures associated with federal, state and local grants. Fiscal year 2016 grant revenues totaled \$951,434 and were based on \$650,667 in federal funds, \$281,017 from the State of Texas, \$19,565 from private sources, and interest income of \$185. Expenditures for fiscal year 2016 included federally-funded programs that provided \$142,775 in salaries, overtime and benefits for police patrol and investigations officers, \$10,044 for police equipment from the U.S. Department of Justice, and \$463,250 in pass-thru funding from Brazoria County's allocation of a grant from the U.S. Fish and Wildlife Service. The State of Texas awarded the City \$41,387 from the Office of the Attorney General for Crime Victim Assistance, \$11,062 for public safety training from the Texas Commission on Law Enforcement and the Texas Intra-Fire Mutual Aid Service, and \$110,250 for body-worn surveillance cameras from the Office of the Governor - Criminal Justice Division. In addition to government-funding, private foundations and associations provided the City's Fire Department with \$19,565 for fire prevention education and programs aimed at improving teen driver safety.

The fiscal year 2017 Grant Fund revenues total \$196,955, including Interest Income of \$29. Expenditures for FY 2017 include \$128,920 in federal funds and \$68,006 from the State of Texas. The Office of the Governor has issued \$70,509 in grant funding to cover the cost of salaries and benefits for portions of two Crime Victim Liaisons in the Police Department, with the majority of the remaining costs of these personnel covered by a grant from the Office of the Attorney General in the amount of \$40,925. The State has also funded recycling bins for a number of City-wide parks with \$27,081 from the Texas Commission on Environmental Quality, as a pass-thru grant issued by the Houston - Galveston Area Council. The Texas Division of Emergency Management (TDEM) funds are anticipated at \$46,741 for Emergency Management personnel, and \$11,670 from the U.S. Department of Justice will fund nine (9) body-worn surveillance cameras for local law enforcement officers. Expenditures for FY 2017 total \$196,926, leaving a fund balance of \$10,092 at the end of the fiscal year.

	2015 Actual	2016 Original Budget	2016 Year End Amended	2017 Adopted Budget
REVENUES				
GRANT REVENUE	\$ 249,168	\$ 177,834	\$ 951,249	\$ 196,926
INTEREST INCOME	37		185	29
INTERGOVERNMENTAL				
TOTAL	249,205	177,834	951,434	196,955
EXPENDITURES				
SALARY & WAGES			182,077	157,175
MATERIALS & SUPPLIES	30,286	1,822	9,615	27,081
MISCELLANEOUS SERVICES	1,200		16,187	
TRANSFERS	156,592	165,968	647,438	1,000
CAPITAL OUTLAY	56,013	10,044	155,307	11,670
TOTAL	244,091	177,834	1,010,624	196,926
REVENUES OVER (UNDER) EXPENDITURES	5,114		(59,190)	29
FUND BALANCE - BEGINNING	64,139	64,154	69,253	10,063
FUND BALANCE - ENDING	\$ 69,253	\$ 64,154	\$ 10,063	\$ 10,092

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

The Community Development Block Grant Fund is funded through annual allocations of Entitlement Jurisdiction disbursements from the U.S. Department of Housing and Urban Development (HUD). Also known as CDBG, these funds are restricted for use in providing programs, services and local infrastructure improvements that benefit low and moderate income families. Revenues for 2016 totaled \$732,790, matched expenditures, and were comprised of a combination of the fiscal year 2016 HUD allocation of \$319,085, and \$413,705 in unspent funds from prior years. Of the available balance of \$732,790, \$310,574 was programmed for use in replacing approximately 4,400 linear feet of Transite waterlines in the City's Old Townsite area, \$183,582 was available for eligible home repairs for low-moderate income Pearland owner-occupied homes, and \$113,447 was allocated for personnel to administer code enforcement activities, the housing rehabilitation program, as well as staff needed to provide management and oversight for the CDBG program in its entirety. The remaining \$40,326 provides the Pearland Neighborhood Center with \$16,500 for emergency assistance to eligible families facing evictions or utility shut-offs, and \$23,826 for consultants, advertising, postage, and training. Un-programmed funding in the amount of \$84,861 was available for reallocation to undetermined projects in the community.

The 2016 HUD Program Year (FY 2017) provides the City with \$325,431 for distribution to community-based organizations, housing rehabilitation and repair activities, code enforcement, and program administration expenditures. Community-based organizations may receive up to 15% of the total annual allocation (\$48,814) for programs and services, and the City will be allowed to utilize 20% of the allocation each year for staffing, program oversights and administration, and fair housing compliance activities. None of the entire allocation is subject to a cap on expenditures, so facility and infrastructure improvements can be funded without limitation, except for that they cannot exceed the entire annual allocation of Community Development Block Grant funds unless they are supported with prior year un-programmed funds as well. In FY 2017 (program year 2016), the City will disperse \$9,997 for mental health services, \$12,000 for youth fitness and health activities, \$11,205 for local "meals on wheels" program, and \$15,612 to provide emergency assistance to renters facing evictions or those scheduled to have electricity, gas or water service shut off. A total of \$118,150 will be used to construct a vocational training facility for high-functioning mentally-disabled adults, \$30,000 for code enforcement in the CDBG Target Area, and \$63,381 for housing rehabilitation and repair for low-moderate income owner-occupants of single-family residents within the City limits.

	2015 Actual	2016 Original Budget	2016 Year End Amended	2017 Adopted Budget
REVENUES				
GRANT REVENUE	\$ 155,915	\$ 319,085	\$ 732,790	\$ 325,431
INTEREST INCOME				
INTERGOVERNMENTAL				
TOTAL	155,915	319,085	732,790	325,431
EXPENDITURES				
SALARY & WAGES			113,447	81,641
MATERIALS & SUPPLIES	1,007			600
MISCELLANEOUS SERVICES	93,294	40,326	223,908	124,040
TRANSFERS		113,447		1,000
CAPITAL OUTLAY	66,977	165,312	395,435	118,150
TOTAL	161,278	319,085	732,790	325,431
REVENUES OVER (UNDER) EXPENDITURES	(5,363)			
FUND BALANCE - BEGINNING	5,363			
FUND BALANCE - ENDING	\$	\$	\$	\$

**TRAFFIC IMPROVEMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

Fiscal year 2016 revenues total \$5,700. Projected expenditures total \$93,548 carried over from FY 2015 for CR 48 per inter-local agreement with Brazoria County, \$50,000 towards the intersection of Discovery Bay and Business Center Drive, and \$44,800 transferred to the CIP fund for Pearland Parkway and FM 518.

Anticipated fiscal year 2017 revenues total \$2,500 with no anticipated expenditures. The fund balance at September 30, 2017 is estimated to be \$530,329.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
MISCELLANEOUS	\$ 34,188	\$	\$ 3,200	\$
INTEREST INCOME	3,770	3,000	2,500	2,500
TOTAL	37,958	3,000	5,700	2,500
EXPENDITURES				
MISCELLANEOUS SERVICES		46,800	143,548	
INTERFUND TRANSFERS	91		44,800	
TOTAL	91	46,800	188,348	
REVENUES OVER (UNDER) EXPENDITURES	37,867	(43,800)	(182,648)	2,500
FUND BALANCE - BEGINNING	672,609	590,662	710,477	527,829
FUND BALANCE - ENDING	\$ 710,477	\$ 546,862	\$ 527,829	\$ 530,329

**COURT JUVENILE MANAGEMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

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

The fund balance at September 30, 2017, is estimated to be \$32,092.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
FINES & FORFEITURES	\$ 30,320	\$ 37,000	\$ 17,600	\$ 85,000
INVESTMENT EARNINGS	55	60	38	100
TOTAL	30,375	37,060	17,638	85,100
EXPENDITURES				
SALARY & WAGES	42,818	42,835	45,542	60,051
MATERIALS & SUPPLIES			950	1,650
MISCELLANEOUS SERVICES	1,421	1,600	500	1,600
TOTAL	44,239	44,435	46,992	63,301
REVENUES OVER (UNDER) EXPENDITURES	(13,865)	(7,375)	(29,354)	21,799
FUND BALANCE - BEGINNING	53,512	46,005	39,647	10,293
FUND BALANCE - ENDING	\$ 39,647	\$ 38,630	\$ 10,293	\$ 32,092

**MUNICIPAL CHANNEL (PEG) FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

Expenditures in fiscal year 2016 include \$29,650 for photo and video camera, teleprompter, lenses, steadicam, cam housing, and lights and fixtures for in-house studio as well as \$20,000 towards the build-out of the studio. \$140,000 is included for audio visual, public announcement system and other PEG channel capital needs associated with the renovation and expansion of the Council Chamber dais and chamber.

Fiscal year 2017 expenditures include \$25,646 for arri lights, camera housing, lenses, photography and video cameras, recorder, steadicam and slider. Expenditures also include an additional \$466,258 for the build-out of the studio and council chambers. Fund balance at September 30, 2017 is anticipated to be \$657,705.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
FRANCHISE FEES	\$ 307,217	\$ 314,000	\$ 307,000	\$ 307,000
INVESTMENT EARNINGS	653	700	800	800
TOTAL	307,870	314,700	307,800	307,800
EXPENDITURES				
TRANSFERS OUT		20,250	20,250	466,258
MATERIALS & SUPPLIES	4,101	9,650	14,960	5,462
REPAIR & MAINTENANCE	2,988		10,500	3,829
MISCELLANEOUS SERVICES	1,479		53,000	1,480
INVENTORY	21,526	169,650	100,365	25,646
CAPITAL OUTLAY	6,846	14,800	14,500	
TOTAL	36,941	214,350	213,575	502,675
REVENUES OVER (UNDER) EXPENDITURES	270,930	100,350	94,225	(194,875)
FUND BALANCE - BEGINNING	487,425	746,177	758,355	852,580
FUND BALANCE - ENDING	\$ 758,355	\$ 846,527	\$ 852,580	\$ 657,705

**UNIVERSITY OF HOUSTON FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

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

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
MISCELLANEOUS	\$ 255,032	\$ 238,966	\$ 238,966	\$
INTEREST INCOME	24			
TRANSFERS IN	85,489	80,294	80,294	
TOTAL	340,545	319,260	319,260	
EXPENDITURES				
PERSONNEL	49,851	53,389	55,041	
MATERIALS & SUPPLIES	7,562	350	50	
MAINTENANCE OF BUILDINGS & GROUNDS	33,223	26,300	47,089	
MISCELLANEOUS SERVICES	249,909	234,221	231,631	
TOTAL	340,546	314,260	333,811	
REVENUES OVER (UNDER) EXPENDITURES				
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING				
	\$	\$	\$	\$

**UNIVERSITY OF HOUSTON CAPITAL RENEWAL FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

The lease agreement established a Capital Renewal Fund with contribution of 1% of replacement value of the building to begin in Year 4 through Year 5 and a 2% contribution beginning in Year 6. Fiscal Year 2014 began Year 4 with contribution required. The actual cost of the project was less than anticipated, resulting in a savings of \$321,862. Using the same pro-rata share for the total project costs allocation, UofH at 66.64%, PEDC at 11.22%, and the City at 22.14%, the funds were moved to the Capital Renewal Fund. A portion of the City's total, \$47,442, was transferred back to the City Debt Service Fund in fiscal year 2012, leaving a balance of \$274,420 to be allocated.

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

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

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
MISCELLANEOUS	\$	\$ 10,488	\$ 10,488	\$
INTEREST	280	350	350	
TRANSFERS IN	8,041	44,651	42,885	
TOTAL	8,321	55,489	53,723	
EXPENDITURES				
MISCELLANEOUS				302,171
TOTAL				302,171
REVENUES OVER (UNDER) EXPENDITURES	8,321	55,489	53,723	(302,171)
FUND BALANCE - BEGINNING	240,127	248,469	248,448	302,171
FUND BALANCE - ENDING	\$ 248,448	\$ 303,958	\$ 302,171	\$

**REGIONAL DETENTION FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

A total of \$171,513 was transferred in fiscal year 2016 to the Debt Service Fund toward payment of debt for East Mary's Creek.

