

CITY OF PEARLAND, TEXAS

Planting seeds for the
FUTURE



Fiscal Year Adopted
BUDGET
2014-2015
pearlandtx.gov

**CITY OF PEARLAND, TEXAS
ANNUAL BUDGET AND TAX RATE
OCTOBER 1, 2014 – SEPTEMBER 30, 2015
In accordance with SB 656**

This budget will raise more revenue from property taxes than last year's budget by \$2,987,259, which is a 7.9% increase from last year's budget. Of that amount, \$1,811,372 is property tax revenue to be raised from new property added to the tax roll this year.

Property Tax Comparison:

	<u>FY 2014</u>	<u>FY 2015</u>
Adopted and Proposed Tax Rate	0.7051	0.7121
Effective Tax Rate	0.7161	0.6742
Effective Maximum Operating Rate	0.2185	0.2057
Maximum Operating Rate	0.2359	0.2221
Debt Tax Rate	0.4900	0.4900
Rollback Tax Rate	0.7259	0.712156

Vote on Budget and Tax Rate:

For: Tony Carbone, Council Member, Position 1
Scott Sherman, Council Member, Position 2
Gary Moore, Council Member, Position 3
Keith Ordeneaux, Council Member, Position 4, Mayor Pro-Tem
Greg Hill, Council Member, Position 5

Against: None

Present and not voting: None

Absent: None

Total amount of outstanding municipal debt secured by property taxes for fiscal year 2015 is \$23,766,796.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Pearland

Texas

For the Fiscal Year Beginning

October 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Pearland, Texas, for its annual budget for the fiscal year beginning October 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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



**CITY OF PEARLAND
ADOPTED BUDGET
FISCAL YEAR OCTOBER 1, 2014-SEPTEMBER 30, 2015**



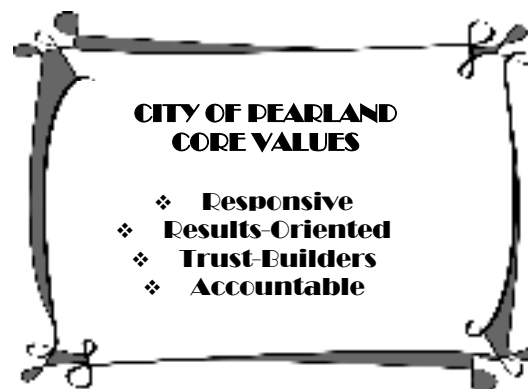
Tom Reid, Mayor
Tony Carbone, Council Member, Position 1
Scott Sherman, Council Member, Position 2
Gary Moore, Council Member, Position 3
Keith Ordeneaux, Council Member, Position 4,
Mayor Pro-Tem
Greg Hill, Council Member, Position 5



Clay Pearson,
City Manager

Deputy City Manager, Jon Branson
Assistant City Manager, Trent Epperson

Prepared by:
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ADOPTED BUDGET FY 2015
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City of Pearland

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 Pearland, Texas 77581
 Ph: 281.652.1600
 pearlandtx.gov

October 1, 2014

To: Mayor Reid and City Council members

Pearland has planted seeds for the future. These seeds have sprouted and are beginning to take root, but they are still a way from having the firm network of root support that brings a plant to full bloom.

The seeds are the investments that have been made around the City, our garden, the shape of which will ultimately be determined by the plans we have adopted and executed. We have plans for systems of roads, parks, water, storm water, sanitary sewers, and facilities. Just as bigger, stronger roots and cells thrive with proper care and watering, our utilities and transportation networks will lead to community growth with our tending. The City of Pearland has established roots with thoroughfares like Magnolia Road from east to west and Cullen Boulevard from north to south. We have literally planted trees and other landscaping in our parks that attract residents to those amenities. Pearland has an appropriately aggressive Capital Improvement Program to continue nurturing the growth of the community. With some of the projects from the voter-approved 2007 Bond Issue still working towards completion, Pearland continues to grow a latticework of sustainable infrastructure. That work has gotten Pearland off to a good start, but such rapid growth can expose some vulnerabilities.



We have grown, but do not yet have all of the needed support structures in place to maintain every plant yet alone the whole garden. We have grown, but without these structures in place cannot reap the fruits of those early plantings. Any place and any time have its challenges: the City of Pearland perhaps has three for our planning.

