



AIR-22-423
AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: City Council Regular Meeting & Budget Discussion #2 - Aug 22 2022
DATE SUBMITTED: Aug 15 2022 **DEPT. OF ORIGIN:** Finance Department
PREPARED BY: Dara Eng

SUBJECT: Fiscal Year 2023 Budget Discussion #2

ATTACHMENTS: [FY23 Budget Presentation #2 Packet](#)
[Agenda Supplement - Kamkar - 2022-08-22](#)

FUNDING:

<input type="checkbox"/> Grant	<input type="checkbox"/> Developer/Other	<input type="checkbox"/> Cash
<input type="checkbox"/> G.O. Bonds To Be Sold	<input type="checkbox"/> G.O. Bonds - Sold	<input type="checkbox"/> Rev. Bonds to Be Sold
<input type="checkbox"/> Rev. Bonds - Sold	<input type="checkbox"/> C.O.'s To Be Sold	<input type="checkbox"/> C.O.'s - Sold

Account Description: faguilar@pearlandtx.gov

EXECUTIVE SUMMARY

BACKGROUND

Pursuant to State law and according to City Charter, the City must adopt a budget by the last regularly scheduled Council meeting in September, prior to the beginning of the fiscal year. The budget must contain a complete financial statement of the City and the City must hold a public hearing on the budget and follow truth-in-taxation requirements.

The budget process begins each year by reviewing the proposed annual budget for fiscal year 2022-2023 through a budget workshop, which provides staff the opportunity to present the proposed budget and respond to any questions that City Council may have. On Saturday, August 13th, Staff met with City Council to introduce the budget during Budget Discussion #1. It is Staff's intent to further discuss the budget and answer any questions that Council may have regarding the proposed budget during Budget Session #2.

This meeting is the 2nd budget discussion for the FY23 Proposed Budget. Tonight's budget meeting will focus on the proposed changes to existing Non-Development Fees, new fees proposed for the FY23 Non Development Fee Schedule, and answering any questions regarding the proposed budget in general. Two recently developed fee proposals for Military and PISD discounts for Parks Memberships were not included in the proposed fee schedule. However, they will be included and noted in the presentation. With the consensus of Council, the Military and PISD staff rates could be added to the proposed FY23 Non-Development Fee Schedule.

Non Development Fee Updates that will be discussed include:

- Finance Department - Utility Billing Division
 - After Hours Fee
 - Processing Fee
- Police Department
 - Transportation, License, and Collars
 - Microchip Implant
 - Disposal-Large Animal
- Parks & Recreation Department
 - Athletic Tournament Hourly Rate
 - Lifeguard Fee
 - Deposits - Independence Park Swimming
 - RCN Member - Natatorium Only Household
 - Remove City of Pearland Security Fee

New Non Development Fees proposed for FY23 that will be discussed include:

- Finance Department - Utility Billing Division
 - Tampered/Pulled Meter Fee
- Parks & Recreation Department
 - Athletic Tournament Day Rate
 - Dedicated On-Site Athletic Maintenance Staff
 - Miracle Field Rental
 - RSA Competitive Play Fee
 - Specialized Field Preparation
 - Turf Field Usage
 - Independence Park Stage Custodial Fee
 - Pavilion Rental at The Sports Complex at Shadow Creek Ranch
- Fire Department
 - Access Control Inspection
 - Adult Personal Care Facility
 - Annual Operational Permit Multi Family Residence/Hotels

- Assembly Operational Permit
- Combustible High Pile Storage
- Hot Work
- Medical Facilities
- Smoke Control System Test
- Special Event-Crowd Control
- Spray Booth
- LPG/Liquefied Petroleum Gas
- Storage of Scrap Tires

New Fees that could be added to FY23 Non-Development Fee Schedule with Council Consensus

- Parks & Recreation Department
 - Military Annual Individual Membership with Contract
 - Military Monthly Individual Membership without Contract
 - PISD Staff Annual Individual Membership with Contract
 - PISD Staff Monthly Individual Membership without Contract

There are no proposed changes to the FY23 Development Fee Schedule.

SCOPE OF CONTRACT/AGREEMENT

BID AND AWARD

SCHEDULE

Previous Meetings & Events

- 3/21/22 – Comprehensive CIP Budget Workshop
- 6/27/22 – Early Budget Input Session
- 7/25/22 – CIP Adoption
- 8/5/22 – Proposed Budget delivered to Council
- 8/8/22 – Maximum Tax Rate Adopted
- 8/13/22 – Budget Discussion #1

Tonight's Meeting

- 8/22/22 – Budget Discussion #2

Future Meetings & Events

- 8/29/22 – Public Hearing on Budget/Budget Discussion #3 and Tax Rate
- 9/12/22 – 1st reading of Budget, Tax Rate, and Fee Schedule Ordinances
- 9/26/22 – 2nd and final reading of Budget, Tax Rate, and Fee Schedule Ordinances
- 10/1/22 – Fiscal Year FY23 Begins

POLICY/GOAL CONSIDERATION

CURRENT AND FUTURE CIP FUNDING/FINANCIAL IMPACTS/DEBT SERVICE

O&M IMPACT INFORMATION

Recommended Action

Hold discussion on the FY23 Proposed Budget



Memo

To: Clay Pearson, City Manager
Trent Epperson, Deputy City Manager
Ron Fraser, Assistant City Manager

From: Eric Roche, Budget Officer

CC: Senior Staff

Date: August 19, 2022

Re: Cover Sheet

The Budget Follow-up Packet from the FY23 Proposed Budget meeting on 8/13/22 is attached. This document contains several documents - detailed below.

1. Page 2 - FY23 Budget Presentation #1 Follow-Up Memo .
 - a. A memo containing the answers to Council's budget questions on 8/13/22.
2. Page 19 - Executive Summary from Hurricane Harvey Preliminary Drainage Assessment Report.
 - a. A requested document regarding the post-Harvey Drainage Assessment.
3. Page 24 - Additional Council Questions Received in Excel Format on 8/17/22.
 - a. Council submitted additional questions via Microsoft Excel. This PDF contains the City's answers.
4. Page 28 - Page Fee Update Memo.
 - a. This memo was included in the FY23 proposed budget book and briefly covers all major planned fee changes.
5. Page 34 - FY23 Fire Marshall Fee Changes.
 - a. This memo discusses the proposed new fees in the Fire Marshall's Office in detail.
6. Page 39 - Proposed Budget Meeting slide deck for 8/22/22.
 - a. Next Monday's slide deck presentation.



Memo

To: Clay Pearson, City Manager
 Trent Epperson, Deputy City Manager
 Ron Fraser, Assistant City Manager

From: Eric Roche, Budget Officer

CC: Senior Staff

Date: August 19, 2022

Re: Budget Presentation #1 Follow-Up Memo

Executive Summary

The first presentation of the proposed budget occurred on 8/13/22 in the City Council Chambers. A recording of that meeting is available [here](#), and a copy of the presentation can be found [here](#).

This memo contains responses to questions or requests for more information made by City Council during Budget presentation #1 on the initial Saturday presentation and review. Responses are organized by Fund and Department.

Citywide Questions

- 1. What is the current turnover rate among staff in general and what does it look like in Police? How does this compare to past years? What are current police staffing levels?**

The annualized citywide turnover rate for full time employees can be found in the table below.

Fiscal Year	FY18	FY19	FY20	FY21	FY22
Turnover Rate	16%	15%	14%	17%	

A separate detailed memo regarding police turnover was provided to council via email on 8/15/22. A subsequent email was shared regarding open positions for professional staff within the police department.

- 2. How much is currently spent on printing? Can we look at a program to reduce printing expenses?**

The FY22 estimated total cost of printing (accounts 5420.010 - Other Services Printing and 5100.020 - Office Supplies Copy Charges) is below:

General Fund	\$150,572
Enterprise Fund	\$62,465
Pearland Economic Development Corporation	\$6,000
Internal Service Funds	\$1,450
Special Revenue Funds	\$25,850
Total	\$246,337

The FY23 proposed total is 284,515.00 or an increase of 15%. This number includes the \$15,000 for garage sale signs that was incorrectly removed from the amended FY22 budget, \$10,000 for the increase in annual utility billing costs, and \$4,000 for Backflow compliance flyers and

educational inserts. After taking these items into account, the remaining 3.7% increase is due to anticipated inflation.

We will look to identify where any potential efficiencies or cost savings are available.

3. How can we make previous agendas/decisions/votes easier to find?

The City Secretary's Office will draft a S.O.P on how to locate and search these documents, which will be emailed to council. We will also provide additional individual training as needed.

4. What is the process to change homestead exemptions? How would we analyze the impact?

The current assessed value of the homestead exemption across all three of Pearland's counties is \$225,968,468.

The process for amending the 2.5% residential homestead exemption found in Section 28-1.1 of the Pearland Code of Ordinances is for City Council to adopt an ordinance similar to [Ordinance 1206B adjusting the percentage](#).

Section 11.13 (n) of the Texas Tax Code requires that changes to the residential exemption be adopted by July 1.

The maximum percentage cannot exceed 20%. This maximum amount is set by the Texas Constitution art. VIII, § 1-b(e) and the Texas Tax Code Sec. 11.13 (n).

The City of Pearland is currently at 2.5%

There is an AG Opinion that indicates regardless of the percentage, the minimum amount of the homestead exemption cannot be less than \$5k and this minimum amount cannot be changed.

If further interest exists further follow-up would be required to complete analysis of the costs and benefits and prepare a more in-depth briefing.

An increase in the homestead exemption does not decrease the overall tax burden but instead *shifts* the burden by placing more of the General Fund's and Tax-Backed Debt Fund's revenue burden on non-homestead properties such as residents who rent a home and commercial/industrial properties all not receiving the homestead exemption.

5. What level of sick-leave buyback participation is budgeted for FY23?

The program in FY23 is budgeted to continue as implemented in FY22 where eligible employees with 5 years of service and a minimum of 480 hours of banked sick leave (576 hours for firefighters) are eligible to buy back up to 40 hours of sick time.

253 eligible employees and the available hours within the program policy was provided to budget and calculated as part of the budget process. The total amount of calculated accrual payout related to this program is \$392,128. The amount includes the 5.5% effective salary change due to being paid out in October. The additional cost for FICA and 2:1 TMRS matching is \$81,797 - bringing the **total budgeted cost for FY23 to \$473,925**. We believe there will be more use of the program with more awareness and time to assess by employees.

In the event there are unspent dollars the budget will be reduced at mid-year to reflect actual expenses. In FY22, 127 employees participated in the sick buyback program for a total of 5,163 hours and a payout to employees of \$248,861 including taxes and benefits. With only one year of

history, it is recommended that we continue to budget for the entire liability until a trend can be established

6. What is the status of tying Connect2Pearland (C2P) into the Asset Management System (AMS) for residents to report issues?

The C2P app is connected to the AMS (CityWorks) for issues related to Public Works and Parks & Recreation. For Code Enforcement, Animal Services, and other issues C2P is not connected to CityWorks and C2P creates an email that is sent to the appropriate department.

Public Works and Parks & Recreation:

- i. When a request is made in C2P it passes through to CityWorks and creates a service request.
- ii. The request is handled by the team and when work is complete, the ticket is closed in CityWorks and that closes the ticket in Connect2Pearland.
- iii. The C2P app will provide notification to the resident if they create an account/register with the C2P app and are logged in to their account when requesting a service. There are three responses that the resident would receive through the system with regards to the service request.
 - 1. Service Request “Received ”
 - 2. Service Request “In Process” and “Referred to Dept”
 - 3. Service Request “Closed”
- iv. If the resident does not register with the system, is not logged into their account or remains anonymous there will not be any updates provided.

Code Enforcement - Issues received via C2P go to a generic code enforcement email so the entire Code Enforcement team gets the notification. Code Enforcement opens a ticket in TRAKiT to follow internal case flow, responds to the original requestor acknowledging the request, provides the new tracking number so the requestor can follow the item in TRAKiT, and closes the request within C2P.

If the requestor asks for updates or confirmation of resolution, or if it is a complex issue, Code Enforcement maintains communication with the original requestor throughout the process.

Animal Services - Issues received via C2P go to a Animal Control email. After reviewing it is assigned to the team who enters the call and then an Animal Control Officer runs that call. The Animal Services Manager periodically logs into CitySource and responds to the original request once an investigation is complete.

General Fund

Fund-Wide Questions

7. How much did General Fund expenditure grow between FY22 and FY23?

- Total expenditures in the General Fund are increasing by \$3,271,064 from the FY22 Amended Budget to the FY23 Proposed Budget.

Category	FY22 Amended	FY23 Proposed	Difference	% Change
Salaries and Wages	\$70,798,032	\$72,031,751	\$1,233,719	1.7%

Category	FY22 Amended	FY23 Proposed	Difference	% Change
Materials & Supplies	\$3,664,224	\$3,768,058	\$103,834	2.8%
Building & Grounds	\$2,062,335	\$782,158	(\$1,280,177)	-62%
Repair & Maintenance	\$4,794,047	\$1,738,043	(\$3,056,004)	-63.7%
Miscellaneous Services	\$11,617,880	\$10,905,630	(\$712,250)	-6.1%
Other	\$129,543	\$222,800	\$93,257	72%
Inventory	\$629,123	\$95,716	(\$533,407)	-84.8%
Capital Outlay	\$1,236,173	\$928,030	(\$308,143)	-24.9%
Debt Service	\$125,337	\$0	(\$125,337)	-100%
Transfers Out	\$11,927,790	\$19,783,362	\$7,855,572	65.6%
Total	\$106,984,484	\$110,255,548	\$3,271,064	3.1%

- The decreases in categories such as Building & Grounds, Repair & Maintenance, and Inventory are reflected in the increase to Transfers Out as these are expenses related to the new Internal Service Funds.
- The Capital Outlay decrease is due to one-time projects that were approved in FY22 such as Fire training building improvements, and Parks projects including the Centennial Park remodel and the pool re-plastering.
- A portion of salaries & wages is now reflected in the transfers out due to IT, Facilities & Custodial, as well as Drainage staff all moving to new funds. That is why the salaries and wages increase is not equivalent to the 5.5% compensation increase.

8. Why did repair and maintenance decrease across the General Fund?

This is primarily a result of the implementation of the two new internal service funds. For example, the FY22 amended budget IT repair and maintenance costs in the General Fund was \$2.9M. These repair and maintenance costs will now be reflected in the internal service fund. For Facilities in FY22 there was \$2.1M budgeted in this category that has now moved to an internal service fund.