Since the City does not know when a developer may buy into the program, the budget reflects no activity for FY 2017.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
CHARGES FOR SERVICES	\$	\$ 171,425	\$ 171,425	\$
INVESTMENT EARNINGS		88	88	
TOTAL		171,513	171,513	
EXPENDITURES				
TRANSFERS OUT		171,513	171,513	
TOTAL		171,513	171,513	
REVENUES OVER (UNDER) EXPENDITURES				
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING	\$	\$	\$	\$

**LOWER KIRBY URBAN CENTER FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

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

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

In 2014 the City entered into Master Financing Agreements (R2014-117) with the Lower Kirby Pearland Management District (LKPMMD) and the Pearland Municipal Management District No. 1. The City and District would come together to finance \$48 million in infrastructure in the district. 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 City also has reimbursement agreements with the Pearland Economic Development Corporation for the projects.

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

Financing by District is as follows:

	<u>LKMD</u>	<u>PMMD</u>
Regional Detention (R2014-25)	1,598,149	612,292
Hooper Road (R2014-119)	1,500,000	
Kirby Ditch (R2015-136 & R2015-203)	1,919,796	
South Spectrum (R2015-147)	119,462	94,676
North Spectrum (R2015-204)	250,000	
	\$5,387,407	\$ 706,968

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
REVENUES				
INTEREST EARNINGS	\$	\$	\$ 19,006	\$
INTERGOVERNMENTAL		2,764,300	1,780,439	
TOTAL		2,764,300	1,799,445	
EXPENDITURES				
INTERGOVERNMENTAL			1,686,743	
TRANSFERS OUT		2,764,300	112,702	
TOTAL		2,764,300	1,799,445	
REVENUES OVER (UNDER) EXPENDITURES				
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING				
	\$	\$	\$	\$

INTERNAL SERVICE FUNDS

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

Property/Liability Insurance Fund

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

Medical Self Insurance Fund

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

**PROPERTY/LIABILITY INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

The rates for premiums for fiscal year 2016 were budgeted at \$1,094,506, and uninsured and deductible claims total \$92,599. Premiums for fiscal year 2017 total \$1,218,893, which includes a 52% increase in property insurance as new properties have been added and values have been updated. The FY 2017 premiums also include a 20% increase in auto liability, 17% in auto damage and 17% in law enforcement liability.

Increases in FY 2017 premiums include the cost of new facilities added, such as the Orange Street Service Center Field Operations Support building and upgrades to City Hall and Annex. Based on the type of insurance and values of property, the General Fund, Water & Sewer Fund, and Convention & Visitors' Bureau reimburse the Property Insurance Fund.

In FY 2017, a Risk Manager is being added to create a centralized system for claims processing and to manage and monitor the City's risk and liability. The expense of this position will be shared between the General Fund and the Property/Liability Insurance Fund.

Fund balance at September 30, 2017 is estimated to be \$409,965, which approximates the amount needed for uninsured or deductible claims.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
OPERATING REVENUES				
TRANSFERS	\$1,017,396	\$1,245,477	\$1,245,477	\$ 1,400,772
INSURANCE RECOVERY	166,817	70,000	70,000	70,000
INTEREST	109	30	40	40
TOTAL	1,184,322	1,315,507	1,315,517	1,470,812
OPERATING EXPENSES				
SALARIES & BENEFITS				50,574
MATERIALS & SUPPLIES				5,800
INSURANCE PREMIUMS	1,083,611	1,221,977	1,094,506	1,218,893
CLAIMS	77,668	90,000	92,599	95,000
TOTAL	1,161,279	1,311,977	1,187,105	1,370,267
REVENUES OVER (UNDER) EXPENSES	23,043	3,530	128,412	100,545
BEGINNING NET ASSETS	157,965	181,008	181,008	309,420
ENDING NET ASSETS	\$ 181,008	\$ 184,538	\$ 309,420	\$ 409,965

**PROPERTY/LIABILITY INSURANCE FUND
REVENUES AND EXPENSES
FY 2017 ADOPTED BUDGET**

REVENUES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2015	FY 2016	FY 2016	FY 2017
		Actual	Original Budget	Year End Amended	Adopted Budget
700-150-100-3900	TRANSFERS	1,017,396	1,245,477	1,245,477	1,400,772
*TRANSFERS		1,017,396	1,245,477	1,245,477	1,400,772
700-150-100.3800.240	INSURANCE REIMBURSEMENTS	165,501	70,000	70,000	70,000
700-150-100.3750	MISCELLANEOUS	1,316			
*INSURANCE RECOVERY/MISC.		166,817	70,000	70,000	70,000
700-150-100.3600.010	INTEREST EARNINGS	109	30	40	40
*INTEREST		109	30	40	40
TOTAL		1,184,322	1,315,507	1,315,517	1,470,812

EXPENSES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2015	FY 2016	FY 2016	FY 2017
		Actual	Original Budget	Year End Amended	Adopted Budget
700-120-100.5000.010	SALARY AND WAGES				37,440
700-120-100.5005.010	MEDICAL INSURANCE				5,000
700-120-100.5005.015	OTHER GROUP INSURANCE				72
700-120-100.5005.020	FICA TAX				2,864
700-120-120.5005.030	RETIREMENT				5,064
700-120-100.5005.060	WORKERS' COMPENSATION				30
700-120-100.5005.050	STATE UNEMPLOYMENT				104
*SALARIES & WAGES					50,574
700-120-100.5100.010	OFFICE SUPPLIES				50
700-120-100.5115.010	COMPUTER HARDWARE & SOFTWARE				1,350
700-120-100.5145.020	WEARING APPAREL				50
700-120-100.5420.030	MILEAGE				1,000
700-120-100.5430.020	CONFERENCES & SEMINARS				2,000
700-123-100.5430.030	MEMBERSHIP & DUES				350
700-120-100.5445.020	CELLULAR COMMUNICATIONS				1,000
*MATERIALS & SUPPLIES					5,800
700-150-100.5410.010	GENERAL LIABILITY INSURANCE	48,758	49,348	45,541	49,531
700-150-100.5410.020	ERRORS AND OMISSIONS INSURANCE	77,480	79,804	71,963	73,688
700-150-100.5410.030	PUBLIC EMPLOYEE DISHONESTY INS	2,953	2,953	2,954	1,789
700-150-100.5410.040	ANIMAL MORTALITY INSURANCE	2,450	2,450	2,450	2,500
700-150-100.5410.050	LAW ENFORCEMENT LIABILITY	74,577	79,211	62,957	73,921
700-150-100.5410.070	PROPERTY INSURANCE	77,215	86,177	83,393	126,980
700-150-100.5410.080	WINDSTORM DAMAGE INS	570,287	635,510	604,034	631,050
700-150-100.5410.090	AUTOMOBILE LIABILITY	106,043	136,036	95,598	114,360
700-150-100.5410.100	AUTO DAMAGE	92,621	118,540	94,435	110,616
700-150-100.5410.120	MOBILE EQUIPMENT	13,291	13,291	13,291	14,240
700-150-100.5410.210	SEWAGE BACK-UP	16,340	17,157	16,340	18,590
700-150-100.5410.230	RAIN-OUT INSURANCE (PARKS)	1,597	1,500	1,550	1,628
*MISCELLANEOUS SERVICES		1,083,611	1,221,977	1,094,506	1,218,893
700-150-100.5500	CLAIMS	77,668	90,000	92,599	95,000
*CLAIMS		77,668	90,000	92,599	95,000
TOTAL		1,161,279	1,311,977	1,187,105	1,370,267

**MEDICAL SELF INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

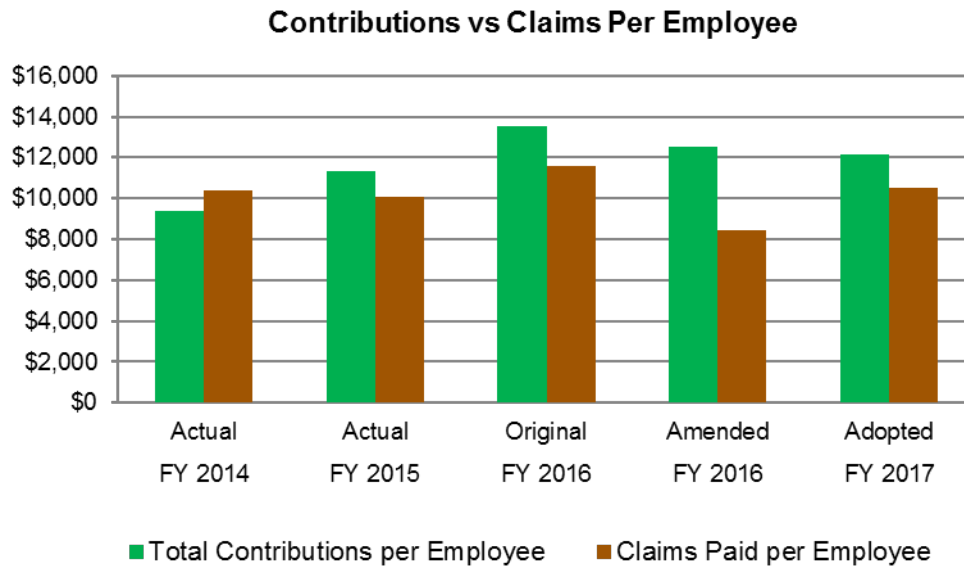
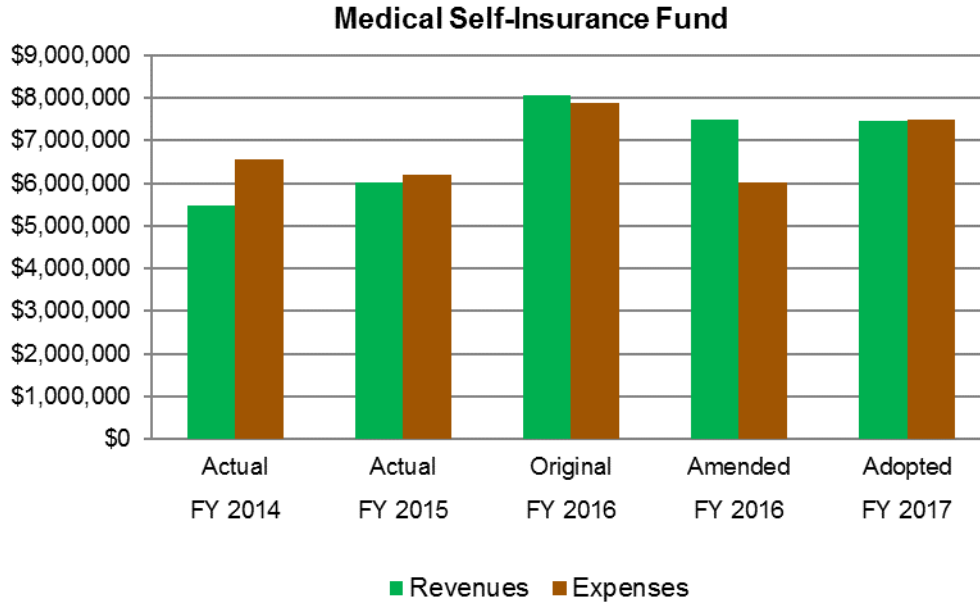
For FY17 the City is budgeting for an increase in claims, as well as budgeting contributions based on the total number of full-time eligible employees, including vacant positions, to maintain the fund balance in the event future years' claims continue to grow. \$25,000 has been budgeted for the Wellness Program. The estimated fund balance as of September 30, 2017 is \$2,014,783, exceeding the fund balance target of \$1,784,731 which is based on 25% of the plan's advisor projected total cost.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
OPERATING REVENUES				
INTEREST INCOME	\$ 415	\$ 750	\$ 1,000	\$ 1,000
CONTRIBUTIONS - CITY	5,040,888	7,049,946	6,460,000	6,110,000
RETIREE AND COBRA CONTRIBUTIONS	32,660	49,920	66,000	50,000
CONTRIBUTIONS - EMPLOYEE	942,468	942,468	956,785	1,300,188
MISCELLANEOUS		25,000		
TOTAL	6,016,431	8,068,084	7,483,785	7,461,188
OPERATING EXPENSES				
ADMINISTRATIVE FEES	810,106	927,129	924,966	969,666
CLAIMS	5,313,568	6,854,997	5,000,000	6,410,188
CONSULTING SERVICES / HEALTH PORTABILITY ACT	82,161	89,750	95,500	125,500
TOTAL	6,205,835	7,871,876	6,020,466	7,505,354
REVENUES OVER (UNDER) EXPENSES	(189,404)	196,208	1,463,319	(44,166)
BEGINNING NET ASSETS	785,033	136,106	595,630	2,058,949
ENDING NET ASSETS	\$ 595,630	\$ 332,314	\$ 2,058,949	\$ 2,014,783