The first vulnerability comes from the energy—the cash resources—that have been invested. We are all aware that the City is

significantly leveraged, which was necessary to give us the opportunity to grow successfully. The City will have \$297.9 million in General Obligation and Certificates of Obligation outstanding as



of September 30, 2014, being paid back primarily by property taxes. These improvements are investments that benefit the entire community. The particulars of the debt service and obligations are detailed clearly within the Budget document, just as you have seen in prior years. The inflection point is now for capitalizing on growth of the fields (oil and otherwise) around Houston. Individuals and businesses are making major investment decisions. Our financial obligations will be met and we will continue to grow with our ideal location, stand-out public schools, industrious workforce and welcoming neighborhoods, but we will need to do so knowing that the heavy investments both past and future may limit our resources for ongoing operations and innovations.

The second vulnerability is the challenge to maintain strong property values on limited land resources. Even with Pearland's large footprint, there is a finite amount of land. Each acre put into use is an opportunity. With the rapid growth in the number of residents and associated rooftops, the value of the property tax base has generally not had the exponential increase that we would hope to see. Property taxes are our means to pay for the infrastructure that people need and use, the infrastructure that brings goods, employers, and customers to our City. The property values derived from this growth have not been of extremely high value relative to the land that has been developed, when compared on a *per capita* basis to some other large suburban communities (2013 is last year comparable amounts available from published audits.) The numbers below are gross totals and do not reflect the mix of residential and office/industrial/retail tax base in each community, but one could assume that the other communities have a higher percentage of tax base associated with non-residential uses as well.

Taxable Value History -- Pearland and comparable communities								
Cities	MSA	2010 Census Population	2013 Pop. Estimate per CAFR's	Fiscal Year (Tax Year one year prior)		Change 2013 from 2012	2013 TV as % of 2008	2013 TV per capita
				2008	2013			
Frisco	Dallas	117,084	135,920	\$ 12,448,613,236	\$ 14,737,545,079	4.6%	118%	\$ 108,428
Sugarland	Houston	78,756	84,511	\$ 7,621,604,956	\$ 9,700,431,176	2.1%	127%	\$ 114,783
McKinney	Dallas	131,025	140,826	\$ 9,648,855,100	\$ 11,035,645,222	1.0%	114%	\$ 78,364
Pearland	Houston	91,252	104,100	\$ 5,389,790,165	\$ 6,537,976,038	2.6%	121%	\$ 62,805
League City	Houston	83,560	90,300	\$ 4,338,128,202	\$ 5,339,621,396	0.8%	123%	\$ 59,132

Source: Individual community Comprehensive Annual Financial Reports

The FY 2015 Operation and Maintenance property tax rate includes an adopted .007 cent rate increase, for a total operation and maintenance tax rate of \$0.2221. Based on Pearland's estimated Assessed Value base for FY 2015, that will generate \$12.7 million for the General Fund budget and an additional \$7.8 million from the Shadow Creek Ranch TIRZ administrative fee, which is based on 64% of property tax collections. One hundred percent of the valuations and subsequent levy attributable to the Shadow Creek area TIRZ is not accessible until FY 2030 for general operations and debt service. Property tax revenues are fully consumed by the provision of the essential services that the public relies on such as police, fire, parks, and public works.

Despite *per capita* valuation concerns, the overall tax base reflects a strong increase for FY 2015. We budgeted a net taxable value of \$7.6 billion, of which 66% is residential and 26% commercial with the balance being personal property. **Importantly, the tax base has not seen a significant increase in assessed taxable values until this year**, with a 7.1% increase in FY 2014 over FY 2013 and an estimated 8.5% increased budgeted for FY 2015. The City has gone through three



years of relatively stagnant net taxable value, with 1.0%, 0.6%, and 2.6% in fiscal years 2011, 2012 and 2013, respectively.