Police Department

9. In Police accounts 5000.010 what is the cost of new people vs new money for items like raises?

- The adopted salary account for FY22 did not include the distribution of the FY22 Compensation and Classification study which was budgeted in the salary adjustments account. While the compensation and classification study were distributed as part of the FY22 amended budget, the FY22 amended budget also reflects any salary savings for the year.
- In FY23, the Police Department is adding a total of 3 new staff across two divisions.
- In Police Patrol the 5000.010 increased related to the new Police Officer is \$64,865. The remaining amount reflects the annual salaries for existing budgeted positions and the effective 6.5% change in FY23.
- The additional salary cost in 5000.010 for the two new positions in Police-Communications/Records is \$88,136. The remaining amount reflects the annual salaries for existing budgeted positions and the effective 5.5% change in FY23.

10. In Police account 5600.080 what is included in the capital outlay?

A memo answering this question in detail was sent to Council on Monday 8/15/22. Even since that writing, there have been announcement (17 August 2022) from Governor Abbott's office about a Bullet-Resistant Shield Grant program. Although supplantation is not at issue due to the source of funds being State and not federal, it would be wise to budget for some portion of the need as a critical backstop in the event the City is unable to secure the grant.

11. What is included in Police account 5400.160?

There is \$49,895 budgeted in Police-Investigations and this includes the Brazoria County Alliance for Children Agreement, Clear investigative platform, Graykey annual fee, and the TLO service fee. In Police-Training there are transactions for Brazoria County Tactical, Miscellaneous outside instructor fees, TCOLE training license renewal and the training advisory board stipend. In Police-Animal Services this account includes the carcass removal service and the kennel cleaning contract.

Fire Department

12. What is the dollar increase for Fire salaries vs the cost of new employees?

The adopted salary account for FY22 did not include the distribution of the FY22 Compensation and Classification study which was budgeted in the salary adjustments account. While the compensation and classification study were distributed as part of the FY22 amended budget, the FY22 amended budget also reflects any salary savings for the year.

The salary amount of the four new firefighter positions is \$236,988. The remaining amount reflects the annual salaries for existing budgeted positions and the effective 6.5% change in FY23.

13. What is in Fire Department account 5600.080?

This is the capital replacement of special equipment related to Fire-Operations it includes the replacement of airbags, cardiac monitor's, CPAP and Vent replacement, hydraulic tool replacement, SCBA, thermal imaging camera replacement, CPR device replacement as well as the replacement of Stryker stretcher and powerload system on a rotating basis. These costs are recurring on an annual basis to assist with the maintenance of Fire equipment.

In 5600.120 Capital Outlay Radio Replacement FY22 contains year one and FY23 contains year 2 of the Fire Radio Replacement program. This is not an annual expense and is not expected to continue beyond FY23.

Engineering and Public Works Department

14. What is the dollar increase for Engineering and Public Works salaries vs the cost of new employees?

- There is one new employee in Engineering-Capital Projects in FY23. The new Project Manager is an increase of \$73,027 in the 5000.010 account.
- Additionally, with the ongoing consolidation of Engineering and Public Works there were 2.4 existing FTE's that were moved to this division in FY23. This resulted in an increase of \$135,590.
- The remaining amount reflects the annual salaries for existing budgeted positions and the effective 5.5% change in FY23.

15. Why did professional contractual services 100-300-305.5400.160 increase?

The account provides for professional on-call services such as on-call traffic engineering services (\$15,000), traffic camera repairs (\$10,000), traffic count services (\$12,500), signal timing services (\$60,000), fiber optic repair services (\$10,000) and services to install span wire for traffic signals (\$135,000). The increase in this account is due to the required professional services to replace the span wire for three traffic signal intersections. The City is providing all materials and this will be for the professional services to install the equipment.

16. Why did Account 100-300-305.5110.110 increase?

Costs to provide parts for maintenance of the traffic signal system. These parts include the purchasing of signal head (\$137,500), pedestrian head and push buttons (\$42,000), signal cabinets, componentry, upgrade vehicle detection system at intersections (\$197,000) and materials to mount said equipment (\$297,020).

Costs for supplies have increased and budgets reflect these increases and as part of the ongoing maintenance program to convert our vehicle detection system from the Iteris camera system to our standard Gridsmart system that ties directly to our Traffic Management system. The work to replace will be done as systems fail and to pro-actively change out 6 per year.

City Manager's Office, Communications and Community Development

City Manager's Office

Total budget from Amended FY2022 is \$1,278,221 and FY2023 Proposed Budget is \$1,384,958, an increase of \$106,737 or 8.3% increase. (GF, page 10, proposed budget book 1)

\$43,961 (3.4% of 8.3% total increase) is attributed to the internal service fund transfers. (GF, page 3, proposed budget book 2)

Salaries and wages (all line items, inclusive of benefits) increased from \$1,193,953 to \$1,249,275 for the FY2023 Proposed Budget, an increase of \$55,322 or 4.6%. (GF, Page 3, proposed budget book 2)

Line item 100-105-100.5000.010 (salaries only for full time employees) went from \$866,632 for FY2022 to \$919,802 for FY2023, an increase of \$53,170 or 6.1%. (GF, page 4, proposed budget book 2)

Communications

Total budget from Amended FY2022 is \$752,265 and FY2023 Proposed Budget is \$926,690, an increase of \$174,425 or 23.18% increase. (GF, page 14, proposed budget book 1)

\$110,714 of the budget increase is due to the internal service fund transfers. (GF, page 71, proposed budget book 2)

Salaries and wages (all line items, inclusive of benefits) increased from \$609,121 to \$638,246, which is \$29,125 or 4.7%. (GF, page 71, proposed budget book 2)

Community Development

Total budget across all divisions, from Amended FY2022 is \$2,633,927 and FY2023 Proposed Budget is \$3,299,146, an increase of \$665,219 or 25.26%. (GF, page 14, proposed budget book 1)

\$203,233 of the increase is due to the internal service fund transfers.

Salaries and wages across all divisions (all line items, inclusive of benefits) increased from \$2,100,347 to \$2,398,967 which is an increase of \$298,620 or 14.2%. (GF, page 77-84, proposed budget book 2). There were several vacancies throughout fiscal year 2022 in the Community Development divisions, those savings were recognized with the amended budget, but all positions are budgeted for a full year in the FY23 proposed.

Tax Backed Debt Fund

17. What function does a fund balance serve in the Debt Fund?

A fund balance in the Tax Backed Debt Fund provides for two important things. Each year the city estimates property tax revenues. If property taxes come in lower than expected, as they did in FY22, then the fund balance can be used to make up the difference. Second, this fund pays for MUD Rebates. MUD rebate amounts are not known until after the budget is adopted in April meaning staff must estimate the cost of each rebate. MUD Rebates can be higher or lower than staff estimates. If the actual MUD Rebate cost is higher than fund balance can be used to pay for the difference.

In a situation where reserves are needed to pay for expenses and no funds above the minimum policy reserves are available then the money would have to be transferred from General Fund fund balance. This situation would also likely concern credit rating agencies.

18. How much revenue does a penny (1 Cent of Property Tax Rate) in the Debt Service Fund bring in?

One cent of property tax rate brings is \$1,287,000 of revenue to the Tax Backed Debt Service Fund and, because of the TIRZ agreement formula, brings \$351,000 of revenue for TIRZ Administrative fees to the General Fund. So, *reducing* the Debt Service levy by one cent *lowers* the TIRZ #2 revenue to the General Fund by \$351,000 and a half cent by \$175,500.

19. Can the Debt Service rate be reduced?

Council may choose to reduce the debt service property tax. However, due to the unpredictability of both property tax revenue from the tax ceilings (as seen in FY22) and of estimating FY23 MUD Rebate amounts, Finance Department staff would advise not reducing the rate. In addition, a further \$175,000 would need to be offset in the General Fund as discussed in #18 above from streets and sidewalks, most likely. However, a ½ cent reduction here would seem to be possible and not too risky.

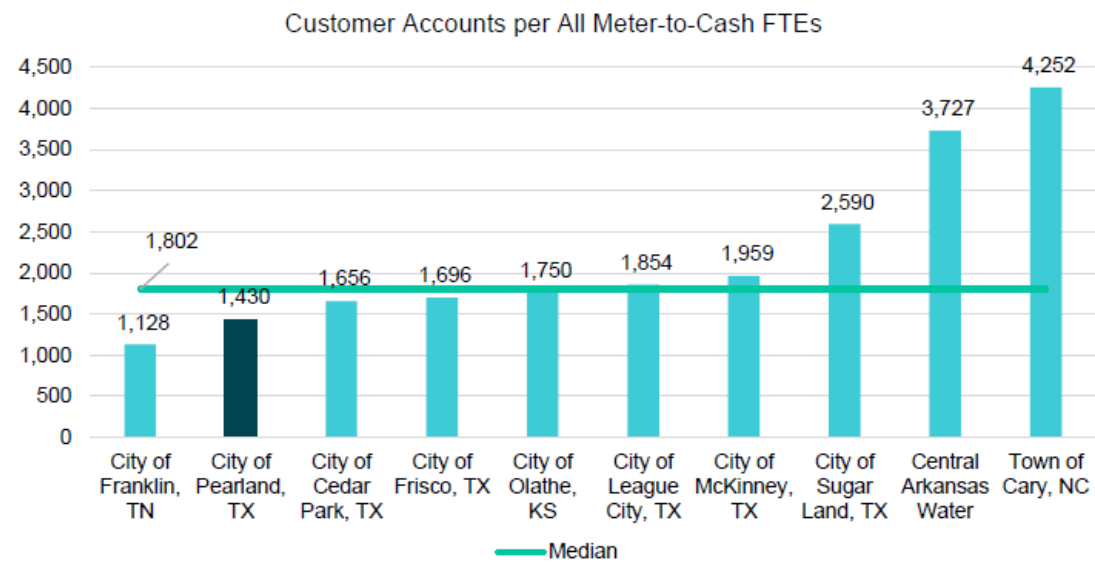
20. What happens if the Debt Service rate generates a surplus in FY23?

Any surplus above the reserve funds in the Tax Backed Debt Service Fund at the time of projections is automatically applied to the debt service rate calculation for the next tax year by the Tax Assessor/Collector as per SB2. Before SB2, the funds in excess of the reserve balance were applied by the City to “buy down the rate” in a given year.

Enterprise Funds

21. Raftellis Study showed that Pearland has the 2nd lowest population per Utility Billing FTE.

Today, Utility Billing has moved forward with Raftellis' recommendation (Recommendation 12) to transition to a centralized structure by transitioning four (4) meter technicians from E/PW Meter Services to Utility Billing. The City of Pearland uses slightly more staff than several other organizations analyzed for this report, particularly regarding frontline customer service personnel. However, per FTE comparisons do not take into account the size of each community and the scope of services delivered. In addition, service levels, position responsibilities, and the delineation of those responsibilities all vary between organizations and can significantly impact the number of personnel needed to provide service. Raftellis calculated the ratio of customer accounts per FTE in each benchmark organization, as illustrated below.



The median number of accounts per meter-to-cash FTE is 1,802 among benchmark organizations. The ratio of customer accounts to meter-to-cash FTEs in Pearland is 1,430. This means that, on average, the **City of Pearland's meter-to-cash staff serve fewer accounts than staff in comparable agencies.** However, the difference (372) between the City of Pearland and the median number of FTEs to Customer Accounts is negligible and subject to the above-mentioned differences.

With current account and call volumes and the transition to AMI, existing staffing levels are necessary. After full AMI implementation and the rollout of Water Smart, staffing needs will be re-evaluated and positions can be reduced as openings arise if service is not degraded.

22. How is staff calculating the total operating cost in the 1.15X Bond Coverage Ratio?

Per the City’s Financial Advisor, the Total Operating Cost for the Water and Sewer Enterprise Operating Fund is calculated as follows:

Description	Amount
Sum of Expenses in Enterprise Operating Fund 600	\$ 63,884,595
Minus	
A portion of Transfer Out: 600-150-910.5900 (Includes Debt Service, Non-Operating Transfer for MUD Rebates, and General Fund Reimbursement)	- \$28,466,668
New Vehicles:	- \$117,000
Total Operating Expenses	\$35,300,927

23. What would the cost of contracting out the new Surface Water Plant Operations be compared to staffing it internally?

In developing the costs associated with staff in the SWTP operations, staff did review options of in-house staff versus contract operations. Staff researched and investigated the potential for contract operations. Contracted operations would require the development of a Request for Qualifications to solicit and contract with a professional firm to provide staff to assist with start-up services with the vendors to commission and then operate the plant for a pre-determined time frame.

Staff conducted several investigative discussions with firms and also reviewed previous contracts with other agencies that have used similar services and then phased out the contractor to City staff. Utilizing the information provided that included contract responsibilities, levels of service and hourly rates and adjusting the hourly rates to reflect current rates the estimated cost to provide contracted plant operation services is estimated at \$1,503,000 annually for 6 FTEs and a manager that has part-time oversight of their staff.

Based upon the staffing levels in the contracts the estimated costs include a part-time Manager that oversees the contractor’s staff, 1 full-time Chief Operator and 5 full-time operators. The City would still provide staff that includes the SWTP Manager to manage the contract, mechanics, electrician, laboratory tech, and instrumentation tech as these positions and expertise can be utilized system wide.

During our meetings with the professional firms, they indicated that they wanted minimum 5-year contracts to provide these services and if a shorter term was requested it would increase the costs mainly because the equipment and vehicle costs could not be depreciated over a normal amount of time. Additionally, these services, should they be contracted, would only be focused at the SWTP and would not have the availability to provide cross support to other divisions, if needed, during emergency events or staffing shortages in the Water Production division. **The estimated cost is over 3 times what the in-house staff costs are calculated for the equivalent 6 positions.** The cost for the FY23 year based upon the recommended staggered hiring plan is

\$345,449 and the FY24 full cost will be \$449,583. Staff is recommending hiring and training staff in-house to operate and maintain the SWTP

24. Can the City sell water from the Surface Water Treatment Plant to other cities to increase revenue?

The SWTP is set up to treat 10 million gallons of water per day. Per our water model the area that will be serviced by the SWTP will require this amount of water plus our wells in the area to meet peak day demands while reducing the dependency on the high-cost City of Houston connection at Shadow Creek Water Plant.

The plant can be expanded up to 20 million gallons per day. Should an entity wish to partner with the City on the expansion, there is the possibility of providing/selling water to others. We have been approached by multiple cities on multiple occasions to discuss different options but at this time none of the potential partners are at a point where they are ready from a water need or financial position to move forward with any type of agreement.

25. Can staff recirculate the Water Reuse White Paper?

Yes. This paper was part of the FY23 White Papers – which can be accessed [here](#).

26. How many FTEs are in the Enterprise fund?

There are 147.7 FTEs budgeted in the Enterprise Fund including all new FTEs proposed for FY23. This includes staff in Utility Billing and Engineering and Public Works. Some positions are split across funds which is why there is not a whole number. A total of 90 full time staff are dedicated to the operations, maintenance and repair of the water and wastewater systems. Of this staff, the water production division is dedicated to the production of water at the City's 12 locations, flushing of over 1,000 locations, monthly water quality testing at 100 locations, compliance monitoring, testing of new development infrastructure, testing for water main repairs and water quality investigations. The water production division consists of 16 staff members.