CLAIMS PAID PER EMPLOYEE

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Number of Employees on Medical Insurance:	529	591	591	611
City-Paid Contributions per Employee:	\$9,529	\$11,929	\$10,931	\$10,000
Employee-Paid Contributions:	\$1,782	\$1,595	\$1,619	\$2,128
Total Contributions per Employee:	\$11,311	\$13,524	\$12,550	\$12,128
Claims Paid per Employee:	\$10,045	\$11,599	\$8,460	\$10,491

**MEDICAL SELF INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2017 ADOPTED BUDGET**



**MEDICAL SELF INSURANCE FUND
REVENUES AND EXPENSES
FY 2017 ADOPTED BUDGET**

REVENUES

ACCOUNT DESCRIPTION	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
INTEREST INCOME	415	750	1,000	1,000
*INTEREST	415	750	1,000	1,000
CITY CONTRIBUTIONS	5,040,888	7,049,946	6,460,000	6,110,000
RETIREE AND COBRA CONTRIBUTIONS	32,660	49,920	66,000	50,000
EMPLOYEE CONTRIBUTIONS	942,468	942,468	956,785	1,300,188
MISCELLANEOUS		25,000		
*CONTRIBUTIONS	6,016,016	8,067,334	7,482,785	7,460,188
TOTAL	6,016,431	8,068,084	7,483,785	7,461,188

EXPENSES

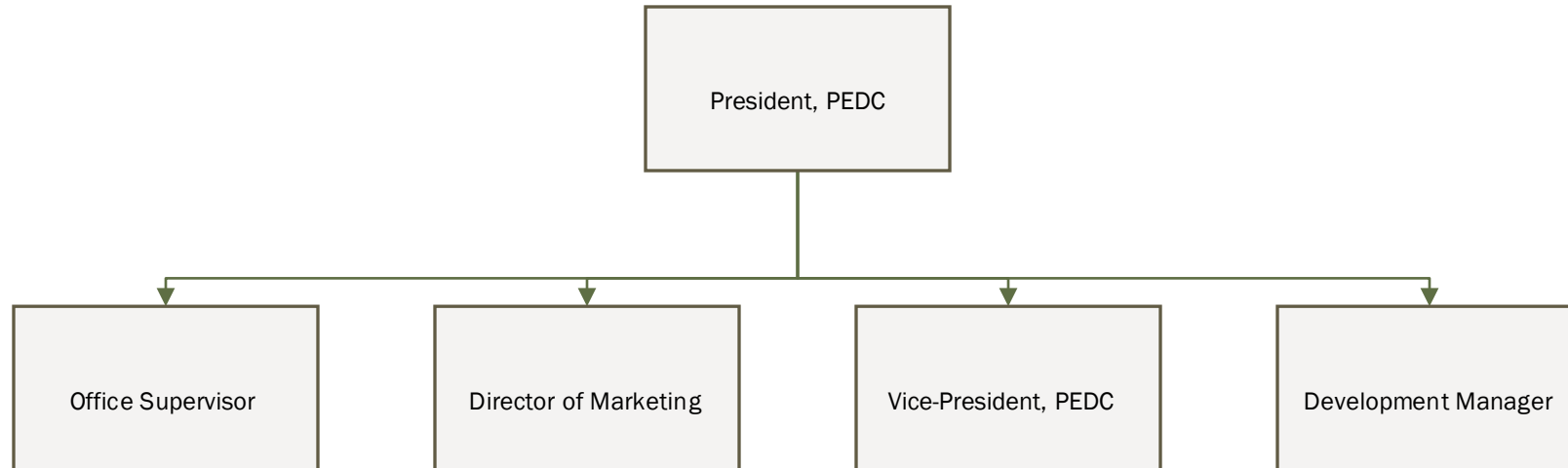
ADMINISTRATIVE FEE	810,106	927,129	924,966	969,666
CONSULTING SERVICES				30,000
HEALTH PORTABILITY ACT	74,716	64,750	70,500	70,500
MEDICAL INSURANCE CLAIMS	5,313,568	6,854,997	5,000,000	6,410,188
*CLAIMS	6,198,390	7,846,876	5,995,466	7,480,354
WELLNESS PROGRAM	7,445	25,000	25,000	25,000
*MISCELLANEOUS SERVICES	7,445	25,000	25,000	25,000
TOTAL	6,205,835	7,871,876	6,020,466	7,505,354

COMPONENT UNITS

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

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

Pearland Economic Development Corporation



**PEARLAND ECONOMIC DEVELOPMENT FUND
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2017 ADOPTED BUDGET**

OVERVIEW

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

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

Fund balance at September 30, 2017 is estimated to be \$13,494,797.

	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
OPERATING REVENUES				
Sales Tax	\$ 9,403,602	\$ 10,159,649	\$ 9,753,263	\$ 10,240,926
Interest Income	151,991	85,000	85,000	110,000
Intergovernmental	775,504	1,611,300	4,217,857	12,000
Miscellaneous	442,234	460,000	552,000	470,000
TOTAL	10,773,331	12,315,949	14,608,120	10,832,926
OPERATING EXPENDITURES				
Operating	1,358,173	2,020,888	1,764,999	2,233,068
Bond Payments	8,498,288	1,420,458	1,420,456	1,426,256
Inventory	1,544	5,000	5,000	5,000
Capital Outlay	317,325	5,155,000	1,490,000	2,365,000
TOTAL	10,175,330	8,601,346	4,680,455	6,029,324
REVENUES OVER/(UNDER) EXPENDITURES	598,000	3,714,603	9,927,665	4,803,602
OTHER FINANCING SOURCES (USES):				
Transfers Out	(1,180,332)		(8,724,243)	(8,531,729)
Incentives	(393,221)	(3,591,342)	(817,918)	(1,342,515)
Bond Proceeds				
TOTAL	(1,573,553)	(3,591,342)	(9,542,161)	(9,874,244)
NET CHANGE IN FUND BALANCE	(975,552)	123,261	385,504	(5,070,642)
BEGINNING FUND BALANCE	19,155,487	13,117,177	18,179,935	18,565,439
ENDING FUND BALANCE	18,179,935	13,240,438	18,565,439	13,494,797

Fiscal Year 2015-16

Operating revenues are projected to be \$14.6 million. Sales tax revenue for the year is projected at \$9,753,263 which is lower than the initial budget of \$10,159,649 for a decrease of \$406,386 and up \$349,661 or 3.7% greater than FY 2014-15. In addition, PEDC received higher than projected reimbursement revenue from Business Center Drive street assessments and Lower Kirby reimbursements.

Total expenditures are projected at \$14.2 million or \$3.1 million under the amended budget of \$17.3 million. This decrease is attributed to lower business incentive payments than projected, cost savings on the Cullen, Pearland Parkway and Dixie Farm Road gateway improvements and the delay of implementation for the SH 35 Gateway and Corridor enhancements plan. The beginning fund balance is \$18,179,935 and projected ending fund balance with accumulated set-aside is \$18,565,439.

Fiscal Year 2016-17

Operating revenues are projected to be \$10.8 million. This includes sales tax revenue of \$10.2 million, an increase over the FY 2015-16 projections.

Total expenditures are projected at \$15.9 million, which includes \$1.4 million in bond payments. \$8.5 million is allocated for reimbursements to the City, including \$131,729 for administrative services, \$150,000 for TxDOT ditch acquisition, \$5.4 million for SH288 Corridor enhancements, \$1.8 million for Lower Kirby corridor enhancements, \$450,000 for SH288 Frontage Road design and engineering and \$600,000 for PEDC's office buildout at City Hall. Capital outlay expenditures of \$2.4 million include \$110,000 for design work for the SH288 Corridor enhancements, \$150,000 for two additional gateway entry features, and \$2.0 million for implementation of the SH 35 Gateways and Corridor Enhancements plan. Business incentive expenditures are budgeted at \$1.3 million. This includes agreements already in place with Base Pair Biotechnologies, Brask-Neela, FloWorks International, Tool-Flo, Kelsey Seybold, and M&S Logistics, as well as \$402,500 for future projects. The remaining expenditures cover staff and economic development, retention and development programs. Total expenditures are projected at \$5.1 million over projected revenue.

The projected FY 2016-17 beginning fund balance of \$18,565,439 will end FY 2016-17 with a fund balance of \$13,494,797.

PEDC offices and staff previously resided in the University of Houston Clearlake – Pearland Campus, occupying 3,281 of 23,621 total square feet. In 2015, the Texas Legislature approved \$24.5 million for the building of a Health Science building at the Pearland Campus, expected to open in the fall 2018. As part of those expansion plans, PEDC relocated its offices to the Shadow Creek Business Center in August 2016 to allow UHCL-Pearland to take over PEDC's existing offices. The offices at the Shadow Creek Business Center will serve as an interim office for approximately one year while permanent offices for PEDC are completed at City Hall as part of the City Hall and Annex renovation and systems upgrade.

**PEARLAND ECONOMIC DEVELOPMENT FUND
EXPENDITURE SUMMARY BY DEPARTMENT
FY 2017 ADOPTED BUDGET**

EXPENDITURES BY DEPT/DIVISION	FY 2015 Actual	FY 2016 Original Budget	FY 2016 Year End Amended	FY 2017 Adopted Budget
Salaries & Wages	582,368	635,242	677,847	669,732
Materials & Supplies	7,217	8,750	9,250	9,500
Maintenance Buildings & Grounds	2,620	2,870	3,550	6,000
Maintenance of Equipment	5,073	8,800	5,000	8,300
Services	760,895	1,365,226	1,069,352	1,539,536
Incentives	393,221	3,591,342	817,918	1,342,515
Transfers Out	1,180,332		8,724,243	8,531,729
Bond Payments	8,498,288	1,420,458	1,420,456	1,426,256
Inventory	1,544	5,000	5,000	5,000
Capital	317,325	5,155,000	1,490,000	2,365,000
TOTAL	11,748,883	12,192,688	14,222,616	15,903,568

GOALS

- ◆ Attract high-wage professional employment opportunities that diversify Pearland's economic base and facilitate the expansion and retention of existing Pearland businesses.
- ◆ 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.
- ◆ Actively pursue redevelopment efforts resulting in continued improvement and investment in Pearland. These efforts should improve the appearance and enhance the image of Pearland to its citizens and to individuals outside the area.
- ◆ 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 2016 ACCOMPLISHMENTS

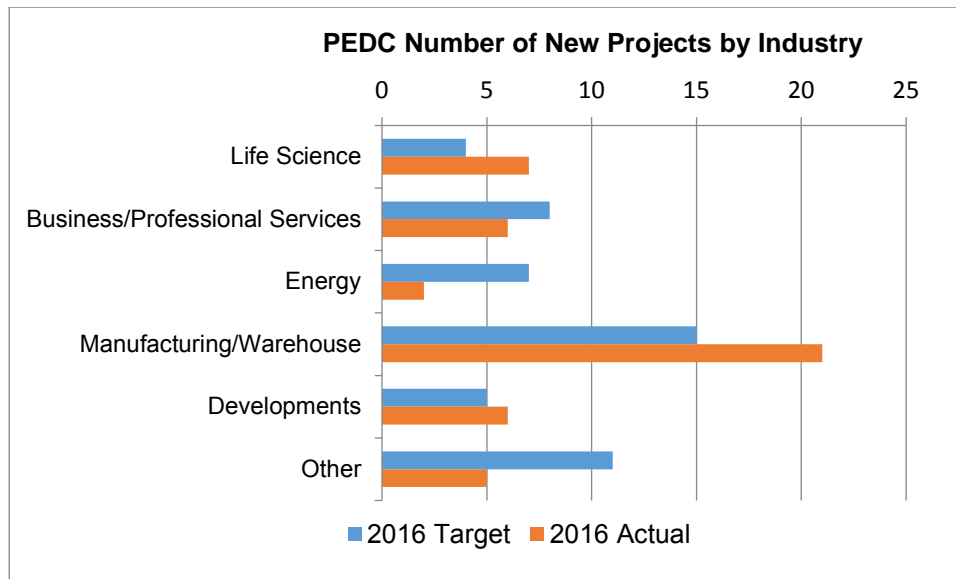
- ◆ Opened 31 business attraction projects and conducted 60 visits with potential primary employers. Major announcements included Lonza's 100,000 square-foot clinical manufacturing and R&D facility in the Lower Kirby District. The company will initially employ 100, but anticipates the hiring up to several hundred scientists, engineers and biotech professionals in the next year. In addition, Lonza announced in September the addition of 150,000 square-feet to the facility currently under construction to accommodate the growth in demand for its personalized viral gene and cell therapies. Both phases combined, this project is expected to bring approximately \$64 million in investment to the community.
- ◆ Opened 5 business retention and expansion projects and conducted 74 visits with existing employers. Announcements included Bredero Shaw's construction of a new building at its facility and Lighting Etc.'s relocation to a new building on Magnolia Road.
- ◆ Opened 6 new development/redevelopment projects, including the expansion of Stream Realty's Center at Pearland Parkway, the Pearland Marketplace development on Barry Rose and Grand Cornerstone's redevelopment plans for the former Alvin Community College campus.
- ◆ Continued the implementation of two beautification plans for the community: the 288 Master Plan and a City Gateway plan. PEDC worked with the City and KPB to complete the construction of the first entry feature on Cullen Boulevard. In addition, construction was started on two additional entry features on Pearland Parkway and Dixie Farm Road.