Property Tax Base Value Distribution History and Projections

Type of Property	Fiscal Year (Tax Year one year prior)					
	2008	2013	2014 Estimate	2015 Budget	2016 Proj	2017 Proj
Residential	4,136,844,130	5,042,965,503	5,362,032,572	5,786,133,675	6,164,320,050	6,526,996,849
Commercial	1,463,969,653	1,954,587,058	2,096,902,073	2,285,530,437	2,475,547,969	2,658,369,888
Personal Property	449,453,570	612,564,952	650,453,238	654,974,383	681,173,358	708,420,293
Gross Assesed Value	\$ 6,050,267,353	\$ 7,610,117,513	\$ 8,109,387,883	\$ 8,711,969,298	\$ 9,280,194,929	\$ 9,824,360,253
Change from Prior	20.7%	4.0%	6.6%	7.4%	6.5%	5.9%
Less: Tax Exempt Real	384,651,183	617,274,555	645,428,532	654,431,291	680,608,543	707,832,884
Less: Other Exemptions and Abatements	275,826,005	454,866,920	461,193,307	471,259,745	475,659,745	481,415,731
Total Net Taxable Assesed Value	\$ 5,389,790,165	\$ 6,537,976,038	\$ 7,002,766,044	\$ 7,600,947,459	\$ 8,164,773,090	\$ 8,704,538,414
Change in Net Total from Prior	22.1%	2.6%	7.1%	8.5%	7.4%	6.6%
Total Direct Tax Rate	0.6526	0.7051	0.7051	0.7121	0.7371	0.7471

Notes: TIRZ value included of \$1,704,949,937 in 2015.

MUD #4 Valuation fo \$242,712,166 anexed into the City on December 31, 2012, shows in value beginning fiscal year starting 2014.

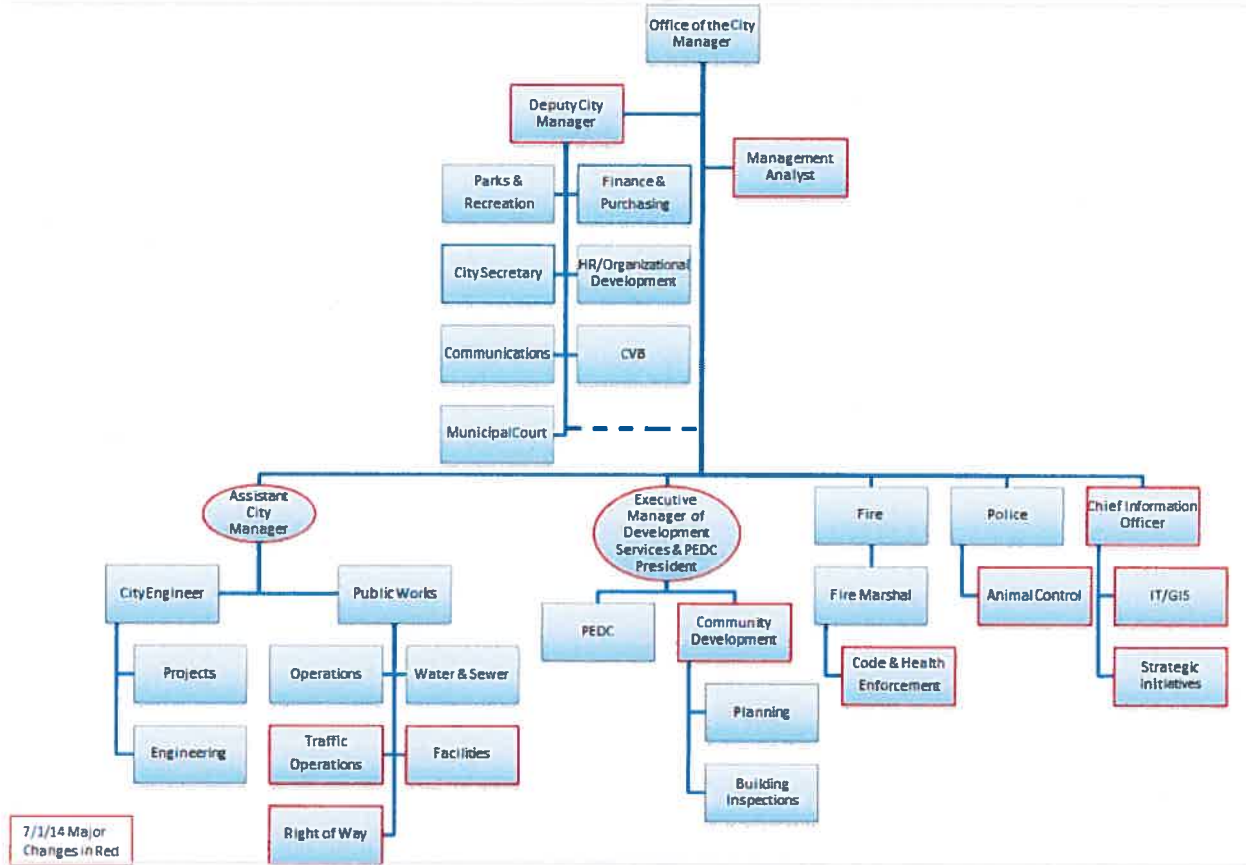
Creating an environment of *quality growth*, not quantity for its own sake, needs to remain the standard. The City can help set the standard with high quality maintenance of its public facilities, roadways and other infrastructure. As part of the City's staff restructuring, this budget has the rights-of-way and facilities divisions joining the Public Works Department, with the staffing and contractual resources to set the stage. The 288 Municipal Management District is likewise taking the lead in setting a high quality standard along our most visible and economically critical corridor.