Internal Service Funds

Motor Pool Fund

27. Why did the capital outlay costs increase from FY22 Adopted to FY22 Amended?

The FY22 Adopted Capital Outlay budget was \$2,732,220. The FY22 Current Amended Capital Outlay budget is \$7,326,033. The addition of \$4,593,813 via the amended budget can be attributed to various budget amendments, detailed below.

Budget Amendment #1 - Fiscal Year 2022

Appropriated \$450,000 for the purchase of one additional ambulance

Budget Amendment #2 Fiscal Year 2021 Carry-Overs Budget Amendment

\$1,770,000 in various vehicles utilizing remaining TIRZ reimbursement revenue

Carryover amount of \$1,153,835 for vehicles/equipment ordered in FY21 but not received until FY22.

Budget Amendment #5

\$971,000 for replacement fire engine (TH-142)

\$30,000 for one 1,000-gallon fuel trailer

Budget Amendment #6

\$218,978 in projected costs related to additional expenses that were reflected at projections. These costs include the purchase of a used ambulance (\$50,000) and the replacement of vehicles that were damaged/ended their useful life unexpectedly throughout the year. Additional increases were to cover differences in cost between budgeted vehicle purchases and actual cost.

28. What is the total net liability for vehicle & equipment replacements in the Motor Pool Fund.

The total replacement cost for all vehicles and equipment that are paying lease fees or are on order (and will soon be paying lease fees) is \$24,164,642. The total FY23 ending Motor Pool fund balance is projected to be \$17,070,820. Thus, the net fund liability is currently - \$7,093,822

The purpose of the Motor Pool fund is to provide for the maintenance and replacement of the city’s vehicles and rolling stock with an approximated value of \$33.8M.

29. What is the end-goal (fully funded) for the Motor Pool?

The end goal of the Motor Pool fund is to have 100% of vehicles and equipment covered by lease fees. Today, the City is paying lease fees for ~31% of vehicles and equipment. If the proposed budget is approved the City will end FY23 with ~37% of vehicles covered by Lease Fees.

When 100% of vehicles are covered by lease fees the General Fund and Enterprise Fund will no longer have to pay for replacement vehicles – they would only need to pay the lease fees. Currently these funds must pay lease fees AND the cost of replacement vehicles that are not yet part of the lease fee program. In FY23, the General Fund is purchasing \$980K in replacement vehicles.

Pretending that FY23 had 100% lease fee coverage, the \$980K being spent on replacement vehicles would be available for allocation to other items – such as building maintenance, IT software replacements, etc. New vehicles for new positions or programs would still require an allocation from the General Fund or Enterprise Fund.

Additionally, the motor pool when fully funded will be able to replace vehicles on schedule increasing the reliability and availability while minimizing the maintenance cost of our fleet. Currently, we just replace the number of vehicles that the GF will bear on an annual basis which always falls short of the number of vehicles reaching end of life leading to having a significant portion of the fleet past the point of meeting our replacement criteria with reliability and maintenance issues.

IT Internal Service Fund

**30. What is the breakdown of software cost increases for FY23?
Budget Amendment #1 required additions to IT Budget for Fiscal Year 2023**

Aurigo Project Management Software – \$185,573.00
• Year 2 Software Costs

Budget Amendment #4 required additions to IT Budget for Fiscal Year 2023

Flock Cameras – \$88,000
Blue Light Analyst Software (DDACTS) – \$16,000
Iris Automation (PD Drone as First Responder) – 12,000

WhiteFox (PD Drone as First Responder) – 30,000

Vigilant Software - \$20,000

ONESolution Freedom Software - \$5,000 *increase to OSSI Software Solution

Budget Amendment #5 required additions to IT Budget for Fiscal Year 2023

ESO Fire Department Software – \$67,000 (3% annual increase)

- Replaced Firehouse Software End-of-Life

Boomi – \$22,000

- Additional Software to support ESO Data Analytics
- Allows for automation between systems
- Pulls Cloud Data into the Data Center for full backup of hosted solutions

Budget Amendment #6 required additions to IT Budget for Fiscal Year 2023

Cisco Enterprise Agreement - \$120,000

- Additional Funding was allocated in Fiscal Year 2022 of \$50,000
- Expecting to roll all Cisco Maintenance into one master Enterprise Agreement (Currently the City has 4 separate contracts)
 - Collaboration, Security, Duo MFA and Smartnet (Wireless Access, Networking Equipment, Email Security, Antivirus, Sever Infrastructure)
 - Cisco changed their procurement model to facilitate consolidation into one EA
- Cybersecurity software increases have averaged 10-25% year over year for the past 3 years and the City's EA is up for renewal in Fiscal Year 2023
- Original Equipment maintenance included at time of procurement will need to be included in the Enterprise Agreement as the initial term expires

Cost Increases Overall

WatchGuard – \$188,560

- Entire Inventory of Body Cameras will be replaced in Fiscal Year 2023
- Moving to a 5-year agreement and hosted storage

Fleet Management System - \$ 48,171.65

- Current Vendor does not have a Windows 10/11 software platform
- Software does not meet current City needs (limited service request, P&M Schedule, etc.)

Microsoft Enterprise Agreement – \$159,266.24

- Cost increases were announced by Microsoft
- Adding Microsoft SQL Database licensing as software vendors require newer versions to continue to run their software solutions

CityWorks Asset Management – \$29,696

- Full Software Costs are due in Fiscal Year 2023

PD OSSI Software Solution – \$59,737.97

- Freedom Software Addition BA #4 (Costs included as part of BA #4)
- Includes required Database migration and server migration
 - Currently on older Server Operating System Windows Server 2012 R2
 - Currently on older SQL Database Server System Microsoft SQL Server 2012 – End of Life

The technology industry trends between 3-5% cost increases annually.

The City uses several cooperative purchasing contracts to ensure the best possible pricing for both new software and annual maintenance, Texas Department of Information Resources and National Intergovernmental Purchasing Alliance Company are two that are widely used.

Required Fund Balance for the Information Technology Fund will be developed in the future similar to the Motor Pool Fund.

Special Revenue Funds

Infrastructure Reinvestment Fund (Streets and Sidewalks)

31. What is in the budget, what have we budgeted in the past, what have we added in mid-year amounts. How much are we spending in FY22?

In the past, the City has supplemented the adopted budget with additional funding via budget amendments, normally the mid-year allocation budget amendment. The history of the adopted vs amended budget can be seen below.

Fiscal Year	Adopted Budget	Amended Budget	Amount Added through Amendments*
FY23	\$1,768,800 (proposed)	-	-
FY22	\$1,553,000	\$2,496,732	\$943,732
FY21	\$1,525,019	\$2,485,375	\$960,356
FY20	NA	\$1,805,788	NA

*Contains carryover amounts

Estimated annual needs for the street and sidewalk maintenance programs are valued at \$3.7M and \$1.0M respectively for a total of \$4.7M. A future PCI study will give clearer indication of what amount of funding is needed.

32. Has investment increased in streets and sidewalks from last year?

The adopted budget has increased by \$215,800 over the FY22 adopted budget.

33. Are the gaps in the sidewalk network identified? If so, what is the cost and plan to address?

At this time any gaps that are identified in the sidewalk network are a result of staff conducting sidewalk investigations based upon work order requests. There is no formal program in place to locate and identify sidewalk gaps however staff inventory is ongoing. If a gap program is funded, a policy will be formalized to determine prioritization of sidewalk construction to fill identified mobility gaps.

Based on past Council input there is a proposed a Sidewalk Gaps and Replacement program in the Capital Improvement Program with a funding obligation of \$2M to \$4M annually for a 4-year period totaling \$15.4M. It is a potential bond project to be considered by Council for the proposed FY 2023 bond referendum. The program will identify those areas for which gaps can be filled in to promote connectivity withing the sidewalk network. The program would also continue to address sidewalk repair and replacement in our mature neighborhoods.

Hotel Occupancy Tax (HOT) Fund

34. Has the Short-Term Rental Program begun producing revenue?

Yes, collection has begun in FY22 and budgeting for the short-term rental program will begin in FY23. Tracy Rohrbacher and John McDonald will be providing a memo on the short-term rental program this week.

35. What are the current revenues and what is budgeted for FY23?

As of our July 30th, HOT collections revenue is at \$1,130,133.37 for FY2022. Currently, FY23 HOT revenue is budgeted at \$967,900.

36. Can revenues be revised? If so, what would staff recommend it be revised to?

Yes, staff can revise revenue numbers now and again at mid-year. Based on the activity reported through three complete quarters of this fiscal year, the FY2023 HOT revenue could be increased to \$1.3M with the consensus of Council.

Municipal Channel (PEG) Fund

37. Can the City's municipal channel be streamed online? If so, how? If not, what would it take to make it available for streaming online?

Yes, the PEG channel can be accessed online by visiting pearlandtx.gov/tv. All of the content produced for the PEG channel is duplicated on the City YouTube channel in the form of individual videos as well as a simulcast of the stream that is sent to AT&T and Comcast. The content is currently available on set-top box streaming devices such as ROKU or Amazon Fire Stick through the YouTube app.

Drainage Maintenance Fund

38. Can staff recirculate the list of drainage projects from past studies?

The Master Drainage Plan was completed in 2018 as a partnership to start the process of how both agencies can continue to work together to improve drainage in the City. As a part of that project, the report identified projects large and small. Large CIP includes widening, deepening, and replacement of drainage structures in FEMA studied creeks such as Mary's Creek, Hickory Slough, Cowarts Creek etc. All of the small CIP identified in the MDP consist of improving the existing drainage ditches maintained by BDD4. Attached is the list of the Large and Small CIP identified in MDP. The City applied grant application based on MDP recommendation to improve Hickory Slough. The grant application for CDBG- MIT was not successful. The City has submitted grant application for BRIC program and waiting for the result.

Staff also developed a Hurricane Harvey drainage report that summarized the event and identified areas that flooded. The attached Executive summary of Hurricane Harvey Preliminary Drainage Assessment Report provides the details of the flooded neighborhood and recommended drainage improvement projects.

39. Can we do some of those projects now?

Yes, we have started many of the projects and have other slated for the proposed 2023 Bond Program. The 2019 voter-approved bond program included four drainage projects identified in the Hurricane Harvey Drainage Assessment. Piper Road Drainage, Willowcrest Subdivision Drainage Improvements, Mimosa Acres Subdivision Drainage Improvements, and West Lea Subdivision.

The Hickory Slough Detention Pond Phase II is based on the MDP recommendation. There are 18 drainage improvement projects identified in the proposed 20230 drainage bond package, six of the projects come from the Harvey Drainage Assessment. The remaining projects are selected based on historical knowledge, site visit during storm event as well as drainage issue brought to attention by the residents. These are the projects that need to be prioritized to address localized flooding problems.

40. Which projects are we undertaking this year?

The drainage projects that are a part of the 2019 voter approved bond program are where the City is focusing CIP funds. Projects completed are Piper Road Drainage and Mimosa Acres Subdivision Drainage Improvements. Projects in construction Willowcrest Subdivision Drainage Improvements and West Lea Subdivision Drainage Improvements. The Hickory Slough Detention Pond Phase II is scheduled for design in FY23.

The EPW Drainage division will continue to conduct maintenance activities as scheduled. These activities include roadside ditch contracted services and in-house staff ditch cleaning.

41. How will Drainage Maintenance efforts be regularly reported on?

Staff report on the Infrastructure Maintenance Fund that includes street and sidewalk repairs in annual White Paper. Staff will expand this annual report to include Drainage Maintenance Fund activities. Additionally, staff will provide updates at the CIP Update Series on Drainage projects like what has been provided for streets and sidewalks. Finally, the Drainage Maintenance Fund budget will be added to the monthly Variance Report in FY23.

Capital Project Funds

No Questions Received

Component Unit Fund

PEDC Fund

42. How was the 32K for drainage maintenance for PEDC calculated.

Staff calculated a cost per linear foot to maintain underground storm sewers using the annual labor, equipment, material, and supplies costs divided by the number of linear feet of pipe to be inspected and maintained each year. A multiplier of 3.0 was applied to account for overhead costs such as IT, Facilities, Administration, Human Resources, Legal and other operational expenses. The initial calculation used the labor costs for FY23, which only included 6 months for 4 crew members. Applying the total cost of ongoing labor resulted in a higher per linear foot cost of \$8.70.

Staff has determined that 37,283 linear feet or 7.06 miles of enclosed storm sewer pipe has been constructed by PEDC over the years. Based on a ten-year maintenance cycle cost of \$8.70 per linear foot, this would equate to an annual cost \$32,436 for maintenance of PEDC-funded projects. These costs will be recalculated annually based on actual and future costs to adjust PEDC's contribution accordingly.

43. Why can't PEDC contribute more for drainage maintenance.

PEDC is only permitted by State law ([505.303](#)) to pay for maintenance of public infrastructure that has been constructed as a "project" by PEDC in accordance with the Act. In consultation

with the City Attorney, as a Type B Corporation, PEDC is not be allowed to pay for general drainage maintenance to the City that's not related to a specific PEDC "project".

44. How much is being spent on drainage in PEDC projects in addition to the \$32K for drainage maintenance transfer-out into the Drainage Maintenance Fund.

PEDC Board approved the FY23 budget with \$2.9M in drainage improvements. These are in areas with identified necessary drainage improvements and associated with economic development. This includes \$4.8M for improvements to the Southeast quadrant of Old Town that includes **\$1.6M in storm sewer installation** in addition to roadway, lighting, sanitary sewers, waterline upgrades, streetscape improvements including sidewalks. FY 23 also includes **\$1.3M for regional drainage improvements in Lower Kirby**, which will be reimbursed by the Lower Kirby Management District.

PEDC Board will also conduct a public hearing at their August 25 meeting to consider the \$32,436 for drainage maintenance and contributing 1/3 or **\$435,000 of the estimated \$1.3M cost to update the Master Drainage Plan** to identify sub-regional and local projects. If the projects meet the criteria in state law for infrastructure necessary to promote or develop new or expanded business enterprises, they would be proposed to the Board for their consideration as "projects".