FISCAL YEAR 2016 ACCOMPLISHMENTS (continued)

- ◆ Continued implementation of the 288 Corridor Master Improvements Plan, including working with the City, TxDOT and BCTRA on construction documents for incorporating hardscaping improvements at the McHard, Hughes Ranch Road, FM 518 and Beltway 8 interchanges. Also completed an interlocal agreement between the City, County and PMMD#2 on the construction and maintenance of the 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 the TxDOT draining ditch and completion of the construction of the Phase I drainage improvements.
- ◆ Continued implementation of the Pearland 20/20 Community Strategic Plan, including completing a mid-course update to the Plan that was approved by the steering committee in October, the PEDC Board in November, and City Council in January 2016.

FISCAL YEAR 2017 OBJECTIVES

- ◆ Recruit new primary employers to the community.
- ◆ Reach out to existing targeted primary employers to offer assistance, including expansion assistance.
- ◆ Assist developers looking to make investments in our community.
- ◆ Work with TxDOT on their planning process for the reconstruction of Broadway/FM 518 from Main to SH 288 and continue efforts to ensure that the SH 288 bridge over Broadway is widened by TxDOT to facilitate additional lanes on FM 518 as part of the toll road project.
- ◆ Continue to work with the City and Management District on the development of regional detention, underground electrical, the reconstruction of Hooper Road, the design and construction of North Spectrum, as well as formalize a consistent identity for the area with the development of a Lower Kirby branding strategy.
- ◆ Begin implementation of the identified catalyst projects in the SH 35 Corridor Redevelopment Strategy to address infrastructure needs, redevelopment potential, underdeveloped sites and market opportunities.
- ◆ Complete construction of landscape/streetscape/entry feature and improvements on Pearland Parkway and Dixie Farm Road and begin preliminary design for two additional entry features.
- ◆ Continue implementation efforts for the Pearland 20/20 Strategic Plan.



PERFORMANCE MEASURES

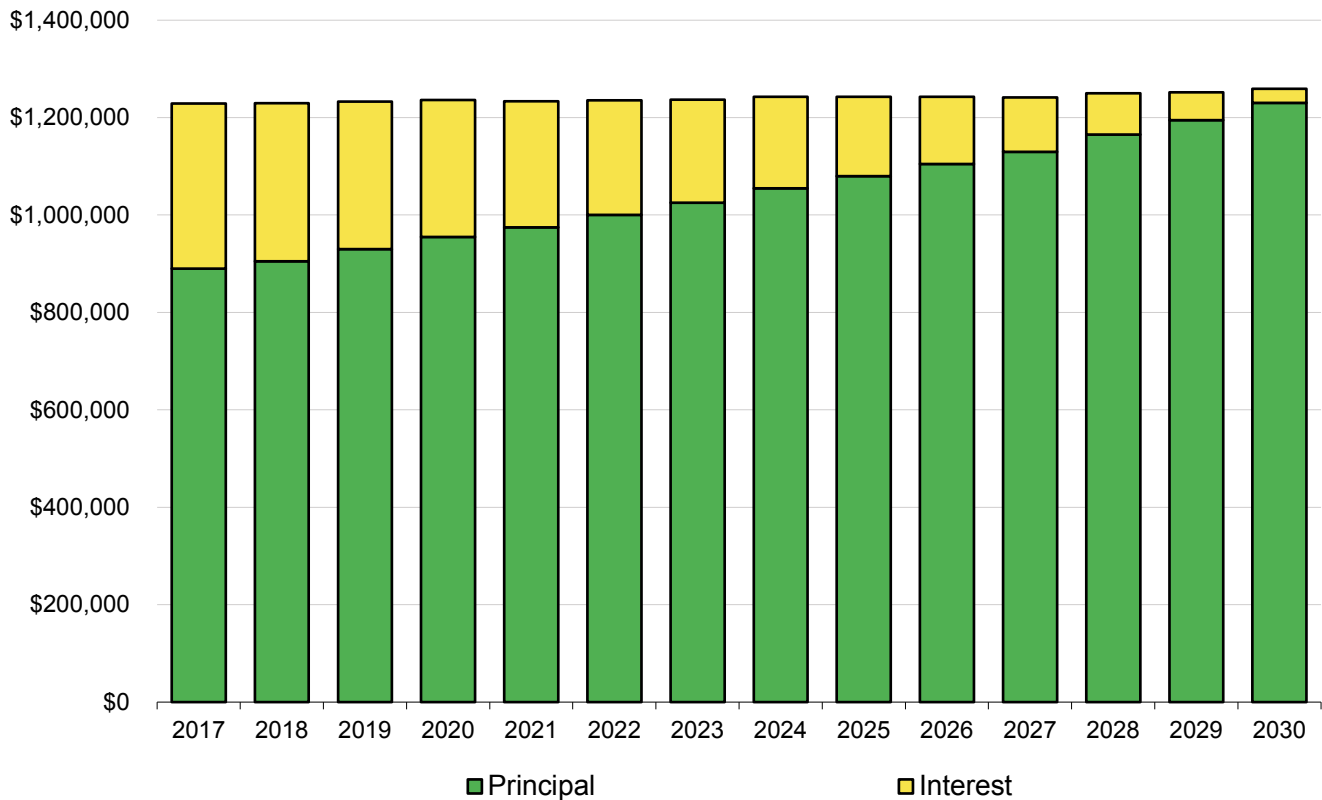
	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target
Number of announced projects	16	9	14	13
Number of new projects	55	57	42	50
Number of visits	157	163	183	170

**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
DEBT TO MATURITY**

Year	Principal	Interest	Total
2016-2017	890,000	338,786	1,228,786
2017-2018	905,000	324,500	1,229,500
2018-2019	930,000	303,142	1,233,142
2019-2020	955,000	281,194	1,236,194
2020-2021	975,000	258,656	1,233,656
2021-2022	1,000,000	235,646	1,235,646
2022-2023	1,025,000	212,046	1,237,046
2023-2024	1,055,000	187,856	1,242,856
2024-2025	1,080,000	162,958	1,242,958
2025-2026	1,105,000	137,470	1,242,470
2026-2027	1,130,000	111,392	1,241,392
2027-2028	1,165,000	84,724	1,249,724
2028-2029	1,195,000	57,230	1,252,230
2029-2030	1,230,000	29,028	1,259,028
TOTAL	\$14,640,000	\$2,724,628	\$17,364,628

Series	Principal Amount Outstanding
Series 2016	14,640,000
TOTAL	\$14,640,000

As of 9/30/2017 principal outstanding will be \$13,750,000 and interest outstanding will be \$2,385,842 for total debt to maturity at 9/30/2017 totaling \$16,135,842.



**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
 FY 2017 ADOPTED BUDGET
 DEBT SERVICE SCHEDULE**

Due Date	Description	Amount Issued	Principal	Interest	Payment Total	Principal Outstanding 9/30/2017
3/1/2017	Series 2016	14,640,000		166,034	166,034	13,750,000
9/1/2017			890,000	172,752	1,062,752	
	Fiscal Year Total		890,000	338,786	1,228,786	13,750,000
TOTAL			890,000	338,786	1,228,786	13,750,000

Description	Rate	Date Issued	Amount Issued	Principal Outstanding As of 9/30/16	Annual	Requirements
Bond Series 2016	2.36%	2016	14,640,000	14,640,000	3/1/2017	166,034
		2030			9/1/2017	172,752
					9/1/2017	890,000
TOTAL			14,640,000	14,640,000		1,228,786

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 unencumbered 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.1530

An Ordinance adopting a tax rate of \$0.6812 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 2016.

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

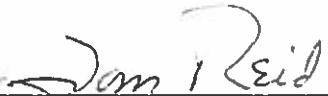
Section 1. That there is hereby levied and there shall be collected for the use and support of the Municipal Government of the City of Pearland, Texas, and to provide Interest and Sinking Fund for the Year Two Thousand Thirteen upon all property, real, personal, and mixed within the corporate limits of said City subject to taxation, a tax of \$0.6812 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 \$0.2412 on each \$100 valuation of property, and
- (2) For the Interest and Sinking Fund, the sum of \$0.44.

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.1530

PASSED and APPROVED ON FIRST READING this the 12th day of
September, A.D., 2016.



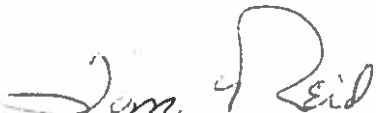
TOM REID
MAYOR

ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



PASSED and APPROVED ON SECOND and FINAL READING this the 19th day of
September, A. D., 2016.



TOM REID
MAYOR

ATTEST:


YOUNG LORFING, TRMC
CITY SECRETARY



APPROVED AS TO FORM:



DARRIN M. COKER
CITY ATTORNEY

ORDINANCE NO.1529

An appropriation ordinance adopting a budget for the fiscal year beginning October 1, 2016, and ending September 30, 2017, and pay plans for fiscal year 2017.

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

Section 1. That the City Manager's proposed 2016-2017 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 2016-2017 Budget.

Section 3. That the City Council hereby confers upon the City Manager general authority to contract for expenditures without further approval of the Council for all budgeted items the cost of which do not exceed the constitutional and statutory requirements for competitive bidding.

Section 4. That the City Council deems the Pay Plans (Exhibit "B") and Organizational Plan contained in the 2016-2017 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.

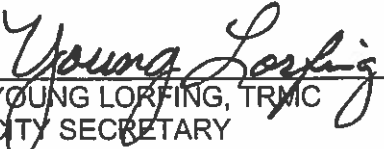
PASSED and APPROVED ON FIRST READING this the 12th day of September, A. D., 2016.



TOM REID
MAYOR


ORDINANCE NO.1529

ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



PASSED and APPROVED ON SECOND and FINAL READING this the 19th day of
September, A. D., 2016.