Consistent image branding is a high priority of the Management Districts, which are funded and operated by private ventures. Similarly, the City too is embarking on an effort to refresh and broaden its image. We are working on small but important visual cues such as: the proud Pearland logo on vehicles and in front of facilities, City-distributed printed material being clearly from the City, and making the utmost use of the recently revitalized pearlandtx.gov (new easier-to-remember URL) which is available 24/7/365 as an encyclopedia for the City of Pearland. Our budget emphasizes that communication with both our residents and businesses is not optional and is not one-sided, but a two-way conversation.

Which leads us to the third vulnerability — bringing our plant structure up to the task of supporting an expansive 48.39 square mile, 110,000 resident, and \$7 billion valuation community. In this budget we have only net ten new full-time positions, one in Water-Sewer and nine in the General Fund; of which seven are in Police, one in IT, one in Fire-Code/Health Enforcement through a Federal grant, and one in Permits. One Parks position was eliminated due to reorganization. In the FY 2014 budget, we authorized 30 positions, including full-time firefighters to staff a new fire station. The next fiscal year will focus on strengthening the roots and structures internally that have already been laid out. While we will continue to deliver excellent services, we will dedicate more time and resources to making what we have even better. The timing is good to restructure organizationally, with moves that make the most of public dollars.



City of Pearland, Texas
 Organization Chart - Restructured



Our new organizational structure is reflected in this budget. We have instituted a modern configuration to take advantage of the talents of our strong staff. The Public Works and Projects/Engineering functions have been moved together in an Infrastructure group. We need to integrate the design and construction functions with the ongoing operations and management. We have in this budget the start of an “asset management” approach for the ongoing lifecycle aspect of our assets to accompany the already successful “projects delivery” model for their construction. However, what we do not have in this budget are the increases needed to have an expanded streets and sidewalk maintenance and rehabilitation program. In fiscal years 2013 and 2014 we embarked on a complete conditions assessment and inventory of the roadways and rights-of-way under our stewardship. The FY 2015 budget plan will give us the information needed to evaluate the issues faced within the rights-of-way, but not necessarily the resources to care for and nurture this critical part of the physical plant.

Multi-year financial planning

One of the most effective tools that I have used, and seen used, with increasing effectiveness is multi-year financial planning. The benefits are many and wide ranging. When you have systems and attitudes in place to look at the estimation of your “bottom line” three years out, you can make small adjustments now that will have a big impact later. When you have a good multi-year view, you can look around the corner to make any problem a past tense instead of a looming crisis.



The multi-year financial plan section has been moved forward and more pronounced in the budget herein recommended.

The City of Pearland has already been incorporating such prognosis tools. This budget policy document anticipates and relies upon the upcoming FY 2015 plus two more years. The City has long had an effective capital improvements program that engages in long-range planning for major expenditures with plans, design, and construction aspects. Looking at the major funds for how they sit as of September 30, 2017 helps us look at sound operational planning between now and then.