Meeting and Event Calendar

Previous Meetings & Events

- 3/21/22 – Comprehensive CIP Budget Workshop
- 6/27/22 – Early Budget Input Session
- 7/25/22 – CIP Adoption
- 8/5/22 – Proposed Budget delivered to Council
- 8/8/22 – Maximum Tax Rate Adopted
- 8/13/22 – Budget Discussion #1

Future Meetings & Events

- 8/22/22 – Budget Discussion #2
- 8/29/22 – Public Hearing on Budget/Budget Discussion #3 and Tax Rate
- 9/12/22 – 1st reading of Budget, Tax Rate, and Fee Schedule Ordinances
- 9/26/22 – 2nd and final reading of Budget, Tax Rate, and Fee Schedule Ordinances
- 10/1/22 – Fiscal Year FY23 Begins

Additional Information

As always, more information is available on the [City's FY23 Budget Development Website](#).

Executive Summary from Hurricane Harvey Preliminary Drainage Assessment Report (March 2018)

Executive Summary

The engineering department has completed a drainage assessment report for various neighborhood and streets within the City limit that got inundated during Hurricane Harvey. The total depth of rainfall in 4-days Hurricane Harvey varied between 30” and 49” from the west side to the east side of the City limit causing the rise of the water surface elevation of the stream above 500 year storm event. For example, the recorded maximum water surface elevation at Clear Creek/SH 288 was 56.1’ whereas the 500-year water surface elevation is 55.7’.

20 hurricane impacted neighborhoods (subdivisions) of various sizes were examined to analyze the cause of flooding and potential improvement alternatives. Various information of the subdivisions such as plat date, type of drainage system, location of subdivision with respect to flood hazard area, number of prior floods, prior buyout areas, source of flooding, natural ground elevation etc were collected and used to relate the Harvey Flood area. The Harvey Flood area was also compared with Preliminary FEMA FiRM issued in June 31, 2017 to find approximately 80% of the flooded neighborhood is located within the Special Flood Hazard Area depicted in the FEMA Pre FIRM (**Exhibit A**). The primary purpose of the drainage assessment is to relate the flooding with flood elevation, street elevation, neighborhood natural ground elevation and drainage system in order to determine whether or not the flooding is a result of higher flood elevation of the creeks. The Study result was used to identify various bond package projects, priority areas for buyout/mitigation and to prioritize further drainage study. The table below shows the pertinent outcome of the study recommendations.

Table: Recommended Projects

S. No	Impacted Subdivisions	Recommendations		
		11 Bond Package Projects	12 Buyout Mitigation Priority	13 Further study priority
1	Clear Creek Estate Subdivision		√	
2	Twin Creek Wood Subdivision		√	
3	Twin Wood Subdivision			
4	Green Tee Terrance Subdivision		√	
5	Corrigan Addition Subdivision			√-P1
6	Mimosa Acre	√		
7	Willowcrest Subdivision	√		
8	Wagon Trail/Josephine St			√-P3
9	Tranquility/ Cullen Blvd			√-P1
10	Southlake Ponds			
11	Shadow Creek Ranch			√-P3
12	Piper Road/Westchester Neighborhood	√		
13	Sleepy Hollow Subdivision		√	
14	West Lea Subdivision	√		
15	Country Grove Townhomes			

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16	Hickory Creek Place	●			v-P2
17	Pinehollow Subdivision	●			v-P1
18	Brookland Acres	●			v-P2
19	Southdown Subdivision Sec 2				
20	South Hampton				v-P3

As shown in the table, 4-subdivision areas have been identified for Bond Package Projects, 4-subdivision areas are identified for FEMA Buyout and Mitigation priority area, 8 subdivision areas have been identified for further drainage study and prioritized accordingly.

Based on the roadway flooding update compiled during Hurricane Harvey, 70 different roadway segments were reviewed to understand the cause of flooding and checked for anomalies in the design.

Various segments of roadway started to become impassable as early as August 27, 2017 reaching maximum length on August 29 and August 30, 2017. Broadway St west of Kirby Drive, Kirby Drive, Business Center Dr, Kingsley Dr, Shadow Creek Pkwy near SH 288m, Cullen Pkwy, Pearland Pkwy, Yost Blvd etc are some of the roadways that were highest hit by flooding water. The rainfall gradually decreased and stopped around 6:00 pm on August 30, 2017. By August 31, 2017, majority of roadway segment found to be passable Except for; 1. Cullen Pkwy between FM 518 and Fite Road, 2. Mykawa Rd north of Brookside Rd whereas the high water was observed on Green Tee Dr and small segment of Walnut St.

For the roadways around Shadow Creek area, YouTube drone videos posted by residents were used estimate the flood elevation at various pertinent points of interest such as Clear Creek Relief/Shadow Creek Pkwy, Kirby Road outfall/Shadow Creek Pkwy, and Business Center Dr outfall at Shadow Creek Pkwy which were then compared to the top of pavement elevation. For example

1. Approximate Flood elevation at Business Center Out fall/ Shadow Creek Parkway = 56.6' gis survey.
2. The Street top of pavement elevation south of Shadow Creek Ranch on Business Center Dr near the curb inlet is 54.95' based on the City's GIS survey.

This shows that the flooding along Business Center Dr was the result of higher tail water condition and not the result of flaws in the design of street or storm sewer system. The same condition is applicable to the most of the roadways. Based on the review of available documents, site visit, and survey, it is found that the majority of the roadway segments were properly functioning during the extreme flooding event. It is still possible to improve the drainage system of several roadway segments which experiences more frequent nuisance flooding which are not assessed in this study.

Larger CIP Project Recommendation from Master Drainage Plan 2019

Pearland / Brazoria Drainage District No 4 Master Drainage Plan
Final Report – July 2019

CDBG MIT Grant application,
but not successful



ES.1 - Large Capital Improvement Project (CIP) Recommendations

PROJECT PRIORITY	WATERSHED SEGMENT	PROJECT DESCRIPTION	PROJECT COSTS (M)			
			CHANNEL	DETENTION	ROW	TOTAL
1	Hickory Slough Middle Segment	100-year LOS; Channel modifications from Cullen Blvd. to Garden Rd. and 1010 ac-ft mitigation. Max ROW width of 170 ft.	\$6.7	\$19.2	\$17.3	\$43.2
2 +	Cowart Creek Segment 16 BDD4 & the City	10-year LOS; Channel modifications from Wells Dr. to BNSF Railroad. Max ROW width of 200 ft.	\$2.1	-	\$5.2	\$7.3
3	West Fork Chocolate Cold River Ranch Ditch BDD4	100-year LOS; Channel modifications from Rio Lindo St. to Hwy 6 and 580 ac-ft mitigation. Max ROW width of 180 ft.	\$6.4	\$10.4	\$4.2	\$21.0
4	Cannon Ditch Segment 2 BDD4	100-year LOS; Channel modifications from Pearland Site Rd. to Amoco Industrial St. and 9800 ac-ft mitigation. Max ROW width of 120 ft.	\$4.8	\$37.5	\$4.2	\$46.5
5	Mary's Creek Upper Segment BDD4 & the City	25-year LOS; Channel modifications from B129-01-00 to McLean Rd. and 240 ac-ft mitigation. Max ROW width of 250 ft.	\$10.5	\$4.5	\$7.9	\$22.9
6 +	Mary's Creek Middle Segment BDD4 & the City	25-year LOS; Channel modifications from Magnolia Dr. to SH35 and 1000 ac-ft mitigation. Max ROW width of 250 ft.	\$10.7	\$17.6	\$3.1	\$31.4
7	Mustang Bayou Upper Segment BDD4	25-year LOS; Channel modifications from CR521 to Airline Rd and 890 ac-ft mitigation. Max ROW width of 240 ft.	\$10.7	\$44.4	\$46.9	\$102.0
8	Mary's Creek Lower Segment BDD4 & the City	25-year LOS; Channel modifications from SH35 to downstream of Pearland Pkwy. and 1670 ac-ft mitigation. Max ROW width of 220 ft.	\$14.8	\$55.2	\$51.8	\$121.8
9	Mustang Bayou Middle Segment BDD4	25-year LOS; Channel modifications from Airline Rd. to SH288 and 1070 ac-ft mitigation. Max ROW width of 260 ft.	\$5.8	\$31.9	\$22.8	\$60.5
10	Hickory Slough Lower Segment	10-year LOS; Channel modifications from Garden Rd. to SH35 and 1310 ac-ft mitigation. Max ROW width of 170 ft.	\$12.4	\$24.7	\$15.2	\$52.3

† Detention is included in downstream segment; however, mitigation will be required for conveyance improvements and should be evaluated in the PER Phase

BRIC Grant application,
waiting for final determination



ES.3 - Small Capital Improvement Project (CIP) Recommendations

Broadway/Avelon Terrace

DITCH PRIORITY	WATERSHED	DITCH	3-YR LOS		10-YR LOS	
			TOP WIDTH	COST	TOP WIDTH	COST
1	Cowart Creek	C123-00-00	56	\$ 918,000	66	\$ 1,161,000
2	Hickory Slough	H123-00-00	311	\$ 3,017,000	451	\$ 4,356,000
3	Chocolate Bayou	E100-00-00	72	\$ 1,490,000	91	\$ 1,946,000
4	Cowart Creek	C118-00-00	37	\$ 961,000	41	\$ 1,199,000
5	Cowart Creek	C122-00-00	71	\$ 1,069,000	83	\$ 1,332,000
6	West Chocolate	E101-01-06	66	\$ 806,000	80	\$ 1,029,000
7	Chigger Creek	J101-02-00	146	does not exist (Canterbury phase 5)	171	\$ 2,920,000
8	Cowart Creek	C128-00-00	34	\$ 864,000	40	\$ 864,000
9	Chigger Creek	J102-05-01	50	\$ 1,492,000	60	\$ 1,910,000
10	Cowart Creek	C120-01-00	26	\$ 632,000	26	\$ 776,000
11	Cowart Creek	C124-01-00	42	Town ditch tributary along railroad		\$ 701,000
12	Clear Creek	A105-05-00	83	\$ 847,000	101	\$ 1,074,000
13	Hickory Slough	H125-02-00	158	\$ 718,000	159	\$ 772,000
14	Cowart Creek	C107-03-01	35	\$ 7 Eastwest N of Pearland estates		
15	Mary's Creek	B117-00-00	33	\$ 1,545,000	37	\$ 1,929,000
16	Hickory Slough	H114-00-00	34	\$ 1,124,000	38	\$ 1,421,000
17	West Chocolate	E101-01-01	52	Partly Mary's and partly Cowarts.		\$ 810,000
18	Clear Creek	A113-00-00	34	\$ 665,000	34	\$ 799,000
19	Mary's Creek	B102-01-01	56	Oday north of Hickory Slough		\$ 631,000
20	Chocolate Bayou	E102-00-00	50	\$ 1,009,000	67	\$ 1,373,000
21	Clear Creek	A115-00-00	39	\$ 1,132,000	44	\$ 1,420,000
22	Cowart Creek	C124-00-00	34	\$ 669,000	35	\$ 805,000
23	Cowart Creek	C119-00-00	28	\$ 698,000	30	\$ 875,000
24	Hickory Slough	H123-01-00	311	\$ 3,017,000	451	\$ 4,356,000
25	Clear Creek	A116-00-00	25	North of High School	33	\$ 1,181,000
26	Cowart Creek	C120-00-00	91	\$ 1,216,000	110	\$ 1,534,000
27	Cowart Creek	C100-00-00	28	\$ 532,000	31	\$ 676,000
28	Clear Creek	A111-00-00	31	Partly in City from Pearland		\$ 1,241,000
29	Chigger Creek	J101-02-01	94	Pkwy		\$ 1,382,000
30	Mary's Creek	B114-01-01	37	\$ 660,000	43	\$ 843,000
31	Cowart Creek	CR 414 Ditch	21	\$ 775,000	23	\$ 993,000
32	Cowart Creek	C101-00-00	60	\$ 2, west of SH 35/north of Hickory Slough		\$ 3,580,000
33	Chigger Creek	J102-00-00	116	\$ 3,		\$ 4,525,000
34	Hickory Slough	H125-01-00	50	\$ 1,141,000	50	\$ 1,330,000
35	Hickory Slough	C103-03-00	39	\$ 535,000	42	\$ 657,000
36	Cowart Creek	Cowart's Creek Ditch	35	\$ 784,000	39	\$ 984,000

Small CIP Drainage projects for BDD4 maintained ditch located within the City limit



ES.2 - Reserve Capital Improvement Project (CIP) Recommendations

PROJECT PRIORITY	WATERSHED SEGMENT	PROJECT DESCRIPTION	PROJECT COSTS			
			CHANNEL	DETENTION	ROW	TOTAL
11	West Chocolate Bayou CR 383 Ditch BDD4	5-year LOS; Channel modifications from E101-02-00 to confluence with West Fork Chocolate Bayou and 1260 ac-ft mitigation. Max ROW width of 190 ft.	\$8.90	\$27.60	\$215.70	\$252.20
12	West Fork Chocolate Bayou BDD4	5-year LOS; Channel modifications from county boundary to confluence with E101-00-00 and 3700 ac-ft mitigation. Max ROW width of 260 ft.	\$16.10	\$69.50	\$17.90	\$103.50
13	Hickory Slough Upper Segment BDD4 & the City	100-year LOS; Channel modifications from CR 94 to confluence with H126-00-00 and 280 ac-ft mitigation. Max ROW width of 170 ft.	\$2.40	\$19.60	\$34.70	\$56.70
14 †	East Chocolate Bayou E103-00-00 BDD4	10-year LOS; Channel modifications from SH288 to confluence with Rodeo Palms Ditch and 2210 ac-ft mitigation. Max ROW width of 220 ft.	\$1.70	-	\$0.70	\$2.40
15 †	West Fork Chocolate Cold River Ranch Ditch BDD4	5-year LOS; Channel modifications from Hwy 6 to confluence with West Fork Chocolate Bayou and 50 ac-ft mitigation. Max ROW width of 250 ft.	\$8.70	-	\$1.20	\$9.90

† Detention is included in downstream segment; however, mitigation will be required for conveyance improvements and should be evaluated in the PER Phase



ES.4 - Small O&M Project Recommendations

DITCH PRIORITY	WATERSHED	DITCH	3-YR LOS		10-YR LOS	
			TOP WIDTH	COST	TOP WIDTH	COST
1	Chigger Creek	J101-01-01	61	\$ 190,000	139	\$ 238,000
2	Chigger Creek	J101-01-00	16	\$ 233,000	19	\$ 298,000
3	Clear Creek	A122-00-00	34	\$ 479,000	35	\$ 583,000
4	Chigger Creek	J101-01-01	23	Sprite ditch-Pearland Pkwy		\$ 309,000
5	Cowart Creek	C105-01-00	34	\$ 77,000	41	\$ 100,000
6	Cowart Creek	B102-01-03	33	\$ 217,000	38	\$ 278,000
7	Cowart Creek	C107-10-01	62	\$ 429,000	71	\$ 546,000
8	Clear Creek	A121-01-00	42	\$ 397,000	50	\$ 511,000
9	Cowart Creek	C125-00-00	22	\$ 193,000	23	\$ 241,000
10	Cowart Creek	C107-01-02	24	\$ 244,000	28	\$ 319,000
11	Cowart Creek	C107-04-01	31	\$ 361,000	34	\$ 453,000
12	Hickory Slough	H111-00-00	30	\$ 85,000	30	\$ 103,000
13	Chocolate Bayou	E100-01-01	56	\$ 430,000	72	\$ 572,000