TOM REID
MAYOR

ATTEST:


YOUNG LORFING, TRMC
CITY SECRETARY



APPROVED AS TO FORM:


DARRIN M. COKER
CITY ATTORNEY

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
City Manager, City Attorney and Municipal Court Judge	Determined by City Council						
Assistant City Manager, Deputy City Manager, and Department Heads	Determined by City Manager						
Deputy City Attorney	72	\$89,667	\$43.1092	\$112,084	\$53.8865	\$134,501	\$64.6638
Assistant Police Chief	71	\$87,480	\$42.0577	\$109,350	\$52.5722	\$131,220	\$63.0866
	70	\$85,346	\$41.0319	\$106,683	\$51.2899	\$128,020	\$61.5479
	69	\$83,265	\$40.0312	\$104,081	\$50.0389	\$124,897	\$60.0467
Vice President - EDC	68	\$81,234	\$39.0548	\$101,542	\$48.8185	\$121,851	\$58.5822
	67	\$79,253	\$38.1022	\$99,066	\$47.6278	\$118,879	\$57.1533
Assistant City Attorney	66	\$77,320	\$37.1729	\$96,650	\$46.4661	\$115,979	\$55.7594
City Secretary	65	\$75,434	\$36.2662	\$94,292	\$45.3328	\$113,151	\$54.3994
Assistant Fire Chief	65						
Assistant Director of Engineering	65						
Assistant Director, Finance	64	\$73,594	\$35.3817	\$91,992	\$44.2271	\$110,391	\$53.0726
Capital Projects, Assistant Director	64						
City Planner	64						
Assistant City Engineer	63	\$71,799	\$34.5187	\$89,749	\$43.1484	\$107,698	\$51.7781
Assistant Director, Public Works	63						
	62	\$70,048	\$33.6768	\$87,560	\$42.0960	\$105,072	\$50.5152
Assistant Director, Parks & Recreation	61	\$68,339	\$32.8554	\$85,424	\$41.0693	\$102,509	\$49.2831
Budget Officer	60	\$66,672	\$32.0541	\$83,341	\$40.0676	\$100,009	\$48.0811
Building Official	60						
Director, Marketing (EDC)	60						
Manager, Information Technology	60						
Manager, Facilities	60						
Fire Marshal	60						
Emergency Management Coordinator	60						
Purchasing Officer	60						
	59	\$65,046	\$31.2723	\$81,308	\$39.0903	\$97,569	\$46.9084
Associate City Attorney	58	\$63,460	\$30.5095	\$79,325	\$38.1369	\$95,190	\$45.7643
Planner, Senior	58						
Manager, Project	57	\$61,912	\$29.7654	\$77,390	\$37.2067	\$92,868	\$44.6481
Municipal Court Prosecutor	57						
Accounting Supervisor	56	\$60,402	\$29.0394	\$75,502	\$36.2993	\$90,603	\$43.5591
Financial Analyst	56						
Manager, Animal Control	56						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Manager, GIS	55	\$58,929	\$28.3311	\$73,661	\$35.4139	\$88,393	\$42.4967
System Administrator	55						
Municipal Court Administrator	55						
Manager, Sales and Event (CVB)	55						
Manager, Water Billing & Collection	55						
HR Manager	55						
Risk Manager	55						
Superintendent	54	\$57,491	\$27.6401	\$71,864	\$34.5502	\$86,237	\$41.4602
Senior Budget Analyst	54						
Manager, Acquisition	53	\$56,089	\$26.9660	\$70,112	\$33.7075	\$84,134	\$40.4490
Planner, Associate	52	\$54,721	\$26.3083	\$68,402	\$32.8853	\$82,082	\$39.4624
Budget Analyst	52						
Senior Accountant	52						
GIS Specialist	52						
Management Assistant	52						
Crime Analyst	52						
Grants Coordinator	52						
HR Business Partner	52						
Manager, Traffic	52						
Development Coordinator	52						
Manager, Sales and Event (CVB)	51	\$53,387	\$25.6666	\$66,733	\$32.0833	\$80,080	\$38.4999
Deputy Fire Marshal	50	\$52,084	\$25.0406	\$65,106	\$31.3007	\$78,127	\$37.5609
Jail Division Supervisor	50						
Police Support Services Supervisor	50						
Staff Accountant	50						
Construction Inspector, Chief	49	\$50,814	\$24.4298	\$63,518	\$30.5373	\$76,221	\$36.6448
Associate Engineer	49						
Emergency Management Planner	48	\$49,575	\$23.8340	\$61,968	\$29.7925	\$74,362	\$35.7510
Fire Inspector/Investigator	48						
Health & Environmental Services Supervisor	48						
Safety & Risk Coordinator	48						
Manager, Resource Development	48						
Planner	48						
Manager, Marketing (CVB)	48						
Deputy City Secretary	47	\$48,366	\$23.2527	\$60,457	\$29.0659	\$72,548	\$34.8790
Executive Assistant	47						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Assistant Manager	46	\$47,186	\$22.6855	\$58,982	\$28.3569	\$70,779	\$34.0283
Recruitment Coordinator	46						
Training & Development Coordinator	46						
Plans Examiner	46						
Building Inspector	45	\$46,035	\$22.1322	\$57,544	\$27.6653	\$69,053	\$33.1984
Police Telecommunications Coordinator	45						
Humane Officer, Senior	45						
Aquatics Supervisor	44	\$44,912	\$21.5924	\$56,140	\$26.9905	\$67,368	\$32.3886
Recreation Program Coordinator	44						
Senior Center Supervisor	44						
Special Events Coordinator	44						
Communications Specialist	44						
Building Maintenance Supervisor	44						
Park Supervisor	44						
Construction Inspector	44						
Engineering Technician	44						
Maintenance Supervisor	44						
Treatment Plant Supervisor	44						
Pre-Treatment Coordinator	44						
Backflow Compliance Manager	44						
Crime Victim Liaison	44						
Multimedia Specialist	44						
Addressing Coordinator	44						
IT Support Specialist	43	\$43,817	\$21.0658	\$54,771	\$26.3322	\$65,725	\$31.5987
Project Coordinator	43						
Vol Fire Recruit/Retention Coordinator	43						
Buyer	42	\$42,748	\$20.5520	\$53,435	\$25.6900	\$64,122	\$30.8280
Payroll Specialist	42						
Chief Mechanic	42						
Therapeutic Recreation Specialist	42						
Public Works Infrastructure Liaison	41	\$41,705	\$20.0507	\$52,132	\$25.0634	\$62,558	\$30.0761
Telecommunications Operator, Lead	41						
Lead Jailer	41						
Urban Forester	41						
Accounts Payable Supervisor	40	\$40,688	\$19.5617	\$50,860	\$24.4521	\$61,032	\$29.3425
Community Outreach Coordinator	40						
Legal Secretary	40						
Office Supervisor	40						
Customer Service Supervisor	40						
Volunteer Coordinator	40						
Facility Supervisor	40						
Electrician	39	\$39,696	\$19.0846	\$49,620	\$23.8557	\$59,544	\$28.6268
Telecommunications Operator, Intermediate	39						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
GIS Technician	38	\$38,728	\$18.6191	\$48,410	\$23.2739	\$58,092	\$27.9286
Planning Technician	38						
Maintenance Crew Leader	38						
Utility Maintenance Technician, Senior	38						
Treatment Plant Operator II	38						
Program Specialist	38						
Recreation Program Coordinator, Assistant	38						
Recreation Specialist	38						
HR Assistant	38						
Utility Field Service Technician, Lead	38						
Videographer / Editor	38						
Code Enforcement / Health Officer	37	\$37,783	\$18.1650	\$47,229	\$22.7062	\$56,675	\$27.2474
Crime Victim Specialist	37						
Humane Officer	37						
Animal Shelter Supervisor	37						
Jailer	37						
Telecommunications Operator, Basic	37						
Administrative Assistant	36	\$36,862	\$17.7219	\$46,077	\$22.1524	\$55,292	\$26.5829
Chief Court Clerk	36						
Juvenile Case Manager	36						
Building Maintenance Technician	36						
Traffic Signal Technician	36						
Park Maintenance Crew Leader	35	\$35,963	\$17.2897	\$44,953	\$21.6121	\$53,944	\$25.9345
Police Cadet	35						
Treatment Plant Operator I	34	\$35,085	\$16.8680	\$43,857	\$21.0850	\$52,628	\$25.3020
Utility Maintenance Technician	34						
CCTV Technician	34						
Pre-Treatment Technician	34						
Property Room Technician	33	\$34,230	\$16.4566	\$42,787	\$20.5707	\$51,344	\$24.6848
Quartermaster	33						
Custodial Crew Leader	32	\$33,395	\$16.0552	\$41,743	\$20.0690	\$50,092	\$24.0828
Mechanic	32						
Records and Information Coordinator	32						
Traffic Signal Technician, Trainee	32						
	31	\$32,580	\$15.6636	\$40,725	\$19.5795	\$48,870	\$23.4954
Accounts Payable Clerk	30	\$31,786	\$15.2815	\$39,732	\$19.1019	\$47,678	\$22.9223
GIS/GPS Technician	30						
Heavy Equipment Operator	30						
Water & Sewer Equipment Operator	30						
Plans Expediter	30						
Police Records Clerk, Lead	30						
Utility Billing Specialist	30						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Deputy Court Clerk, Senior	29	\$31,010	\$14.9088	\$38,763	\$18.6360	\$46,516	\$22.3632
ROW Inspector	29						
Humane Officer, Trainee	29						
Animal Shelter Attendant	29						
Office Assistant, Senior	28	\$30,254	\$14.5452	\$37,818	\$18.1815	\$45,381	\$21.8178
Court Bailiff	27	\$29,516	\$14.1904	\$36,895	\$17.7380	\$44,274	\$21.2857
Utility Field Service Technician	27						
Equipment Operator	26	\$28,796	\$13.8443	\$35,995	\$17.3054	\$43,194	\$20.7665
Fleet Services Assistant	26						
Facility Attendant	26						
Records and Information Coordinator, Ass't	26						
Senior Center Shuttle Bus Driver	26						
Utility Maintenance Worker	26						
Deputy Court Clerk	25	\$28,094	\$13.5067	\$35,117	\$16.8833	\$42,141	\$20.2600
Customer Service Representative	24	\$27,409	\$13.1772	\$34,261	\$16.4715	\$41,113	\$19.7658
Permit Clerk	24						
Police Records Clerk	24						
Sign Technician	24						
	23	\$26,740	\$12.8558	\$33,425	\$16.0698	\$40,110	\$19.2838
Building Maintenance Worker	22	\$26,088	\$12.5423	\$32,610	\$15.6778	\$39,132	\$18.8134
Office Assistant	22						
Park Maintenance Worker	22						
Receptionist	22						
	21	\$25,452	\$12.2364	\$31,815	\$15.2955	\$38,177	\$18.3546
	20	\$24,831	\$11.9379	\$31,039	\$14.9224	\$37,246	\$17.9069
Custodian	19	\$24,225	\$11.6468	\$30,282	\$14.5584	\$36,338	\$17.4701
	18	\$23,634	\$11.3627	\$29,543	\$14.2034	\$35,452	\$17.0440
	17	\$23,058	\$11.0855	\$28,822	\$13.8569	\$34,587	\$16.6283
	16	\$22,496	\$10.8152	\$28,119	\$13.5190	\$33,743	\$16.2227
Water Safety Instructor	15	\$21,947	\$10.5514	\$27,434	\$13.1892	\$32,920	\$15.8271
Camp Coordinator	15						
	14	\$21,412	\$10.2940	\$26,764	\$12.8675	\$32,117	\$15.4410
	13	\$20,889	\$10.0430	\$26,112	\$12.5537	\$31,334	\$15.0644
	12	\$20,380	\$9.7980	\$25,475	\$12.2475	\$30,570	\$14.6970
Head Lifeguard	11	\$19,883	\$9.5590	\$24,853	\$11.9488	\$29,824	\$14.3385
Recycling Center Attendant	10	\$19,398	\$9.3259	\$24,247	\$11.6574	\$29,097	\$13.9888

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Lifeguard W/WSI	9	\$18,925	\$9.0984	\$23,656	\$11.3730	\$28,387	\$13.6476
	8	\$18,463	\$8.8765	\$23,079	\$11.0956	\$27,695	\$13.3148
Ballfield Attendant	7	\$18,013	\$8.6600	\$22,516	\$10.8250	\$27,019	\$12.9900
Fitness Attendant	7						
Lifeguard	7						
Camp Counselor	7						
Recreation Attendant	7						
	6	\$17,573	\$8.4488	\$21,967	\$10.5610	\$27,459	\$13.2012
	5	\$17,145	\$8.2427	\$21,431	\$10.3034	\$26,789	\$12.8793
	4	\$16,727	\$8.0417	\$20,908	\$10.0521	\$26,135	\$12.5651
	3	\$16,319	\$7.8455	\$20,398	\$9.8069	\$25,498	\$12.2587
	2	\$15,921	\$7.6542	\$19,901	\$9.5677	\$24,876	\$11.9597
	1	\$15,532	\$7.4675	\$19,416	\$9.3344	\$24,269	\$11.6680

**CITY OF PEARLAND
FIRE PAY PLAN
FY 2017**

Fire Certified Personnel (48/96)

Salary Range	Job Title	Rank	MINIMUM		MIDPOINT		MAXIMUM	
			2756 annual hours Annual	Hourly	2756 annual hours Annual	Hourly	2756 annual hours Annual	Hourly
F-1	Firefighter	Firefighter	\$47,277	\$17.1542	\$59,096	\$21.4428	\$70,916	\$25.7313
F-2	Driver/Operator Field Training Officer	Driver/Operator 2nd Lieutenant	\$52,185	\$18.9351	\$65,231	\$23.6688	\$78,278	\$28.4026
F-3	Lieutenant	Lieutenant	\$57,603	\$20.9009	\$72,004	\$26.1262	\$86,405	\$31.3514
F-4	Captain	Captain	\$65,137	\$23.6346	\$81,421	\$29.5433	\$97,706	\$35.4519
F-5	Battalion Chief	Battalion Chief	\$73,542	\$26.6843	\$91,928	\$33.3554	\$110,313	\$40.0265

Hourly rate or regular rate of pay based on 2756 Regular Hours (although scheduled for 2920 in total.)