Structural Imbalance

As predicted in last year's financial plan for FY 2015, we have a structural imbalance, with recurring operating expenditures greater than recurring operating revenues for the General Fund in FY 2015. The total net revenues for FY 2015 are (\$3,827,478) compared to (\$3,090,989) in the amended FY 2014 Budget. The drawdown of fund balance in the General Fund for FY 2015 of (\$3,827,478), is comprised of \$1.5 million in recurring expenditures and \$2.3 million in non-recurring expenditures. For comparison, in last year's planning, the FY 2015 budget had a (\$842,000) recurring net revenue. Why the difference? There was primarily one factor that was unanticipated from the prior plan:

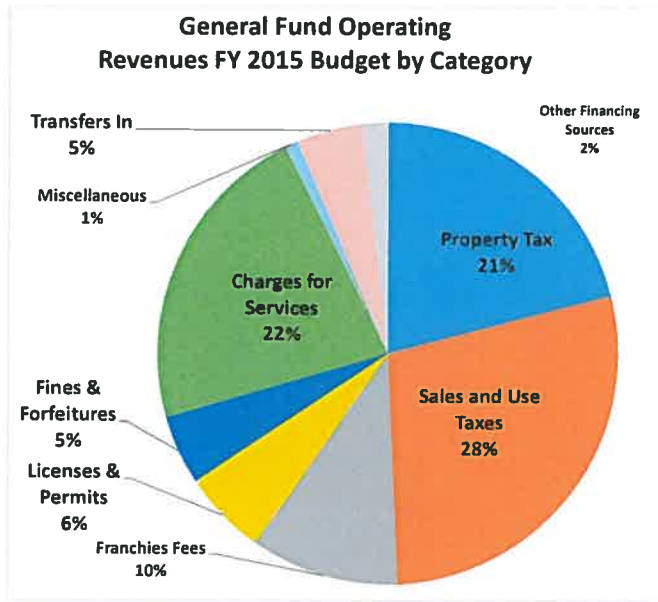
Additional employee health care cost (\$1.1 million). The City has seen health care costs increase as did most business and governmental entities. Work has been completed to make health plan design changes, with employees and the City adapting to the additional cost effective October 1, 2014. As a side, the sale of surplus City Land (\$1.369 million), 8.4 acres located along Beltway 8, needed by Harris County Toll Road Authority is booked for FY 2014, as Harris County Toll Road Authority completed its due diligence for the acquisition. The revenue equates to the money necessary to refresh the employee health care self-insurance fund that experienced significant claims in FY 2014.

Deferral of expanding the police take-home fleet was not in last year's forecast. The City currently allows sworn police officers with certain seniority to take a City-marked patrol vehicle to and from work and on personal business, no matter where the employee lives. The program is designed to provide some additional level of visibility and responsiveness in public safety and was set to be expanded in FY 2015 at an additional City cost of \$550,000. Rather than do that, given our financial vulnerability, this budget does not include the additional fleet cost, but does include an additional six sworn police officer positions.

Though structurally unbalanced for FY 2015, the General Fund's Fund Balance remains above the two-month recurring operation reserves by \$1.3 million and maintains a positive reserve throughout the next three years of this financial plan. The forecast shows that the General Fund will come back into structural balance in FY 2017, as shown in last year's forecast.



General Fund Revenue Overview



The City's General Fund Revenue, including transfers in and other financing sources (leases), is \$63.7 million. That total, excluding lease purchase proceeds and the one-time sale of property; is a 5% increase from the prior fiscal year-end estimate.

This Budget includes an increase in fees for development, planning, and health services to reflect cost of services so that the safety and compliance reviews completed are paid for by the individuals requesting service, and not overly subsidized by existing residents and businesses. As part of the review of current cost of service compared to fees charged, a comparison of nearby large cities was completed showing areas where the City could competitively charge more. Because of these changes, additional revenue of \$335,930 is projected.

Sales Tax Collection History

Fiscal Year Ended 9-30	Sales and Use Tax Receipts	Change
2008	\$ 12,234,799	13.9%
2009	\$ 13,760,714	12.5%
2010	\$ 13,082,134	-4.9%
2011	\$ 13,331,189	1.9%
2012	\$ 14,814,936	11.1%
2013	\$ 15,919,784	7.5%
2014 Est.	\$ 17,038,649	7.0%
2015 Budget	\$ 18,063,535	6.0%
2016 Proj.	\$ 19,147,348	6.0%
2017 Proj.	\$ 20,296,188	6.0%

Excluding the fee increases, we are budgeting slightly less in FY 2015 than FY 2014 for licenses and permits, being conservative in anticipating future private development not keeping up quite the torrid pace recently seen.