Additional Council Questions Received in Excel Format on 8/17/22

Dept Descript	Division Description	GL Account Number	Account Description	2021 Actual Amount	2022 Adopted Budget	2022 Estimated Amount	2023 Adjusted + Supplementals	Gross Change	% Change	Council Question	Budget Response
General Fund											
Other Requirements	Administration	100-150-100.5000.170	SALARY AND WAGES SALARY ADJUSTMENT	-	\$ 1,500,000	-	\$ (300,000)	\$ (1,800,000)	-120%	What is happening here and how many employees are involved	The compensation and classification study implementation was budgeted here and in departmental salary adjustment accounts for the FY22 budget adoption. At projection budget amendment #6 this amount was distributed to all the salary and benefit accounts. For FY23 the salary adjustments were budgeted by department.
Fire	Operations	100-205-260.5000.010	SALARY AND WAGES REGULAR EMPLOYEES	\$ 7,461,728	\$ 7,880,450	\$ 9,004,846	\$ 9,850,972	\$ 1,970,522	25%	Breakdown between new hires and new money for employees	The addition for 4 new positions is \$236,988. The remaining amount reflects the annual amount for existing budgeted positions and the market adjustment for FY23. The total increase compared to FY22 adopted does not reflect the market adjustment as the compensation & classification study was not budgeted in the FY22 adopted 5000.010 account.
Fire	Operations	100-205-260.5900.030	TRANSFERS OUT LEASE PAYMENTS	\$ 168,126	\$ 288,281	\$ 1,709,281	\$ 744,032	\$ 465,751	158%	How many vehicles are covered in this	There are 15 Fire Department vehicles paying lease fees to the Motor Pool fund in FY23 for a total annual amount of \$325,560. The additional amount is to pay for maintenance warranties and preventative service agreements of three new fire apparatus not eligible to be covered under ARPA funds.
Public Works	Streets & Drainage	100-305-310.5400.160	PROFESSIONAL/CONTRACTUAL SERVICES MISCELLANEOUS	\$ 70,894	\$ 195,000	\$ 194,077	\$ 18,409	\$ (176,591)	-91%	Are discontinuing a contract?	This expense was moved to the Drainage Maintenance Fund and is now reflected there.
Legal	Administration	100-110-100.5400.160	PROFESSIONAL/CONTRACTUAL SERVICES MISCELLANEOUS	\$ 52,444	\$ 145,310	\$ 145,310	\$ 25,310	\$ (120,000)	-83%	Are discontinuing a contract?	There was previously a contract Covid prosecutor budgeted in this account to allow Municipal Court to catch on a back-logged case load using ARPA funds; however, during the FY22 budget year there was an existing City part-time position re-classified to full-time that will be covering this expense and resulting in a budgeted decrease.
Community Development	Planning	100-410-420.5400.160	PROFESSIONAL/CONTRACTUAL SERVICES MISCELLANEOUS	\$ 42,350	\$ 71,225	\$ 295,830	\$ 451,225	\$ 380,000	534%	More Color please	This increase includes the proposed Unified Development Code Update for \$300,000 as well as additional money for tree care and maintenance. This increase is partially offset by a decrease in EPV-ROW (100-305-315)
Fire	Operations	100-205-260.5145.025	WEARING APPAREL PPE	\$ 116,976	\$ 120,526	\$ 465,892	\$ 354,976	\$ 234,450	195%	More Color please	This increase represents year two of correcting the bunker gear replacement program. Year 1 was approved as a budget amendment in FY22. This rectifies, for the long term, an aged replacement budget that only encompassed replacing PPE for 20 personnel. This corrects to replacing 63 sets of gear at the correct cost of \$4,500 per PPE set and corrects the replacement rotation of all other elements of the PPE outfit (Helmets, Gloves, Boots etc.).
Fire	Admin - Training	100-205-230.5400.040	PROFESSIONAL DEVELOPMENT CERTIFICATIONS & LICENSES	\$ 9,975	\$ 32,169	\$ 31,590	\$ 237,906	\$ 205,737	640%	More Color please	In FY23 professional development was split between divisions within the department. It was combined into one account to better manage the required classes and courses to maintain the licenses or certifications and provide other professional development. This represents the professional/development or training needed for the entire Fire Department in order to maintain various licenses and certificates. A corresponding decrease of (\$201,492) is in 5430.020 Professional Development/Conferences and Seminars.
Community Development	Permits & Inspections	100-410-415.5400.160	PROFESSIONAL/CONTRACTUAL SERVICES MISCELLANEOUS	\$ 65,000	\$ 45,000	\$ 100,000	\$ 100,000	\$ 55,000	122%	What is this being covered in lieu of employees?	This entire amount is for third party inspectors and plan review services. This amount is equal to the FY22 amended budget.
PW Engineering & Capital Projects	Traffic Management	100-300-305.5400.160	PROFESSIONAL/CONTRACTUAL SERVICES MISCELLANEOUS	\$ 108,473	\$ 102,500	\$ 181,013	\$ 242,500	\$ 140,000	137%	What is this being covered in lieu of employees?	The account budget includes services for the following: professional on-call services such as on-call traffic engineering services, traffic camera repairs, traffic court services, signal timing services, fiber optic repair services and services to install span wire for traffic signals. The increase is for the professional contracted services to provide the upgrade and maintenance to 3 span wire intersections.
Communications	Administration	100-400-100.5300.090	REPAIR & MAINTENANCE SOFTWARE LICENSES	\$ 7,859	\$ 16,408	\$ 16,408	\$ 33,350	\$ 16,942	103%	What software is being purchased?	This is the annual online subscription to the Polco National Community Survey that is now being done annually.
Fire	Operations	100-205-260.5600.080	CAPITAL OUTLAY SPECIAL EQUIPMENT	\$ 77,270	\$ 203,245	\$ 313,775	\$ 322,330	\$ 119,085	59%	What is being bought ?	This is the annual replacement of special equipment for Fire-Operations. A detailed breakdown of what was purchased was provided in the memo on 8/18.
Fire	Operations	100-205-260.5300.080	REPAIR & MAINTENANCE FUEL CHARGES	\$ 104,206	\$ 82,000	\$ 115,000	\$ 200,000	\$ 118,000	144%	increased fuel costs?	Yes, fuel costs are anticipated to increase in FY23. Increases were budgeted based on the prior six months of usage at the current fuel rate paid by the City.
Police	Investigations	100-200-215.5900.020	TRANSFERS OUT REPAIR & MAINTENANCE	\$ 57,979	\$ 27,860	\$ 27,860	\$ 102,019	\$ 74,159	266%	More Color please	Transfers & Repair and Maintenance for Motor Pool are re-calculated every year and charged out to departments for the current FY usage. There will be fluctuations in this account every year between all the divisions. Charges are based on operation expenses within the Motor Pool fund not to include any capital purchases.
Police	Support - Animal Services	100-200-250.5900.020	TRANSFERS OUT REPAIR & MAINTENANCE	\$ 21,353	\$ 16,980	\$ 16,980	\$ 50,791	\$ 33,811	199%	More Color please	Transfers & Repair and Maintenance for Motor Pool are re-calculated every year and charged out to departments for the current FY usage. There will be fluctuations in this account every year between all the divisions. Charges are based on operation expenses within the Motor Pool fund not to include any capital purchases.
Police	Admin - School Resource Officer	100-200-235.5900.020	TRANSFERS OUT REPAIR & MAINTENANCE	\$ 22,015	\$ 15,891	\$ 15,891	\$ 49,424	\$ 33,533	211%	More Color please	Transfers & Repair and Maintenance for Motor Pool are re-calculated every year and charged out to departments for the current FY usage. There will be fluctuations in this account every year between all the divisions. Charges are based on operation expenses within the Motor Pool fund not to include any capital purchases.

Additional Council Questions Received in Excel Format on 8/17/22

Dept Descript	Division Description	GL Account Number	Account Description	2021 Actual Amount	2022 Adopted Budget	2022 Estimated Amount	2023 Adjusted + Supplementals	Gross Change	% Change	Council Question	Budget Response
Police	Support - Animal Services	100-200-250.5400.160	PROFESSIONAL/CONTRACTUAL SERVICES MISCELLANEOUS	\$ 38,524	\$ 49,250	\$ 49,250	\$ 81,750	\$ 32,500	66%	what is being contracted for here?	This is the increase for the kennel cleaning contract at the new facility. Reduced to reflect the actual contract. Also includes Carcass Removal service.
City Manager's Office	Administration	100-105-100.5400.160	PROFESSIONAL/CONTRACTUAL SERVICES MISCELLANEOUS	\$ 500	\$ 12,400	\$ 42,372	\$ 52,400	\$ 40,000	323%	what is being contracted for here?	Gulf Coast Transit District/Harris County Rides for \$40,000 was omitted from FY22 budget.
PW Engineering & Capital Projects	Traffic Management	100-300-305.5300.080	REPAIR & MAINTENANCE FUEL CHARGES	\$ 5,388	\$ 4,200	\$ 6,321	\$ 21,100	\$ 16,900	402%	increased fuel costs?	Yes, fuel costs are anticipated to increase in FY23. Increases were budgeted based on the prior six months of usage at the current fuel rate paid by the City.
Police	Admin - Training	100-200-230.5115.050	MINOR TOOLS & EQUIPMENT MISCELLANEOUS	\$ 5,704	\$ 3,500	\$ 3,500	\$ 15,198	\$ 11,698	334%	What is being purchased here?	Annual repair and replacement of training aids (\$1,500) as well as Steel Reactive Targets (\$3,698). New this year is the Learning Management System in order to track training hours across different platforms so that certifications and professional development requirements can be tracked. This will also provide a central database for lesson plans and course materials required by TCOLE and will allow for class registration for internal and external attendees and dissemination of information to attendees. There is a one-time fee of \$2,278 and an annual recurring fee of \$7,725.
Police	Support - Jail	100-200-245.5130	MEDICAL SUPPLIES	\$ 5,988	\$ 3,000	\$ 7,760	\$ 12,000	\$ 9,000	300%		Gloves for jailer safety. They have exponentially increased in price and are seeing higher usage.
Public Works	Administration	100-305-100.5430.030	PROFESSIONAL DEVELOPMENT MEMBERSHIP & DUES	\$ 408	\$ 354	\$ 161	\$ 7,410	\$ 7,056	1983%	What dues are these for?	Six Memberships to the American Public Works Association at \$90 each and membership to the Clear Creek Watershed sub-committee for \$6,870.
Parks & Recreation	Recreation	100-500-510.5420.065	OTHER SERVICES TEMPORARY STAFFING	\$ 23,781	\$ 13,308	\$ 12,618	\$ 32,268	\$ 18,960	142%	How many additional temp staff is this for?	The temporary staffing budget is utilized to hire contract instructors to teach early childhood recreation programs. The number of instructors hired varies depending on the type of program, # of registrations, and the instructor rate. This amount increased due to new method of collecting payment. Parks will now collect 100% of the class registration and pay to the instructor. There is a corresponding increase in a revenue account. This increase is entirely offset.
Human Resources	Administration	100-120-100.5400.070	PROFESSIONAL/CONTRACTUAL SERVICES LEGAL EXPENSE	\$ 3,070	\$ 10,000	\$ 40,000	\$ 53,600	\$ 43,600	436%	What is this?	Funds for Arbitration including the required deposit, and for HR investigations.
Other Requirements	Administration	100-150-100.5400.160	PROFESSIONAL/CONTRACTUAL SERVICES MISCELLANEOUS	\$ 273,208	\$ 285,000	\$ 405,000	\$ 425,400	\$ 140,400	49%	What for?	Keep Pearl and Beautiful (\$267,523) and Keep Pearl and Beautiful for Household Hazardous Waste (\$157,877).
Parks & Recreation	Parks	100-500-540.5400.090	PROFESSIONAL/CONTRACTUAL SERVICES LANDSCAPING	\$ 21,613	\$ 26,044	\$ 163,682	\$ 261,003	\$ 234,959	902%	How many additional staff is this for?	Partially funded for FY22 with Budget Amendment #5 \$137,638 was approved for FY22 this is basic landscaping services for 15 neighborhood parks. The FY23 amount reflects the amount for a full year of service. The addition of the contracted landscaping maintenance services is equivalent to approximately 7,352 staff hours or 3.6 staff positions.
Police	Admin - Training	100-200-230.5430.020	PROFESSIONAL DEVELOPMENT CONFERENCES & SEMINAR COSTS	\$ 132,603	\$ 178,325	\$ 183,325	\$ 74,400	\$ (103,925)	-58%	this category is up for fire and down for police. More color please	Professional Development and training hours were split between 5430.020 (non-required, highly desired) and 5430.040 (required to maintain a license or certification). There is a corresponding increase in 100-200-230.5430.040
Police	Patrol	100-200-200.5600.080	CAPITAL OUTLAY SPECIAL EQUIPMENT	\$ -	\$ 10,000	\$ 10,000	\$ 210,000	\$ 200,000	2000%		Response provided via memo on 8/15. Please refer to memo for detail.
Enterprise Fund											
Public Works	Surface Water Plant	600-305-395.5170.050	PURCHASE OF WATER AMERICAN CANAL	\$ -	\$ 250,000	\$ 191,122	\$ 768,000	\$ 518,000	207%	How much more water is being purchased? When is the timing needed?	No additional water is being purchased other than the contracted 10 million gallons per day. The surface water supplied by the Gulf Coast Water Authority (GCWA) utilizing the lake point along the American Canal is the source water for the Surface Water Treatment Plant. The existing contract has been a Year Water Option contract where we pay 20% of the actual cost of the water. When we begin full operations of the plant and start using the water we will then start paying 100% of the contracted rate.
Public Works	Surface Water Plant	600-305-395.5000.010	SALARY AND WAGES REGULAR EMPLOYEES	\$ -	\$ 278,897	\$ 234,162	\$ 595,059	\$ 316,362	114%	When is the timing of the phasing of these employees?	Please refer to memo's shared in front flap of proposed budget book, and memo shared on 8/19. These topics are addressed there.