Non-Fire Certified Personnel (48/96)

Salary Range	Job Title	Rank	MINIMUM		MIDPOINT		MAXIMUM	
			2080 annual hours Annual	Hourly	2080 annual hours Annual	Hourly	2080 annual hours Annual	Hourly
E-5	Paramedic	Paramedic	\$32,079	\$15.4226	\$40,099	\$19.2782	\$48,119	\$23.1339

Hourly rate or regular rate of pay based on 2080 Regular Hours (although scheduled for 2920 in total.)

Note: As the last employee in each "E" salary range is assigned to fire fighting duties or leaves the City the range will no longer exist.

Uniformed Administrative Personnel (40 hour work week)

Salary Range	Job Title	Rank	MINIMUM		MIDPOINT		MAXIMUM	
			2080 annual hours Annual	Hourly	2080 annual hours Annual	Hourly	2080 annual hours Annual	Hourly
F-6	Clinical Manager Training Captain	Captain	\$65,137	\$31.3159	\$81,421	\$39.1448	\$97,706	\$46.9738
F-7	Logistics Battalion Chief	Battalion Chief	\$73,542	\$35.3567	\$91,928	\$44.1959	\$110,313	\$53.0351

Hourly rate or regular rate of pay based on 2080 Regular Hours.

Paid Volunteer Fire Fighter (PVFF)

Salary Range	Job Title	Rank	MINIMUM		MIDPOINT		MAXIMUM	
			432 annual hours Annual	Hourly	Annual	Hourly	Annual	Hourly
VF-1	Firefighter	Firefighter		\$7.2500			\$9,525.00	
VF-2	Driver/Operator	Driver/Operator		\$8.0026			\$9,525.00	
VF-3	Lieutenant	Lieutenant		\$8.8333			\$9,525.00	
VF-4	Captain	Captain		\$9.9888			\$9,525.00	
VF-5	Battalion Chief	Battalion Chief		\$11.2776			\$9,525.00	

Maximum annual salary will not exceed the hourly rate times 999 hours or the Maximum annual amount shown, whichever comes first.

**CITY OF PEARLAND
CIVIL SERVICE PAY PLAN
FY 2017**

	0	1	2	3	4	5	6	7	8	9	10	11
Police	\$25,9085	\$26,6858	\$27,4863	\$28,3109	\$29,1603	\$30,0351	\$30,9361	\$31,8642	\$32,8201	\$33,8047	\$34,8189	\$35,8634
Officer	\$4,490.81	\$4,625.53	\$4,764.30	\$4,907.23	\$5,054.45	\$5,206.08	\$5,362.26	\$5,523.13	\$5,688.82	\$5,859.49	\$6,035.27	\$6,216.33
137*	\$53,889.71	\$55,506.40	\$57,171.59	\$58,886.74	\$60,653.34	\$62,472.94	\$64,347.13	\$66,277.55	\$68,265.87	\$70,313.85	\$72,423.26	\$74,595.96

	1st year	2nd year	3rd year	4th year	5th year	6th year
	\$36,9393	\$38,0475	\$39,1890	\$40,3646	\$41,5756	\$42,8228
Sergeant	\$6,402.82	\$6,594.90	\$6,792.75	\$6,996.53	\$7,206.43	\$7,422.62
19*	\$76,833.84	\$79,138.86	\$81,513.02	\$83,958.41	\$86,477.16	\$89,071.48

	1st year	2nd year	3rd year	4th year
	\$44,1075	\$45,4307	\$46,7937	\$48,1975
Lieutenant	\$7,645.30	\$7,874.66	\$8,110.90	\$8,354.23
6*	\$91,743.62	\$94,495.93	\$97,330.81	\$100,250.73

	1st year	2nd year	3rd year
	\$49,6434	\$51,1327	\$52,6667
Captain	\$8,604.85	\$8,863.00	\$9,128.89
3*	\$103,258.26	\$106,356.00	\$109,546.68

*Indicates number of authorized position in each classification.

Monthly longevity pay is received by the Classified Employees of the City of Pearland in accordance with the Local Government Code, Chapter 141.032.

When Classified Employee is eligible, shift differential pay is \$86.00 bi-weekly.

Those Police Officers and Sergeants assigned to the Criminal Investigation Division as Detective, such assignments at the discretion of the Chief, will receive \$100.00/bi-weekly assignment pay for the duration of the assignment.

All overtime for any classification shall be paid in accordance with applicable State and Federal law.

ORDINANCE NO. 1358-14

An Ordinance of the City Council of the City of Pearland, Texas, amending non-development usage and service fees; containing a savings clause, a severability clause, a repealer clause, declaring an emergency; providing for publication and an effective date.

WHEREAS, various departments of the City charge fees for usage, permits, and other services not related to development; and

WHEREAS, the organization of all such non-development fees into one ordinance enhances the efficiency of the fee amendment process and improves customer service; now, therefore,

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

Section 1. That the charges and fees contained in the attached Exhibit "A" are hereby adopted.

Section 2. **Savings.** All rights and remedies which have accrued in favor of the City under this Chapter and amendments thereto shall be and are preserved for the benefit of the City.

Section 3. **Severability.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.


Section 4. **Repealer.** All ordinances and parts of ordinances in conflict herewith are hereby repealed but only to the extent of such conflict.

ORDINANCE NO. 1358-14

Section 5. Emergency. Declaration of Emergency. The Council finds and determines that adopting non-development fees inures to the benefit of the public and, therefore, bears directly upon the health, safety and welfare of the citizenry; and that this ordinance shall be adopted as an emergency measure, and that the rule requiring this ordinance to be read on two (2) separate occasions be, and the same is hereby waived.


Section 6. Publication and Effective Date. The City Secretary shall cause this Ordinance, or its caption, to be published in the official newspaper of the City of Pearland, upon passage of such Ordinance. The Ordinance shall then become effective ten (10) days from and after its publication, or the publication of its caption, in the official City newspaper.

PASSED and APPROVED on FIRST AND ONLY READING this the 19th day of September, A. D., 2016.




TOM REID
MAYOR

ATTEST:



YOUNG LORFING, TRMCEZ
CITY SECRETARY



VOTING RECORD FIRST AND ONLY READING

September 19, 2015


Voting "Aye" - Councilmembers Moore, Carbone, Reed, Ordeneaux, Hill and Perez.
Voting "No" - 0.
Motion passes 6 to 0.

PUBLICATION DATE: September 28, 2016

EFFECTIVE DATE: October 7, 2016

PUBLISHED AS REQUIRED BY SECTION 3.10 OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS

APPROVED AS TO FORM



DARRIN M. COKER
CITY ATTORNEY

FEE SCHEDULE

EMS

Ambulance Application Fee	\$250.00
Ambulance Permit Fee	\$100.00

FIRE

Re-inspection Fees

Initial and 1 st Re-inspection	\$ 0.00
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
Crafted Precious Metal Dealer License fee	\$100.00 annually
Alarm Permit:	
Residential	Rates provided in
Commercial	Ordinance No 569-3
False Alarm Fee:	
Police Department (per occurrence after 5 per yr)	Rates provided in
Fire Department (per occurrence after 5 per yr)	Ordinance No 569-3

UTILITY BILLING

Delinquent Fees:

First Time Reconnect	\$ 30.00
Subsequent Reconnect Charges	\$ 50.00
“Red Flag” Identity Report	\$ 3.00
Connect Fee	\$ 30.00
Deposits:	
Commercial	\$200.00 + 2 mo. garbage
Residential Owner	\$100.00

Residential	
Renter-low risk rating	\$150.00
Renter-medium/high risk rating	\$225.00
Residential Garbage Only	\$ 50.00
Commercial Garbage Only	2 mo. garbage
Additional deposit for services terminated twice within six months	
Residential	\$ 75.00
Commercial	\$ 150.00 + 1 mo. garbage
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	\$ 60.00
1" Meter	\$ 85.00
1 1/2" Meter	\$100.00
2"- 8" Meters	\$150.00
8" and above Meters	\$200.00
Same Day New Service Connections	\$100.00
Containment Traps	\$100.00/year
Including but not limited to grease, grit, grass, oil, lint and other contaminants.	
Meter Inspection:	
Initial	\$ 35.00
Re-inspection	\$ 35.00
Temporary Fire Hydrant Meter	\$1,500.00
(\$75.00 non-refundable)	
Temporary Fire Hydrant Location Change	\$ 50.00

Additional Recycling Cart	\$ 60.00
Temporary Connect/Disconnect Fee	\$ 10.00
Temporary Water/Sewer Service for Residential Landlords/Property Managers	\$50 for ten days, up to 2,000 gallons and connection

Water Base Charges

Single Unit (by Meter Size)

5/8"	\$ 12.63
3/4"	\$ 18.95
1"	\$ 31.58
1 1/2"	\$ 63.16
2"	\$ 101.06
3"	\$ 189.48
4"	\$ 315.80
6"	\$ 631.60
8" (6 x 8)	\$1,010.56
10"	\$1,452.68

Multi-Unit \$11.48

Water Volume

Residential

0 - 2,000 gallons	in base
2,001 - 6,000	\$ 3.57
6,001 – 15,000	\$ 4.46
15,001 – 25,000	\$ 5.36
25,001+	\$ 7.14

Commercial/Multi-Unit

0 – 2,000	in base
2,001+	\$ 4.46

Landscape

0 – 2,000	in base
2,001+	\$ 5.36

Sewer Base Charges

Inside City (by Meter Size)

5/8"	\$ 19.60
3/4"	\$ 29.39
1"	\$ 48.99
1 1/2"	\$ 97.98
2"	\$ 156.76
3"	\$ 293.93
4"	\$ 489.88

6"	\$ 979.75
8" (6 x 8)	\$1,567.61
10"	\$2,253.44

Sewer Volume

0 - 2,000	in base
All Users	\$ 4.59

Residential Wastewater Cap

Standardized monthly billing amount (gallons) to be based on the average consumption of the months of December, January, February, which are typically billed in Jan, Feb, Mar, not to exceed 12,000 gallons. Wastewater Cap would be adjusted each April.

New Residents

Default billing amount (gallons) of 6,000 gallons

Billing Adjustments

Water adjustments may be given for leaks, excluding irrigation leaks for all customers. Residential customer sewer rates are adjusted as set by the Winter Quarter Average. See Ordinance 870-6

Customer without metered water

Default billing amount (gallons) of 10,000.

Customer outside City Limits

All charges for water and sewer service are at a rate of 1 ½ times that existing in the City.

Sewer Use Credit Program

Application Fee	\$500.00
Monthly Administrative Charge	\$ 50.00
Annual Testing Fee	See Above

If repairs are needed, in addition to the testing fee, there will be charges for labor and parts, plus retesting fee of \$75.00

Accounts opened for the purpose of the sewer use credit for sub-metering will not be required to put down a deposit nor billed water or sewer rates.

FINANCE

NSF or Returned Check/Credit Card Fee	\$ 25.00
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ENGINEERING

Grading Permit	\$125.00
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PUBLIC WORKS

Water/Sewer Tap	Actual Cost, not less than \$250
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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 -Charge	\$ 20.00
LB -Late Hours Mixed Beverage	\$150.00
RM - Mixed Beverage Restaurant	\$750.00

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
Collars	\$ 3.00
Micro-chip implant included pet registration	\$ 25.00
Includes pet registration	
T-shirts	\$ 7.00
Hats	\$ 7.00

PARKS & RECREATION

Non-resident fees for Household & Hazardous Waste	\$80 per 100 pounds
Non-resident fees for Electronic Waste	\$20 per 100 pounds

Non-resident fees Programs and Leagues

Resident Fee	Non-resident fee
Cost less 20% discount	Program Cost

*Flat rate schedule for league registration; no discounts apply.