Increase by Dept		\$ Increase	2022 Adopted	2023 Proposed	% Change	Council Comment/Question	Budget Response
100 City Council	Expenses	\$ 5,263	\$ 169,866	\$ 175,129	3.10%		Note: This document compares FY22 Adopted vs FY23 Proposed. In all other documents staff use the FY22 Amended Budget to compare to FY23 Proposed, as the amended budget incorporates Budget Amendments as approved by Council throughout the year.
105 City Manager's Office	Expenses	\$ 239,379	\$ 1,475,446	\$ 1,714,825	16.22%	Can I get a breakdown of the \$239K increase by category (staffing, professional services, equipment, etc?)	There are two divisions being rolled up into this number. City Manager's Office (100-105-100) and City Manager-Office of Emergency Management (100-105-270). The Office of Emergency Management is considered a function of Public Safety. Salaries and Wages: \$133,621 Materials and Supplies: \$2,185 Miscellaneous Services: \$49,360 Transfers Out: \$54,213
110 Legal	Expenses	\$ 34,745	\$ 1,083,771	\$ 1,118,516	3.21%		
115 City Secretary	Expenses	\$ (9,960)	\$ 692,264	\$ 682,304	-1.44%		
120 Human Resources	Expenses	\$ 165,707	\$ 1,563,637	\$ 1,729,344	10.60%		
130 Finance	Expenses	\$ 326,415	\$ 2,793,563	\$ 3,119,978	11.68%		
140 Information Technology	Expenses	\$ (4,250,081)	\$ 4,250,081	\$ -	-100.00%		
150 Other Requirements	Expenses	\$ 967,470	\$ 6,680,891	\$ 7,648,361	14.48%		
200 Police	Expenses	\$ 5,070,511	\$ 32,520,979	\$ 37,591,490	15.59%	Can I get a breakdown of the \$5.07M increase by category (staffing, professional services, equipment, etc?)	Salaries & Wages: \$1,472,500 Materials & Supplies: \$87,795 Building & Grounds: (\$4,490) Repair & Maintenance: \$150,000 Miscellaneous Services: \$123,291 Inventory Items: \$5,250 Capital Outlay: \$200,000 Transfers Out: \$3,036,165
205 Fire	Expenses	\$ 4,498,106	\$ 22,726,518	\$ 27,224,624	19.79%	Can I get a breakdown of the \$4.5M increase by category (staffing, professional services, equipment, etc?)	Salaries & Wages: \$2,295,312 Materials & Supplies: \$433,828 Building & Grounds: \$10,500 Repair & Maintenance \$193,355 Miscellaneous Services: \$64,487 Inventory Items: \$28,500 Capital Outlay: \$367,085 Transfers Out: \$1,105,039
300 PW Engineering & Capital Projects	Expenses	\$ 568,555	\$ 4,504,518	\$ 5,073,073	12.62%		
305 Public Works	Expenses	\$ 1,255,606	\$ 9,144,288	\$ 10,399,894	13.73%		
400 Communications	Expenses	\$ 202,295	\$ 724,395	\$ 926,690	27.93%	Can I get a breakdown of the \$202K increase by category (staffing, professional services, equipment, etc?)	Salaries & Wages: \$68,924 Materials & Supplies (\$16,862) Repair & Maintenance \$16,942 Miscellaneous Services: \$22,577 Transfers Out: \$110,714
405 Municipal Court	Expenses	\$ 186,981	\$ 949,065	\$ 1,136,046	19.70%		
410 Community Development	Expenses	\$ 744,044	\$ 2,555,102	\$ 3,299,146	29.12%	Can I get a breakdown of the \$744K increase by category (staffing, professional services, equipment, etc?)	Salaries & Wages: \$124,298 Materials & Supplies: \$224 Repair & Maintenance: \$3,000 Miscellaneous Services \$437,508 Transfers Out \$179,014
415 Library	Expenses	\$ (174,585)	\$ 278,587	\$ 104,002	-62.67%		
500 Parks & Recreation	Expenses	\$ 853,033	\$ 7,459,093	\$ 8,312,126	11.44%		

Budget Note: Tab attached to original file, presented as received.			
IT	\$	65,755.00	\$ 65,755.00
Human Resources	\$	85,093.00	\$ 85,093.00
	\$	299,700.00	
EPW	\$	38,312.00	\$ 38,312.00
EPW	\$	279,100.00	\$ 279,100.00
Fire	\$	11,361.00	\$ 11,361.00
Emergency Management	\$	76,669.00	\$ 76,669.00
	\$	455,202.00	\$ 455,202.00
	\$	88,626.00	\$ 88,626.00
	\$	109,749.00	\$ 109,749.00
	\$	29,615.00	\$ 29,615.00
	\$	63,524.00	\$ 63,524.00
	\$	102,532.00	\$ 102,532.00
	\$	425,000.00	
	\$	15,271.00	\$ 15,271.00
	\$		\$ 1,420,809.00

Memo



To: Clay Pearson, City Manager

From: Eric Roche, Budget Officer

CC: Senior Staff

Date: August 5, 2022

Re: FY23 Fee Updates

The purpose of this memorandum is to provide background on the proposed fee updates for Fiscal Year 2023.

Below are highlights of the fee updates proposed for FY23.

Description	Justification	Old Fee	New Fee	Department
After Hours Fee	This fee will be applied to cost of reconnection of non-pay disconnected accounts after hours.	75.00	100.00	Utility Billing
Processing Fee	This fee will be applied to cost of reconnection of non-pay disconnected accounts after hours.	30.00	50.00	Utility Billing
Transportation, License, Collars	This will remove fees from services no longer used by Animal Services.	\$5, \$10, \$30, \$30, \$80, \$5, \$3. \$4	\$0	Police
Microchip Implant	This will reduce the microchipping fee to be more in line with what microchipping costs the city.	\$25.00	\$20.00	Police
Disposal- Large Animal	This fee will be applied to the disposal of large animals to reflect the actual costs to the City.	\$200 and up	\$375.00	Police
Athletic Tournament Hourly Rate	This fee is updated to a flat tournament hourly rate regardless of residency status.	\$20 per hour for resident \$30 non-residents	Field Level 1 \$25/hour (without regard to residency) Field Level 2 \$20/hour (without regard to residency)	Parks and Recreation

Description	Justification	Old Fee	New Fee	Department
Lifeguard Fee	This fee applies to staffing for lifeguards for pool rentals to reflect the Costs to the City.	\$10.00	\$15.00	Parks and Recreation
Deposits – Independence Park Swimming	This would remove the fee for Independence Park Swimming pool since it no longer exists.	\$100.00	\$0	Parks and Recreation
RCN Member – Natatorium Only Household	This fee will be a fee schedule correction to the one listed in the FY21-22 Fee Schedule.	\$24.20	\$46.20	Parks and Recreation
Remove CoP Security Fee	This would remove the fee for security. Parks and Recreation requires rentals to secure Pearland PD through the Pearland Police Officers Association. Payment is made directly to the Pearland Police Officers Association, Parks and Recreation has never collected these fees.	\$30.00	\$0	Parks and Recreation

There is a 13% increase in Water and Sewer-Residential and Commercial rates, reflected in the Non-Development Fee Schedule included in this section.

*Natatorium Rental Fees have been added back into the Fee Schedule.

The following table details new fees proposed for FY23.

Description	Justification	Old Fee	New Fee	Department
Tamper/ Pulled Meter Fee	This fee will be applied to non-pay customers who tamper/damage meters.	N/A	\$200.00	Utility Billing
Athletic Tournament Day Rate	This fee will be a flat tournament day rate to help incentivize new tournaments to be hosted in Pearland.	N/A	Field Level 1 \$200 per field per day Field Level 2 \$150 per field per day	Parks and Recreation

Description	Justification	Old Fee	New Fee	Department
Dedicated On-site Athletic Maintenance Staff	This fee will be for dedicated field maintenance staff to allow tournament organizers to select a high level of service for their tournament and reflect the costs to the City.	N/A	\$25 per hour per person	Parks and Recreation
Miracle Field Rental	This fee is to rent Miracle Field to specialized groups on a per day basis.	N/A	\$200	Parks and Recreation.
RSA Competitive Play Fee	This fee is applied to competitive play fees for RSA play included in Policy.	N/A	\$20 per season resident - \$30 per season non-resident	Parks and Recreation
Specialized Field Preparation	This fee applies to special field preparation and specialized field marking.	N/A	\$40 per field	Parks and Recreation
Turf Field Usage Fee	This fee applies to the use of the turf field to cover the cost of maintenance to the City.	N/A	Practice Residents \$30.00/hr Non-Resident \$50/hr Games Residents \$40.00/hr Non-Resident \$60/hr	Parks and Recreation
Independence Park Stage Custodial Fee	This fee applies to utilizing the stage and dressing room at Independence Park.	N/A	\$100.00	Parks and Recreation
Pavilion Rental at The Sports Complex at Shadow Creek Ranch	This fee applies to the rental of the pavilion at The Sports Complex at Shadow Creek Ranch.	N/A	Deposit \$50 Resident \$60 Half Day \$120 Full Day Non-Resident \$90 Half Day \$180 Full Day	Parks and Recreation

Description	Justification	Old Fee	New Fee	Department
Access Control Inspection	This inspection will make sure access into buildings and throughout by way of electronic mechanism are operating correctly.	N/A	\$100.00 One-Time Fee	Fire
Adult Personal Care Facility	Adult Personal Care are classified in the International Fire Code as an Institutional Group I-1 Occupancy. With this occupancy classification NFPA 1730 states inspections shall be conducted annually.	N/A	\$300.00 Annually	Fire
Annual Operational Permit Multi Family Residence/ Hotels	Multi Family Dwelling Residence/ Hotel/ Motel's occupancies are classified as Residential 2 and shall be inspected annually.	N/A	\$300.00 Annually	Fire
Assembly Operational Permit	An operational permit is required to operate a place of assembly. IFC classifies assemblies as A-1 thru A-4 and defines an assembly as uses intended for the gathering together of persons for the purposes such as civic, social, or religious functions., recreation, food or drink consumption or awaiting transportation.	N/A	\$375.00 Annually	Fire
Child Day Care Facility	The fire code official is authorized to conduct such inspections as are deemed necessary to determine the extent of compliance with the provisions of this code and to approve reports of inspection by approved agencies or individuals. IFC 107.2	N/A	\$250.00 Annually	Fire

Description	Justification	Old Fee	New Fee	Department
Combustible High Pile Storage	A construction permit is required for the installation of or modification to a structure exceeding 500 square feet (46 m2), including aisles, for high-piled combustible storage. IFC 105.7.14 High-piled combustible storage	N/A	\$250.00 Annually	Fire
Hot Work	A permit is required and will ensure safe practices are being performed. It will ensure the safety of all individuals and take the steps to prevent an incident from happening. IFC 105.6.23 Hot work operations	N/A	\$200.00 One-Time Fee	Fire
Medical Facilities	The fire code official is authorized to conduct such inspections as are deemed necessary to determine the extent of compliance with the provisions of this code and to approve reports of inspection by approved agencies or individuals. IFC 107.2	N/A	\$275.00 Annually	Fire
Smoke Control System Test	The fire code official is authorized to conduct such inspections as are deemed necessary to determine the extent of compliance with the provisions of this code and to approve reports of inspection by approved agencies or individuals. IFC 107.2	N/A	\$100.00 One-Time Fee	Fire

Description	Justification	Old Fee	New Fee	Department
Special Event-Crowd Control	To ensure the safety of all attendants at a special event or place of business. IFC 108.6 Overcrowding	N/A	\$100.00 Per Hour	Fire
Spray Booth	The inspection ensures that operations are being conducted as permitted by IFC and that all employees are working in a safe environment. IFC105.7.23 Spraying or dipping	N/A	\$75.00 One-Time Fee	Fire
LPG/ Liquified Petroleum Gas	An operational permit is required for the storage of LP-gas to ensure that the storage and handling is done with fire and life safety in mind. IFC 105.6.27 LP-gas	N/A	\$150.00 Annually	Fire
Storage of Scrap Tires	An operational permit is required to establish, conduct or maintain storage of scrap tires and tire byproducts that exceeds 2,500 cubic feet (71 m3) of total volume of scrap tires, and for indoor storage of tires and tire byproducts. IFC 105.6.46 Storage of scrap tires and tire byproducts	N/A	\$150.00 Annually	Fire



Memo

To: Ron Fraser, Assistant City Manager
From: Chief McCune, CRR Division Chief
CC: Chief Taylor, Fire Chief
Date: August 18, 2022
Re: FY23 Fee Change

Executive Summary

The Pearland Fire Marshal's Office operates under the adopted 2018 International Fire Code (IFC). Chapter one of the IFC states explicitly what type of occupancies "shall" obtain an operational permit annually. It also says that permits "shall" be obtained for any hot work, special events, and tent usage. Hot work involves electric or gas welding, cutting, brazing, or similar flame or spark-producing operations. Facilities that perform hot work operations conducted on or near a covered process shall issue a hot work permit and must keep it on file until hot work operations are complete. For an unknown reason, the Fire Marshal's Office has never enforced this part of the code and adding the proposed fee changes would only increase the safety of citizens and firefighters. It would ensure those occupancies receive an annual fire inspection and comply with the IFC. It was also discovered that the Fire Department, possibly due to a misunderstanding of the process, has never collected special event fees. Currently, Special Event fees have only been collected by Parks and Recreation. Therefore, moving forward, the Fire Department plans to collect Special Event fees to assist with the cost of staffing and equipment related to these events. One of the proposed fees is crowd control, staffing, and equipment. A more descriptive term might be "Event Life-Safety Compliance." Having the Fire Marshal's office operated as Crowd Control Manager, as stated in IFC, will increase the safety of everyone at special events in the City of Pearland. The IFC and National Fire Protection Association (NFPA) state that any assembly or public gathering shall have one Crowd Control Manager per 250 people, whether the event is indoors or outdoors. Below are some other justifications for the proposed fee changes.

Highlights

- Increased life safety and protection of property for both citizens and firefighters
- No current fee charges
- Cost of fuel
- Need for staffing and equipment
- City Gate study recommendation
- Comparable cities routinely charge Fire Fee's

Summary

The fee proposals will continue to make the City of Pearland one of the safest places to live. It will also ensure the Fire Marshal's Office is abiding by the 2018 IFC requirements and taking the proper steps to ensure the safety of all. With the continuous addition of occupancies in the city, fee collection will support fire prevention and education as gas prices and vehicle maintenance costs rise and will further support the growth-related need for additional fire prevention personnel.

Description	Justification	Old Fee	New Fee	Department
Access Control Inspection	This inspection will make sure access into buildings and throughout by way of electronic mechanism are operating correctly. IFC 1010.1.9.9 Sensor release of electrically locked egress doors	N/A	\$100.00 One-Time Fee	Fire
Adult Personal Care Facility	Adult Personal Care are classified in the International Fire Code as an Institutional Group I-1 Occupancy. With this occupancy classification NFPA 1730 states inspections shall be conducted annually.	N/A	\$300.00 Annually	Fire
Annual Operational Permit Multi Family Residence/ Hotels	Multi Family Dwelling Residence/ Hotel/ Motel's occupancies are classified as Residential 2 and shall be inspected Annually. IFC 107.2 Inspections	N/A	\$300.00 Annually	Fire

<p>Assembly Operational Permit</p>	<p>IFC 105.6.37 Places of assembly: operational permit is required to operate a place of assembly. IFC classifies assemblies as A-1 thru A-4 and defines an assembly as uses intended for the gathering together of persons for the purposes such as civic, social, or religious functions., recreation, food or drink consumption or awaiting transportation.</p>	<p>N/A</p>	<p>\$375.00 Annually</p>	<p>Fire</p>
<p>Child Day Care Facility</p>	<p>The fire code official is authorized to conduct such inspections as are deemed necessary to determine the extent of compliance with the provisions of this code and to approve reports of inspection by approved agencies or individuals. IFC 107.2</p>	<p>N/A</p>	<p>\$250.00 Annually</p>	<p>Fire</p>
<p>Combustible High Pile Storage</p>	<p>A construction permit is required for the installation of or modification to a structure exceeding 500 square feet (46 m²), including aisles, for high-piled combustible storage. IFC 105.7.14 High-piled combustible storage</p>	<p>N/A</p>	<p>\$250.00 Annually</p>	<p>Fire</p>
<p>Hot Work</p>	<p>A permit is required and will ensure safe practices are being performed. It will ensure the safety of all individuals and take the steps to prevent an incident from happening. IFC 105.6.23 Hot work operations</p>	<p>N/A</p>	<p>\$200.00 One-Time Fee</p>	<p>Fire</p>

Medical Facilities	The fire code official is authorized to conduct such inspections as are deemed necessary to determine the extent of compliance with the provisions of this code and to approve reports of inspection by approved agencies or individuals. IFC 107.2 Inspections	N/A	\$275.00 Annually	Fire
Smoke Control System Test	The fire code official is authorized to conduct such inspections as are deemed necessary to determine the extent of compliance with the provisions of this code and to approve reports of inspection by approved agencies or individuals. IFC 107.2 Inspections	N/A	\$100.00 One-Time Fee	Fire
Special Event-Crowd Control	To ensure the safety of all attendants at a special event or place of business. IFC 108.6 Overcrowding	N/A	\$100.00 Per Hour	Fire
Spray Booth	The inspection ensures that operations are being conducted as permitted by IFC and that all employees are working in a safe environment. IFC105.7.23 Spraying or dipping	N/A	\$75.00 One-Time Fee	Fire

LPG/ Liquefied Petroleum Gas	An operational permit is required for the storage of LP-gas to ensure that the storage and handling is done with fire and life safety in mind. IFC 105.6.27 LP-gas	N/A	\$150.00 Annually	Fire
Storage of Scrap Tires	An operational permit is required to establish, conduct or maintain storage of scrap tires and tire byproducts that exceeds 2,500 cubic feet (71 m3) of total volume of scrap tires, and for indoor storage of tires and tire byproducts. IFC 105.6.46 Storage of scrap tires and tire byproducts	N/A	\$150.00 Annually	Fire

City of Pearland FY23 Proposed Budget

Budget Presentation #2
22 August 2022



Budget Schedule

Previous Meetings & Events

- ~~3/24/22 – Comprehensive CIP Budget Workshop~~
- ~~6/27/22 – Early Budget Input Session~~
- ~~7/25/22 – CIP Adoption~~
- ~~8/5/22 – Proposed Budget delivered to Council~~
- ~~8/8/22 – Maximum Tax Rate Adopted~~
- ~~8/13/22 – Budget Discussion #1~~
- **8/22/22 – Budget Discussion #2**

Future Meetings & Events

- 8/29/22 – Public Hearing on Budget/Budget Discussion #3 and Tax Rate
- 9/12/22 – 1st reading of Budget, Tax Rate, and Fee Schedule Ordinances
- 9/26/22 – 2nd and final reading of Budget, adoption of Tax Rate, and Fee Schedule Ordinances
- 10/11/22 – Fiscal Year FY23 Begins

City Council

Follow-Ups

A memo went out on Friday, 8/19/22 answering questions received during the Saturday, 8/13/22 meeting and additional questions received on 8/17/22.

The memo also contained:

- FY23 Hurricane Harvey Preliminary Drainage Assessment
- Fee Update Memo
- Fire Department Fee Change Memo
- Slide Deck for Today



Changes in the General Fund from the FY22 Amended Budget to the FY23 Proposed Budget



General Government

FY22 Amended Budget to FY23 Proposed Budget

GENERAL GOVERNMENT EXPENDITURE SUMMARY					
	FY 2022 YEAR END AMENDED	FY 2023 PROPOSED BUDGET	Changes (\$) Amount	Changes %	Comments
EXPENDITURES BY DEPT / DIVISION					
City Council	\$ 149,363	\$ 175,129	\$ 25,766	17%	Strategic leadership consulting was reduced in FY22 based on actual cost and restored to original budget for FY23 Proposed.
City Manager	1,278,221	1,384,958	106,737	8%	
Legal	1,084,477	1,118,516	34,039	3%	
City Secretary	659,799	682,304	22,505	3%	
Human Resources					Combination of salary adjustment and Transfers Out for Internal Service Funds.
Finance	1,565,245	1,729,344	164,099	10%	
Information Technology**	2,863,972	3,119,978	256,006	9%	
Other Requirements*	5,222,522		(5,222,522)	-100%	IT moved to Internal Service Fund.
GENERAL GOVERNMENT TOTAL	\$ 14,243,462	\$ 9,318,112	\$ (4,925,350)	-35%	

Public Safety - Police

FY22 Amended Budget to FY23 Proposed Budget

PUBLIC SAFETY					
EXPENDITURE SUMMARY					
	FY 2022 YEAR END AMENDED	FY 2023 PROPOSED BUDGET	Changes (\$)	Changes Amount	Changes %
EXPENDITURES BY DEPT / DIVISION					
Police Administration	\$ 2,502,589	\$ 4,673,712	\$ 2,171,123	\$ 2,171,123	87%
Patrol	17,580,106	18,962,597	1,382,491	1,382,491	8%
Commercial Vehicle Enforcement	367,097	339,088	(28,009)	(28,009)	-8%
Investigations	4,165,478	4,357,369	191,891	191,891	5%
Community Service	1,625,587	1,748,845	123,258	123,258	8%
Training	413,227	404,062	(9,165)	(9,165)	-2%
School Resource Officers (SRO)	1,460,529	1,617,984	157,455	157,455	11%
Communications & Records	2,396,265	2,926,688	530,423	530,423	22%
Jail	1,249,589	1,326,853	77,264	77,264	6%
Animal Services	986,876	1,234,292	247,416	247,416	25%
POLICE TOTAL	32,747,343	37,591,490	4,844,147	4,844,147	15%
					IT Internal Service Fund Transfer (\$2,040,913)
					A full vehicle replacement was budgeted in FY22 and only lease fees in FY23.
					2 Additional FTE in FY23
					Animal Control Officer budgeted for full year in FY23. Increase to contract for kennel cleaning (\$73,000 annually) and transfers out repair & maintenance to Motor Pool Fund.

Public Safety – Fire and Emergency Management

FY22 Amended Budget to FY23 Proposed Budget

PUBLIC SAFETY					
EXPENDITURE SUMMARY					
	FY 2022 YEAR END AMENDED	FY 2023 PROPOSED BUDGET	Changes (\$) Amount	Changes %	Comments
Fire Administration	1,327,260	2,407,957	1,080,697	81%	IT Internal Service Fund Transfer (\$983,936)
Fire Training	578,354	688,357	110,003	19%	
Fire Operations	23,227,957	22,346,211	(881,746)	-4%	A capital fire truck replacement was budgeted in Fire-Operations for FY22. This is not in the budget for FY23. Salary savings reflected in FY22 amended due to average 22% vacancy rate through June of FY22. Additional costs for replacement vehicles in FY23.
Fire Marshal	782,853	963,682	180,829	23%	Additional costs for replacement vehicles in FY23, and to Other Services Clean Up.
Health/Code Enforcement	715,028	818,417	103,389	14%	
FIRE TOTAL	26,631,452	27,224,624	593,172	2%	
Office of Emergency Management	352,518	329,867	(22,651)	-6%	Temporary employee funded in FY22 for Community Outreach Coordinator. Not funded in FY23.
CITY MANAGER TOTAL	352,518	329,867	(22,651)	-6%	
PUBLIC SAFETY TOTAL	\$ 59,731,313	\$ 65,145,981	\$ 5,414,668	9%	

Please note the reduction in Emergency Management Community Outreach Coordinator. That was an oversight and should be revisited for part-time, if not full-time, in FY 23.

Community Services

FY22 Amended Budget to FY23 Proposed Budget

COMMUNITY SERVICES EXPENDITURE SUMMARY

	FY 2021 ACTUAL	FY 2022 ORIGINAL BUDGET	FY 2022 YEAR END AMENDED	FY 2023 PROPOSED BUDGET	Changes (\$) Amount	Changes %	Comments
Community Development							
Community Development Administration	\$ 244,057	\$ 248,987	\$ 264,653	\$ 477,529	212,876	80%	Increase due to IT Transfer (\$203,233)
Permits & Inspections	1,008,117	1,106,338	965,462	1,199,412	233,950	24%	Salary savings reflected in FY22 amended. Vehicle replacement in FY22 reduced to lease fee payment in FY23.
Planning	679,953	778,201	953,419	1,211,760	258,341	27%	Unified Development Code Update
Development Services	370,909	421,576	450,393	410,445	(39,948)	-9%	Due to position reorgs in FY22 salary savings continue into FY23. No change in FTE total.
Communications	630,198	724,395	752,265	926,690	174,425	23%	Primarily transfers out for lease payments (\$49,058) and IT services transfer (\$61,656)
Municipal Court	789,759	949,065	968,777	1,136,046	167,269	17%	Transfers Out for IT Services (\$143,671)
Library Facility	375,954	278,587	270,927	104,002	(166,925)	-62%	Discontinued book lease program, and building rental costs.
COMMUNITY SERVICES TOTAL	\$ 4,098,948	\$ 4,507,149	\$ 4,625,896	\$ 5,465,884	\$ 839,988	18%	

Public Works

FY22 Amended Budget to FY23 Proposed Budget

PUBLIC WORKS						
EXPENDITURE SUMMARY						
	FY 2021 ACTUAL	FY 2022 ORIGINAL BUDGET	FY 2022 YEAR END AMENDED	FY 2023 PROPOSED BUDGET	Changes (\$ Amount)	Changes %
EXPENDITURES BY DEPT / DIVISION						
<i>ENGINEERING & CAPITAL PROJECTS</i>						
Administration	\$ 407,375	\$ 466,176	\$ 489,591		(489,591)	-100%
Traffic Operations And Maintenance	1,019,915	1,211,206	1,284,260	1,605,635	321,375	25%
Engineering	1,158,368	1,361,961	1,577,055	1,578,420	1,365	0%
Capital Projects	1,345,805	1,465,175	1,500,131	1,889,018	388,887	26%
PUBLIC WORKS						
Public Works Operations Administration	363,323	407,709	415,785	1,309,741	893,956	215%
Custodial Services	517,337	574,265	642,048		(642,048)	-100%
Fleet Management	(16)					
Streets & Drainage	3,091,861	3,786,585	3,585,599	6,268,232	2,682,633	75%
Row Mowing	2,064,878	2,679,636	2,863,885	2,821,921	(41,964)	-1%
Facilities Management	1,400,712	1,696,093	2,352,582		(2,352,582)	-100%
PUBLIC WORKS TOTAL	\$ 11,369,557	\$ 13,648,806	\$ 14,710,936	\$ 15,472,967	\$ 762,031	5%

Division absorbed by PW-Admin
Salary savings reflected in FY22 amended. Additional expenses addressed in memo on 8/19.

1 new FTE with vehicle reimbursed from projects. Additional existing FTE's transferred to this division.

Increases in staff previously in Engineering-Admin and IT Transfers (\$552,431).
Internal Service Fund
Internal Service Fund
Expense for Streets & Sidewalks transfer (\$1,768,800) and transfer to the Drainage Maintenance Fund (\$1,972,958) are recorded here.

Parks and Recreation

FY22 Amended Budget to FY23 Proposed Budget

PARKS & RECREATION						
EXPENDITURE SUMMARY						
	FY 2021	FY 2022	FY 2022	FY 2023	Changes	Changes
	ACTUAL	ORIGINAL	YEAR END	PROPOSED	(\$)	%
EXPENDITURES BY DEPT / DIVISION		BUDGET	AMENDED	BUDGET	Amount	
Administration	\$ 877,496	\$ 967,390	\$ 936,584	\$ 1,550,087	\$ 613,503	66% IT Internal Service Fund Transfer (\$500,669).
Recreation Center	399,850	377,903	376,242	363,439	(12,803)	-3%
Athletics	290,010	333,693	368,231	348,756	(19,475)	-5%
Special Events	428,242	567,589	540,433	588,370	47,937	9%
Senior Program	307,980	341,234	351,147	380,098	28,951	8%
Aquatics	522,733	719,132	539,037	728,282	189,245	35% Salary savings from vacant part-time positions reflected in FY22. Increased chemical costs.
Parks	1,823,056	2,424,823	2,560,820	2,499,506	(61,314)	-2%
Recycling	927	1,200	1,200	1,200	-	0%
Natural Resources	314,495	343,838	334,030	369,011	34,981	10% Salary savings refelcted in FY22 amended, and minor increased program costs in FY23.
Recreation Operations	1,309,312	1,382,291	1,378,351	1,488,377	105,026	8%
PARKS & RECREATION TOTAL	\$ 6,274,103	\$ 7,459,093	\$ 7,386,075	\$ 8,312,126	\$ 926,051	13%

Drainage Maintenance Fund

Budget Book Location: Book 1 – Special Revenue Funds Tab – Page 16



In addition to the \$32K for drainage maintenance, what is PEDC's contribution to drainage via PEDC projects?

City of Pearland
Budget Office

PEDC Board approved the FY23 budget with \$2.9M in drainage improvements. These are in areas with identified necessary drainage improvements and associated with economic development. This includes \$4.8M for improvements to the Southeast quadrant of Old Town that includes **\$1.6M in storm sewer installation** in addition to roadway, lighting, sanitary sewers, waterline upgrades, streetscape improvements including sidewalks. FY 23 also includes **\$1.3M for regional drainage improvements in Lower Kirby**, which will be reimbursed by the Lower Kirby Management District.

PEDC Board will also conduct a public hearing at their August 25 meeting to consider the \$32,436 for drainage maintenance and contributing 1/3 or **\$435,000 of the estimated \$1.3M cost to update the Master Drainage Plan** to identify sub-regional and local projects. If the projects meet the criteria in state law for infrastructure necessary to promote or develop new or expanded business enterprises, they would be proposed to the Board for their consideration as “projects” .