Non-resident fee for Senior Center	\$ 50.00 per year
Resident fee for Senior Center	\$ 25.00 per year
Transportation fees for the Melvin Knapp Senior Center (Specialty Trip)	\$ 2.00 round-trip
Banner Installation Fee	\$300.00
Special Event Permit Fee	\$ 50.00

Deposits

Centennial Park Pavilions	\$ 50.00
Southdown Park Pavilion	\$ 50.00
Independence Park Large Pavilion	\$200.00
Independence Park Barbeque Shelter	\$100.00
Independence Park Swimming Pool	\$100.00
Gazebo at City Hall	\$ 50 .00
Westside Event Center Meeting Room	\$140.00
Westside Event Center Banquet Hall	\$140.00
Community Center	\$140.00
Banner Installation	\$ 50.00

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

Rental Fees

Outdoor

<i>Facility</i>	<i>1/2 Day</i>		<i>Full Day</i>	
	<i>Resident</i>	<i>Non-Resident</i>	<i>Resident</i>	<i>Non-Resident</i>
Centennial Park Pavilion	\$60.00	\$90.00	\$120.00	\$180.00
Southdown Park Pavilion	\$60.00	\$90.00	\$120.00	\$180.00
Independence Park Large Pavilion	\$180.00	\$270.00	\$360.00	\$540.00
Independence Park BBQ Shelter	\$90.00	\$135.00	\$180.00	\$270.00
Gazebo at City Hall			\$30.00	\$60.00

Indoor

<i>Facility</i>	<i>Non-profit</i>	<i>Resident</i>	<i>Non-Resident</i>
Westside Event Center Meeting Room	\$50.00/hr	\$60.00/hr	\$70.00/hr
Westside Event Center Banquet Hall	\$60.00/hr	\$85.00/hr	\$95.00/hr
Community Center	\$37.50/hr	\$65.00/hr	\$85.00/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
Hourly Usage		
	Resident	Non-Resident
Field Fee	\$15.00	\$30.00
Utility Fee	\$15.00	\$15.00

Recreation Center and Natatorium

Initiation Fee, for all

\$ 32.00

Annual Membership with Contract		
Category	Resident	Non-Resident*
Adult	\$330.00	\$495.00
Additional Person	\$165.00	\$247.50
Active Adult	\$231.00	\$346.50
Additional Active Adult	\$110.00	\$165.00
Household	\$660.00	\$990.00
Natatorium Only		
Individual	\$220.00	\$330.00
Household	\$440.00	\$660.00

* Non-Resident Fee = resident rate + 50%

Monthly Membership without Contract		
Category	Resident	Non-Resident*
Adult	\$35.20	\$52.80
Additional Person	\$17.60	\$26.40
Active Adult	\$24.20	\$36.50
Additional Active Adult	\$12.10	\$18.70
Household	\$69.30	\$104.50
Natatorium Only		
Individual	\$23.10	\$35.20
Household	\$46.20	\$69.30

* Non-Resident Fee = resident rate + 50%

**Monthly Fee = annual divided by 12 + 50%

Recreation Center and Natatorium Membership includes facilities, drop in child care, basic health and fitness classes.

Natatorium Only membership includes access to the natatorium only.

Trial Membership (one time per individual)

\$ 30.00 for 30 days

Locker Rentals (maximum rentals – 10 lockers in each locker room)

 Annual

\$100.00

 Monthly

\$ 10.00

Group Exercise Punch Card (20 punches)

\$ 50.00

Daily Fees

 18+ years of age

\$ 8.00

 12 – 17 years of age

\$ 5.00

 3 – 11 years of age

\$ 3.00

 Family

\$ 12.00

 Child Care

\$ 5.00

Definitions

Individual	12-59 years old
Active Adult	60+ years old
Household	Up to 5 people residing in the same home
Additional Person	addition to an existing membership/fee. Must reside in the same house as primary
Child	3-11 years old
Family	Limit of 5 people and maximum 2 adults

Recreation Center Rental Rates

	Non-Profit	Member	Resident Non-Member	Non-Resident Non-Member	Minimum Hours
Entire Facility	\$225.00/hour	\$450.00/hour	\$675.00/hour	\$900.00/hour	5 hours
One Full Court					
Hourly	\$40.00/hour	\$80.00/hour	\$120.00/hour	\$160.00/hour	3 hours
Daily	\$400.00/day	\$800.00/day	\$1,200.00/day	\$1,600.00/day	5 hours
Entire Gym					
Hourly	\$80.00/hour	\$160.00/hour	\$240.00/hour	\$320.00/hour	5 hours
Daily	\$800.00/day	\$1,600.00/day	\$2,400.00/day	\$3,200.00/day	5 hours
One Multipurpose/ Activity Room	\$33.00/hour	\$65.00/hour	\$98.00/hour	\$130.00/hour	3 hours
Entire Multipurpose/ Activity Room	\$65.00/hour	\$130.00/hour	\$195.00/hour	\$260.00/hour	3 hours

Kidz Korner, The Zone, Gymnasium, Multipurpose Room, Track, Activity Room, Racquetball Courts, 2nd floor café are

*Day = 12 hours

**Non-athletic events in the gymnasium will result in the following fees:

Floor covering \$100.00/court per day

Security

Number Participants	COP Security Fee (paid directly to officer at beginning of event)	COP Custodial Fee	Event Staff
< 75	1 @ \$30.00/hour when admission charged	\$100.00/day	\$50.00
75 - 200	1 @ \$30.00/hour when admission charged	\$200.00/day	\$50.00
251 - 500	2 @ \$30.00/hour	\$350.00/day	\$100.00
501 - 1,000	2 @ \$30.00/hour	\$450.00/day	\$150.00
> 1,000	2 @ \$30.00/hour	\$600.00/day	\$200.00
COP P & R Aquatics Supervision (CPO/AFO) Fee (500+ events only)			\$100.00 or \$250.00/day
Day Timing System (one system) (If operator is included then additional staff charges will apply)			\$200.00/day
Events Requiring 50-meter configuration will require an additional set-up fee			\$150.00

Special Note: 2 parking lot attendants are required for all events with an anticipated 500+ total attendance. Attendants are paid directly at \$15 per hour.

* Custodial fee includes the additional cleaning supplies and inventory to support the rental as well as any staff needed to manage the cleaning of restrooms, trash, stands, etc.

**For large rental/meets (over 500+) an additional "Extra Heavy Cleanup/Restoration Fee" of \$250.00 will be assessed.

Health

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

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

Foster homes	\$50.00
Prepackaged Only	\$150.00
Mobile Units	\$225.00
Additional units	\$225.00
Produce Vendor	\$100.00
Schools / Daycares	\$125.00
Temporary fees for Special Events	\$35.00
Pre-opening inspection fee	\$100.00
Re-inspection Fee for failing initial inspection	\$75.00

GLOSSARY

A

ABATEMENT – A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to tax levies, special assessments and service charges.

ACCOUNT – A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.

ACCOUNTS PAYABLE – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNT RECEIVABLE – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government.

ACCOUNTING SYSTEM – The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL ACCOUNTING – A basis of accounting in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred instead of when cash is actually received or spent.

ACCRUED INTEREST – Interest that has been earned and recorded, but has not been received.

AD VALOREM TAX – A tax based on value of land and improvements (property tax).

AGENDA – A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the open meetings act.

APPROPRIATION – An authorization granted by City Council to make expenditures and to incur obligations for a specific purpose. Usually limited in amount and as to the time when it may be expended.

ARBITRAGE – With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn positive arbitrage in connection with tax-exempt bonds.

ASSESSED VALUATION – A valuation set upon real estate or other property by government as a basis for levying taxes.

ASSETS – Property owned by a government, which has economic value, especially which could be converted to cash.

AUDIT – A standardized, systematic and independent examination of data, statements, records, operations and performances of an enterprise for the purpose of examining for compliance with standardized procedures for managing cash on hand, receipts, payments, investments, and other allocations of monetary resources, capital assets or the use of personnel time and expertise.

B

BALANCE SHEET – A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

BALANCED BUDGET – Total recurring expenditures for any fiscal year shall not exceed total recurring revenues for that same fiscal year.

BOND – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

BOND REFERENDUM – A bond referendum is an opportunity for voters to decide if the city will be authorized to borrow funds to address specific capital project needs for which ad valorem taxes are pledged for repayment.

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term is also sometimes used to denote the officially approved expenditure ceiling under which a government and its departments operate.

BUDGET CALENDAR – The schedule of key dates or milestones, which a government follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget making authority to present a comprehensive financial program to the appropriating governing body.

BUDGET INSTRUCTIONS – The guidance document produced by the City's financial management unit, for use by departmentally-authorized personnel, establishing the annual practices and procedures for developing and submitting a proposed budget for approval by the City's governing body.

BUDGET MESSAGE – A general discussion of the adopted budget presented in writing as a part of or supplement to the budget document.

BUDGETARY CONTROL – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within limitations of available appropriation and available revenues.

BUILT ENVIRONMENT – Human-made (vs natural) improvements such as infrastructure, buildings, parks, etc.

C

CAPITAL ASSETS – Long-term assets, such as buildings, equipment, and infrastructure, intended to be held or used in operations.

CAPITAL PROJECTS – Acquisition or construction of major capital facilities.

CAPITAL IMPROVEMENT PROGRAM – A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAY – Expenditures for the acquisition of capital assets.

CAPITAL PROJECT FUNDS – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

CARRYOVER – Expenditures budgeted in one year for materials, equipment programs, etc., but not spent until the following fiscal year. Funding for non-recurring expenditures can carry over to the following fiscal year if approved by the City Manager and City Council. City Council formally amends the budget to approve carryover funding. Revenues can also carryover if they were anticipated in one fiscal year but not received until the following year.

CASH BASIS – A method of accounting in which revenues and expenses are recognized and recorded when received, not necessarily when earned.

CERTIFICATE OF DEPOSIT – A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

CERTIFICATE OF OBLIGATION – A debt instrument that is issued by the City and has the same legal status as a general obligation bond. Proceeds from the issuance of the certificates may be used for the construction of public works or payment of contractual obligations for professional services. These certificates do not require voter approval.

CHARTER – Written instrument setting forth principles and laws of government within boundaries of the City.

CHART OF ACCOUNTS – The classification system used by the City to organize the accounting for various funds.

CHECK – A bill of exchange drawn on a bank and payable on demand.

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

CONSUMER PRICE INDEX (CPI) – The monthly data on the changes in the prices paid by urban consumers for a representative basket of goods and services.

CONTINGENCY – Funds set aside in a reserve account for major expenditures or for emergencies.

COST – The amount of money or other consideration exchanged for property or services. Costs may be incurred even before money is paid; that is, as soon as a liability is incurred. Ultimately, however, money or other consideration must be given in exchange.

CURRENT ASSETS – Cash and other assets expected to be converted to cash, sold, or consumed either in a year or in the operating cycle.

CURRENT LIABILITIES – Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded within one year.

DEBT SERVICE FUND – A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal interest, and related costs. Also called a Sinking Fund.

DEFICIT – The excess of expenditures over revenues during an accounting period; or in the case of Enterprise and Intra-governmental Service Funds, the excess of expense over income during an accounting period.

DEPARTMENT – A distinct, usually specialized division of a large organization. A principal administrative division of a government normally under the oversight of an Executive Director, Assistant City Manager or City Manager.

DELINQUENT TAXES – Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached.

DEPRECIATION – A non-cash expense that reduces the value of an asset as a result of wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

DEVELOPER REIMBURSEMENT – Reimbursement to a developer from the City for infrastructure developed on behalf of the City.

E

EFFECTIVE TAX RATE – The tax rate required to generate the same amount of revenue as in the preceding year on the same properties.

ENTERPRISE FUND – A fund used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The significant characteristic of Enterprise Funds is that the accounting system must make it possible to show whether the activity is operated at a profit or loss, similar to comparable private enterprises. Thus, the reports of enterprise funds self-contained and creditors, legislators or the general public can evaluate the performance of the municipal enterprise on the same basis as they can the performance of investor-owner enterprises in the same industry.

EXPENDITURES – Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

EXTRATERRITORIAL JURISDICTION (ETJ) – The land bordering a City's limits that the City has limited control over but does not furnish City services to nor collect ad valorem taxes from. This is an area outside of City limits that is subject to annexation.