In total, PEDC will contribute ~\$3.4M to drainage projects in FY23.

FY23 Proposed Budget
FY23 Proposed Budget Presentation #2



Total Drainage Expenditures Budget for FY23

*Will be finalized in budget system before first reading on 9/12/22.

**Will require the City and BDD4 to contribute \$435K Each. The Master Drainage Plan is not budgeted at this time.

Expenditure Source	Amount
Drainage Maintenance Fund	\$1,827,449
Drainage Maintenance Fund PEDC Contribution*	\$32,447
PEDC Projects – Drainage Portion	\$2,900,000
FY23 CoP CIP	\$6,850,000
FY23 Proposed Budget Expenses for Drainage Projects	\$11,609,896
Future FY23 Spending**	
PEDC Funding of Master Drainage Plan	\$435,000
BDD4 Funding of Master Drainage Plan	\$435,000
City Funding of Master Drainage Plan	\$435,000
Total Master Drainage Plan Cost	\$1,305,000
Total Budgeted and Non-Budgeted Expenses	\$12,914,896



Fee Changes for FY23



Purpose and City Council Policy on User Fees

From Pearland's Financial Policies (Section III – B. Page 6 of [PDF](#))

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

1. 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.

2. User Fees - General Fund

- 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.
- At a minimum, the City will strive to cover direct costs.
- User fees should be reviewed, at a minimum, every two to three years and adjusted to avoid sharp changes.
- 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.
- The City may set a different fee for residents versus non-residents.
- User fees should be adopted by Council Ordinance and included in the Annual Fee Schedule.”

Two Fee Schedules

The City has two different fee schedules

- Non-Development Fee Schedules
- Development Fee Schedule
- There are several proposed updates and new fees proposed in the Non-Development Fee Schedule
- There are **no** proposed changes to the Development Fee schedule

Proposed Existing Fee Changes



Proposed changes include fees in

- Utility Billing – Updating two reconnection fees for non-payment related disconnections.
- Police – Animal Control costs being updated to reflect actual costs. Removing old fees.
- Parks & Recreation – Updating fees to reflect costs and removing old fees that are no longer needed

Fee Updates



Description	Justification	Old Fee	New Fee	Department
After Hours Fee	This fee will be applied to cost of reconnection of non-pay disconnected accounts after hours.	75.00	100.00	Utility Billing
Processing Fee	This fee will be applied to cost of reconnection of non-pay disconnected accounts after hours.	30.00	50.00	Utility Billing
Transportation, License, Collars	This will remove fees from services no longer used by Animal Services.	\$5, \$10, \$30, \$30, \$80, \$5, \$3. \$4	\$0	Police
Microchip Implant	This will reduce the microchipping fee to be more in line with what microchipping costs the city.	\$25.00	\$20.00	Police
Disposal- Large Animal	This fee will be applied to the disposal of large animals to reflect the actual costs to the City.	\$200 and up	\$375.00	Police
Athletic Tournament Hourly Rate	This fee is updated to a flat tournament hourly rate regardless of residency status.	\$20 per hour for resident \$30 non-residents	\$25/hour (without regard to residency) Field Level 2 \$20/hour (without regard to residency)	Parks and Recreation

Fee Updates Continued

Description	Justification	Old Fee	New Fee	Department
Lifeguard Fee	This fee applies to staffing for lifeguards for pool rentals to reflect the Costs to the City.	\$10.00	\$15.00	Parks and Recreation
Deposits – Independence Park Swimming	This would remove the fee for Independence Park Swimming pool since it no longer exists.	\$100.00	\$0	Parks and Recreation
RCN Member – Natatorium Only Household	This fee will be a fee schedule correction to the one listed in the FY21-22 Fee Schedule.	\$24.20	\$46.20	Parks and Recreation
Remove CoP Security Fee	This would remove the fee for security. Parks and Recreation requires rentals to secure Pearland PD through the Pearland Police Officers Association. Payment is made directly to the Pearland Police Officers Association, Parks and Recreation has never collected these fees.	\$30.00	\$0	Parks and Recreation

Proposed New Fees



- Proposed new fees include
 - Utility Billing – tampering fee
 - Parks & Recreation fees related to new services, facilities, and discounts
 - Fire – Fees to cover cost of certain Fire Marshal operations

New Fees in FY23

Description	Justification	Old Fee	New Fee	Department
Tamper/ Pulled Meter Fee	This fee will be applied to non-pay customers who tamper/damage meters.	N/A	\$200.00	Utility Billing
Athletic Tournament Day Rate	This fee will be a flat tournament day rate to help incentivize new tournaments to be hosted in Pearland.	N/A	Field Level 1 \$200 per field per day Field Level 2 \$150 per field per day	Parks and Recreation
Dedicated On-site Athletic Maintenance Staff	This fee will be for dedicated field maintenance staff to allow tournament organizers to select a high level of service for their tournament and reflect the costs to the City.	N/A	\$25 per hour per person	Parks and Recreation
Miracle Field Rental	This fee is to rent Miracle Field to specialized groups on a per day basis.	N/A	\$200	Parks and Recreation.
RSA Competitive Play Fee	This fee is applied to competitive play fees for RSA play included in Policy.	N/A	\$20 per season resident - \$30 per season non-resident	Parks and Recreation
Specialized Field Preparation	This fee applies to special field preparation and specialized field marking.	N/A	\$40 per field	Parks and Recreation
Turf Field Usage Fee	This fee applies to the use of the turf field to cover the cost of maintenance to the City.	N/A	Practice Residents \$30.00/hr Non-Resident \$50/hr Games Residents \$40.00/hr Non-Resident \$60/hr	Parks and Recreation

New Fees Continued

Description	Justification	Old Fee	New Fee	Department
Independence Park Stage Custodial Fee	This fee applies to utilizing the stage and dressing room at Independence Park.	N/A	\$100.00	Parks and Recreation
			Deposit \$50	
Pavilion Rental at The Sports Complex at Shadow Creek Ranch	This fee applies to the rental of the pavilion at The Sports Complex at Shadow Creek Ranch.	N/A	Resident \$60 Half Day \$120 Full Day Non-Resident \$90 Half Day \$180 Full Day	Parks and Recreation
Access Control Inspection	This inspection will make sure access into buildings and throughout by way of electronic mechanism are operating correctly in conjunction with fire alarms.	N/A	\$100.00 One-Time Fee	Fire
Adult Personal Care Facility	Adult Personal Care are classified in the International Fire Code as an Institutional Group I-1 Occupancy. With this occupancy classification NFPA 1730 states inspections shall be conducted annually.	N/A	\$300.00 Annually	Fire
Annual Operational Permit Multi Family Residence/ Hotels	Multi Family Dwelling Residence/ Hotel/ Motel's occupancies are classified as Residential 2 and shall be inspected annually.	N/A	\$300.00 Annually	Fire
Assembly Operational Permit	An operational permit is required to operate a place of assembly. IFC classifies assemblies as A-1 thru A-4 and defines an assembly as uses intended for the gathering together of persons for the purposes such as civic, social, or religious functions., recreation, food or drink consumption or awaiting transportation.	N/A	\$375.00 Annually	Fire

New Fees Continued

Description	Justification	Old Fee	New Fee	Department
Combustible High Pile Storage	A construction permit is required for the installation of or modification to a structure exceeding 500 SQFT, including aisles for high-piled combustibles.	N/A	\$250.00 Annually	Fire
Hot Work (Welding/Grinding, etc.)	A permit is required and will ensure safe practices are being performed. It will ensure the safety of all individuals and take the steps to prevent an incident from happening.	N/A	\$200.00 One-Time	Fire
Medical Facilities	The fire code official is authorized to conduct such inspections as are determined necessary to determine the extent of the compliance with the provisions of this code and to approve reports of inspections by approved agencies or individuals.	N/A	\$275.00 Annually	Fire
Smoke Control System Test	The fire code official is authorized to conduct such inspections as deemed necessary to determine the extent of compliance with the provisions of the code and approve reports of inspections by approved agencies or individuals.	N/A	\$100.00 One-Time	Fire

New Fees Continued

Description	Justification	Old Fee	New Fee	Department
Special Event-Crowd Control	To ensure the event life-safety compliance for all attendants associated with a special event or place of business. IFC 108.6 Overcrowding	N/A	\$100.00 Per Hour	Fire
Spray Booth	The inspection ensures that operations are being conducted as permitted by IFC and that all employees are working in a safe environment. IFC105.7.23 Spraying or dipping paint for vehicles, furnishings, etc.	N/A	\$75.00 One-Time Fee	Fire
LPG/ Liquefied Petroleum Gas	An operational permit is required for the storage of LP-gas to ensure that the storage and handling is done with fire and life safety in mind. IFC 105.6.27 LP-gas	N/A	\$150.00 Annually	Fire
Storage of Scrap Tires	An operational permit is required to establish, conduct or maintain storage of scrap tires and tire byproducts that exceeds 2,500 cubic feet (71 m3) of total volume of scrap tires, and for indoor storage of tires and tire byproducts. IFC 105.6.46 Storage of scrap tires and tire byproducts	N/A	\$150.00 Annually	Fire

New Fees, but not in proposed budget book due to recent discussions on RCN

Description	Justification	Old Fee	New Fee	Department
Military Annual Individual Membership w/Contract	With many retired service members and veterans living on fixed incomes, we are proposing to introduce a reduced annual and monthly military membership rate.	\$330.00/year	\$280.00/year	Parks and Recreation
Military Monthly Individual Membership w/o Contract	With many retired service members and veterans living on fixed incomes, we are proposing to introduce a reduced annual and monthly military membership rate.	\$35.20/month	\$29.00/Month	Parks and Recreation
PISD Staff Monthly Individual Membership w/o Contract	Pearland ISD is currently the largest employer in Pearland, with approximately 2,700 full-time employees. We want our Pearland ISD partners to choose the Pearland Recreation Center & Natatorium as their preferred location for improving their health and wellness.	\$35.20/month	\$29.00/Month	Parks and Recreation
PISD Staff Annual Individual Membership w/ Contract	Pearland ISD is currently the largest employer in Pearland, with approximately 2,700 full-time employees. We want our Pearland ISD partners to choose the Pearland Recreation Center & Natatorium as their preferred location for improving their health and wellness.	\$330.00/year	\$280.00/year	Parks and Recreation

Next Steps & Questions

Previous Meetings & Events

- ~~3/21/22 – Comprehensive CIP Budget Workshop~~
- ~~6/27/22 – Early Budget Input Session~~
- ~~7/25/22 – CIP Adoption~~
- ~~8/5/22 – Proposed Budget delivered to Council~~
- ~~8/8/22 – Maximum Tax Rate Adopted~~
- ~~8/13/22 – Budget Discussion #1~~
- ~~8/22/22 – Budget Discussion #2~~

Future Meetings & Events

- 8/29/22 – Public Hearing on Budget/Budget Discussion #3 and Tax Rate
- 9/12/22 – 1st reading of Budget, Tax Rate, and Fee Schedule Ordinances
- 9/26/22 – 2nd and final reading of Budget, adoption of Tax Rate, and Fee Schedule Ordinances
- 10/1/22 – Fiscal Year FY23 Begins



Memorandum

To: Eric Roche, Budget Officer
From: Alex Kamkar, Councilor
CC: Clay Pearson, City Manager
Amy Johnson, CFO
Kristen Woolley, Deputy CFO
City Manager's Office

Date: August, 22th 2022

RE: Budget Proposal #2

Mr. Roche,

Pursuant to Budget Hearing #1 that was conducted on August 13th, 2022. Prior to discussing the go forward proposal, I would like to re establish some of the items we discussed during the open hearing, as well as some of the items annotated in various city documents.

Key Information

- Transfer In for Motor Pool Fund in FY 2022^A - \$7,403,000
- Transfer In for Motor Pool Fund in FY 2023^A - \$9,189,000
- Rev Over Exp for Motor Pool Fund in FY 2022^F - \$2,137,000
- Transfer In for Facilities Fund in FY 2022^B - \$3,305,000
- Rev Over Exp for Facilities Fund in FY 2022^C - \$260,000
- Transfer In for Information Technology Fund in FY 2022^D - \$8,489,000
- Rev Over Exp for Information Technology in FY 2022^E - \$401,000

“New Money” Wages Calculation

- | | |
|---|-------------|
| • Rev Over Exp for Motor Pool Fund in FY 2022 ^F - | \$2,137,000 |
| • Rev Over Exp for Facilities Fund in FY 2022 ^C | \$260,000 |
| • Rev Over Exp for Information Technology in FY 2022 ^E | \$401,000 |
|
 | |
| • Total amounts of Revenue over expenditures: | \$2,798,000 |

Budget Proposal “B”

- A. Proposed Budget Book 1 – Internal Service Fund – Page 5 – Transfer in Line, (Rounded to nearest Thousand)
- B. Proposed Budget Book 1 – Internal Service Fund – Page 7 – Transfer in Line, (Rounded to nearest Thousand)
- C. Proposed Budget Book 1 – Internal Service Fund – Page 7 – Rev Over/(under) exp, (Rounded to nearest Thousand)
- D. Proposed Budget Book 1 – Internal Service Fund – Page 8 – Transfer in Line, (Rounded to nearest Thousand)
- E. Proposed Budget Book 1 – Internal Service Fund – Page 8 – Rev Over/(under) exp, (Rounded to nearest Thousand)
- F. Proposed Budget Book 1 – Internal Service Fund – Page 5 – Rev Over/(under) exp, (Rounded to nearest Thousand)

I am proposing that the transfers in from the General fund to the internal revenue funds be reduced so the rev over expenses line matches the following.

- Rev Over Exp for Motor Pool Fund in FY 2022^F - \$250,000
- Rev Over Exp for Facilities Fund in FY 2022^C - \$50,000
- Rev Over Exp for Information Technology in FY 2022^E - \$50,000

This would reduce the overall budget expenditures from the general fund of \$2.45M, which I would like to see the tax rate reduced, so we can lessen the burden on the taxpayers.

If we have the opportunity at the mid year budget allocation to increase contributions to these funds. I would be supportive of that.

I appreciate the team's time and effort on trying to craft a budget that reflects the will of the city council and creates a path forward to a brighter future in Pearland. If I can provide additional information on this proposal, please do not hesitate to reach out.

Your Humble Servant,



Alex Kamkar
Councilor of Pearland

E. Proposed Budget Book 1 – Highlights – Page 1-3 – Senior Office Asst. (\$54K), Officer (\$185K), Attendant (\$55K), Utility Maintenance (\$48K), GIS Tech (\$67K), Billing Specialist (\$48K), HR Compliance (\$60K), Payroll Tech (\$63K), GIS Analyst (\$83K)