F

FIDUCIARY FUND – A fund used to account for assets held in trust by the City for the benefit of individuals or other entities and is responsible for handling the assets placed under its control.

FISCAL YEAR – A twelve-month period of time to which the annual budget applies, and at the end of which, the City determines its financial position and results of operations.

FIXED ASSETS – Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, and improvements other than land.

FRANCHISE – A special privilege granted by a government, permitting the continued use of public property, such as City streets, and usually involving the elements of monopoly and regulation.

FULL-TIME EQUIVALENT (FTE) – One full-time equivalent works 2,080 hours a year; a person working 1,040 hours per year is equivalent to 0.5 FTE.

FUND – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objective.

FUND BALANCE – The excess of an entity's assets over its liabilities.

FUND BALANCE POLICY – A minimum fund balance that is required to be kept in reserve as defined in financial policy statements. Fund balances over the policy requirements may be appropriated in the budget.

G

GENERAL FIXED ASSETS – Capital assets that are not assets of any particular fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental (as opposed to proprietary or fiduciary) funds.

GENERAL FUND – The General Fund is the general operating fund of the City. It is used to account for the resources devoted to finance the services traditionally associated with local government, except those activities that are required to be accounted for in another fund. Transactions are recorded on the modified accrual basis.

GENERAL OBLIGATION BONDS – When a government pledges its full faith and credit to the payment of the bonds it issues, those bonds are general obligation bonds.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting.

GOVERNMENTAL FUNDS – Funds generally used to account for tax-supported activities. The acquisition, use and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects and Debt Service).

GRANTS – A contribution by one government unit to another. The contribution is usually made to aid in the support of a specific function, purpose, activity or facility.

GULF COAST WATER AUTHORITY – Created by the State Legislature in 1965, its main mission is to acquire water supplies, store, transport, treat and purify, sell and deliver water, both surface and underground, for industry, agriculture and municipalities in Brazoria, Fort Bend, and Galveston Counties.

I

IMPACT FEES – Fees charged to developers to cover in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

INCOME – A term used in proprietary fund-type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

INFRASTRUCTURE - Fixed assets that are immovable and have value only to the governmental unit. Common examples of infrastructure include roads, sidewalks, bridges and streetlights.

INTERGOVERNMENTAL REVENUE – Revenue received from another governmental unit for a specific purpose.

INTERNAL SERVICE FUND – Internal Service Funds are used to account for the financing of goods or services provided by one fund or department to another fund or department on a cost reimbursement basis.

ISO RATING – The Insurance Service Office (ISO) performs surveys to assist insurance organizations with setting up the insurance ratings for the communities. The ISO will perform a survey to assign a public protection grade to each fire department, which is used in the development of insurance rates for all properties within the protected area. Grading starts at 1, which is the best possible score and ends at 10, which is considered unacceptable.

L

LEASE/PURCHASE – A financing tool utilized to fund large capital outlays where the city may not have cash immediately available for purchase. This arrangement allows the city to use the item while payments are being made.

LEDGER – A group of accounts in which are recorded the financial transactions of a governmental unit or other organization.

LEVY – To impose taxes or special assessments. The total of taxes or special assessments imposed by a governmental unit.

LIABILITIES – Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

LONG-TERM DEBT – Debt with a maturity of more than one year after date of issuance.

M

MODIFIED ACCRUAL BASIS – The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

MUNICIPAL UTILITY DISTRICT (MUD) – A special district whose purpose is to provide water and sewer services to the residences and businesses within its boundaries. The district has ad valorem taxing power and can issue bonds to pay for construction and improvements to the district's system. Districts are typically established in unincorporated areas, but can also lie within the boundaries of one or more cities.

N

NOTE PAYABLE – An unconditional written promise signed by the maker, to pay a certain sum in money on demand or at a fixed or determinable future time, either to the bearer or to the order of a person designated.

O

OPERATING BUDGET – Plans of current expenditures and the proposed means of financing them.

ORDINANCE – A formal legislative enactment by the governing body of a municipality.

ORGANIZATIONAL UNIT – A responsibility center within a government.

P

PERFORMANCE MEASURES – Specific quantitative measures of work performed within an activity or program. They may also measure results obtained through an activity or program.

PERSONNEL SERVICES – The costs associated with compensating employees for their labor (salaries, wages, insurance, payroll taxes, and retirement contributions).

PROJECTION – A forecast of future trends in the operation of financial activities done through the remainder of the fiscal year to gain a better picture of the City's finances. The projections are adopted as the revised budget during the budget adoption process.

PROPERTY INSURANCE FUND – Accounts for the activities of the city's property and casualty insurance.

PROPERTY TAX – An annual or semi-annual tax paid to one or more governmental jurisdictions based on the real and personal property's assessed valuation and the tax rate, done in compliance with the State Property Tax Code.

PROPRIETARY FUND – A governmental accounting fund having profit and loss aspects; therefore, it uses the accrual rather than modified accrual accounting method. The two types of proprietary funds are the Enterprise Fund and the Internal Service Fund.

PURCHASE ORDER – A document issued to authorize a vendor or vendors to deliver specified merchandise or render a specified service for a stated estimated price.

R

RATINGS – Designations used by credit rating agencies to give relative indications of credit quality. Municipal bonds rated Baa or BBB and above are considered to be investment-grade.

REFUNDING BONDS – Bonds issued to retire bonds already outstanding.

RESERVE – An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

RETAINED EARNINGS – The accumulated earnings of an enterprise or internal service fund which have been retained in the fund and which are not reserved for any specific purpose.

REVENUES – The term designates an increase to a fund's assets. An item of income.

REVENUE BONDS – Bond whose principal and interest are payable exclusively from earnings of an enterprise fund.

ROLLBACK RATE – A taxing unit's rollback tax rate is a calculated rate that divides the overall property taxes into two categories - M&O and debt service. If a unit adopts a tax rate that is higher than the rollback rate, voters in the unit can circulate a petition calling for an election to limit the size of the tax increase.

S

SALARIES & WAGES – Fixed compensation paid to employees for work or services provided.

SALES TAX – A state tax of 6.25% is imposed on all retail sales, leases and rentals of most goods, as well as taxable services. Texas cities and counties have the option of imposing additional local sales taxes for a combined total of state and local taxes of 8.25%.

SHORT-TERM DEBT – Debt with a maturity of one year or less after the date of issuance.

SPECIAL ASSESSMENT – Used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

SPECIAL REVENUE FUNDS – Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

STRUCTURAL IMBALANCE – In the budgetary process of matching ongoing expenditures with ongoing revenues, a condition that occurs when expenditures exceed revenues.

I

TAX LEVY – The total amount to be raised by general property taxes for intentions specified in the Tax Levy Ordinance.

TAX LEVY ORDINANCE – An ordinance through which taxes are levied.

TAX RATE – The rate at which a municipality may levy a tax. Tax levied for each \$100 of assessed valuation. The amount of tax stated in terms of a unit of the tax base.

TAX ROLL – The official list showing the amount of taxes levied against each taxpayer or property.

TAXES – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

V

VENDOR – The seller of merchandise or services.

VOUCHER – A document, which evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.

W

WORK ORDER – A written order authorizing and directing the performance of a certain task and issued to the person who is to direct the work.

WORKING CAPITAL – A financial metric which represents operating liquidity available to an organization or governmental entity. Net Working Capital is calculated as current assets minus current liabilities.

Y

YIELD – The rate earned on an investment based on the price paid for the investment, the interest earned during the period held and the selling price or redemption value of the investment.

ACRONYMS

<u>ACM</u> – Assistant City Manager	<u>FF</u> – Firefighter
<u>ACS</u> – American Community Survey	<u>FF&E</u> – Furniture, Fixtures & Equipment
<u>ADA</u> – Americans with Disabilities Act of 1990	<u>FIRMS</u> – Flood Insurance Rate Maps
<u>AISD</u> – Alvin Independent School District	<u>FLSA</u> – Fair Labor Standards Act
<u>BCLS</u> – Brazoria County Library System	<u>FM</u> – Farm-to-Market Road
<u>CAFR</u> – Comprehensive Annual Financial Report	<u>FOIA</u> – Freedom of Information Act of 1966
<u>CDBG</u> – Community Development Block Grant	<u>FOG</u> – Fats Oil Grease
<u>CH</u> – City Hall	<u>FS</u> – Fire Station
<u>CIP</u> – Capital Improvement Program	<u>FT</u> – Full-Time
<u>CM</u> – City Manager	<u>FTE</u> – Full-Time Equivalent
<u>CO's</u> – Certificates of Obligation and Certificates of Occupancy	<u>FY</u> – Fiscal Year
<u>CPA</u> – Certified Public Accountant	<u>GAAP</u> – Generally Accepted Accounting Principles
<u>CPAP</u> – Continuous Positive Airway Pressure	<u>GASB</u> – Governmental Accounting Standards Board
<u>CPI</u> – Consumer Price Index	<u>GF</u> – General Fund
<u>CPR</u> – Cardiopulmonary Resuscitation	<u>GFOA</u> – Government Finance Officers Association of the United States and Canada
<u>CR</u> – County Road	<u>GIS</u> – Geographical Information Systems
<u>CVB</u> – Convention and Visitors' Bureau	<u>GO's</u> – General Obligation Bonds
<u>DCM</u> – Deputy City Manager	<u>GCWA</u> – Gulf Coast Water Authority
<u>DDACTS</u> – Date Driven Approaches to Crime and Traffic Safety	<u>GPS</u> – Global Positioning System
<u>DS</u> – Debt Service	<u>HERO</u> – Housing Enforcement & Rehab Opportunity
<u>DWI/DUI</u> – Driving While Intoxicated/Driving Under the Influence	<u>HGAC</u> – Houston-Galveston Area Council
<u>EDC</u> – Economic Development Corporation	<u>HHW</u> – Household Hazardous Waste
<u>EMPG</u> – Emergency Management Program Grant	<u>HIDTA</u> – High Intensity Drug Trafficking Area
<u>EMS</u> – Emergency Medical Services	<u>HR</u> – Human Resources
<u>EMT</u> – Emergency Medical Technician	<u>HTE</u> – Harward Technology Enterprise (The City's previous ERP, by Sungard)
<u>ERP</u> – Enterprise Resource Planning	<u>HUD</u> – Housing and Urban Development
<u>ESL</u> – English as a Second Language	<u>HVAC</u> – Heating, Venting & Air Conditioning
<u>ETJ</u> – Extra Territorial Jurisdiction	<u>ICC</u> – International Code Council
	<u>I&I</u> – Inflow and Infiltration

IS – Information Systems

ISO – Insurance Service Office

IT – Information Technology

ITS – Intelligent Traffic System

JAT – Job Assessment Tool

JHEC – John Hargrove Environmental Complex

KPB – Keep Pearland Beautiful

LF – Linear Feet

LKMD – Lower Kirby Management District

LS – Lift Station

LTD – Limited

LUCAS – Lund University Cardiac Arrest System

M – Millions

MDT – Mobile Data Terminal

MGD – Million Gallons per Day

MHI – Median Household Income/Mitsubishi Heavy Industries

MSA – Metropolitan Statistical Area

MUD – Municipal Utility District

NIC – Net Interest Costs

NWS – New World Systems (The City’s new ERP)

O&M – Operations & Maintenance

P&Z – Planning & Zoning

PC - Personal Computer

PCI – Pavement Condition Index

PD – Police Department

PEDC – Pearland Economic Development Corporation

PEG – Public, Educational and Government Channel (television)

PER – Preliminary Engineering Report

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

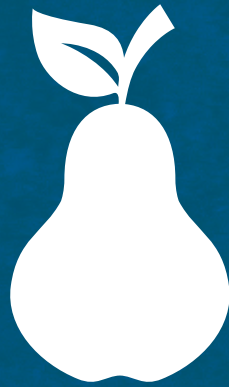
W/S – Water & Sewer

WEC – Westside Events Center

WRF – Water Reclamation Facility

WWM – Waste Water Management

ZBA – Zoning Board of Adjustment



CITY OF PEARLAND, TEXAS

2016
2017

Fiscal Year Adopted

BUDGET

pearlandtx.gov



City of Pearland
3519 Liberty Drive
Pearland, Texas 77581
Phone: 281.652.1600

pearlandtx.gov