For General Fund Operations, sales tax has been our single most important revenue at 28% of operating revenue. Sales tax revenue is equivalent to approximately \$0.25 of the property tax rate. Even with the sales tax growth within the General Fund

(Economic Development Corporation (\$8.9 million), and the City General Fund, (\$18.1 million)), the total available to the General Fund does not provide adequate funding for the City to offer a healthy mix of services for our citizens and visitors. The pay-off of higher values seems close, but not yet here. With residential values of existing homes increasing and more retail with higher value sales, a solid future in three years is achievable with continued focused work.

Sales tax is more volatile than property tax and needs to be regularly monitored. Reserves must be available for adjusting to unexpected fluctuations in receipts during the year. The FY 2014 budget projection of \$16.8 million is off by 2.5% compared to the budget, which depending on the remaining months in this fiscal year could result in a (\$420,000) difference. With the nature of



Tax Year	Fiscal Year	Operations	Debt Service	Total Tax Rate	Change
2004	2005	0.3389	0.3559	0.6948	-0.0012
2005	2006	0.3455	0.3289	0.6744	-0.0204
2006	2007	0.2990	0.3537	0.6526	-0.0218
2007	2008	0.2503	0.4023	0.6526	0.0000
2008	2009	0.2201	0.4325	0.6526	0.0000
2009	2010	0.2201	0.4325	0.6526	0.0000
2010	2011	0.2151	0.4500	0.6651	0.0125
2011	2012	0.2151	0.4700	0.6851	0.0200
2012	2013	0.2151	0.4900	0.7051	0.0200
2013	2014	0.2151	0.4900	0.7051	0.0000
2014	2015 Budget	0.2221	0.4900	0.7121	0.0070
2015	2016 Proj	0.2321	0.5050	0.7371	0.0250
2016	2017 Proj	0.2421	0.5050	0.7471	0.0100
2017	2018 Proj	0.2521	0.5100	0.7621	0.0150
2018	2019 Proj	0.2521	0.5375	0.7896	0.0275

Fiscal Year Based on latest update of budget and 5-Year Forecast.
 2015-2020 Includes new debt to be issued with 20-year maturity, level principal.
 Includes refunding and restructuring of \$24.8 million in fiscal year 2014.
 Includes debt service tax rate increases based on current 5-Year forecast and 5 year CIP 2015-2019.
 Includes operation tax rate increases based on current 5-Year forecast

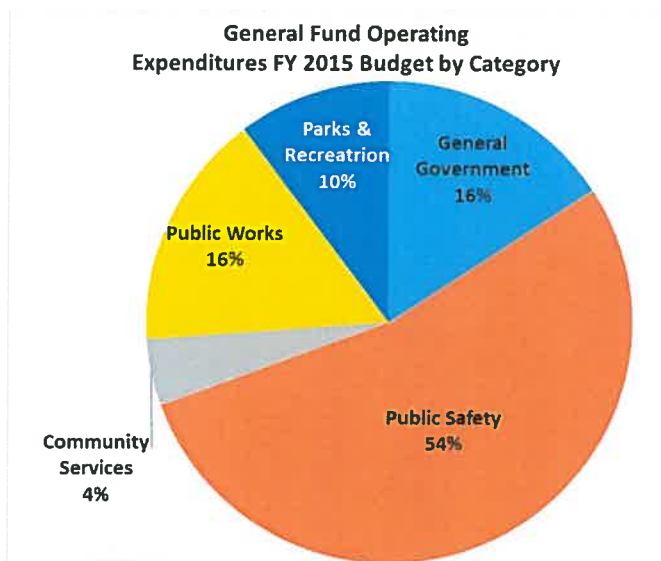
sales tax, we have set a target to have a more conservative 20% General Fund unencumbered cash balance through the life of this budget and multi-year financial plan. We are not completely yet there.

The FY 2015 Budget includes an increase of \$0.007 to the Operating and Maintenance property tax rate. The increase was included in the financial plan last year and provides \$412,720 in additional revenue to reflect increased cost of services, including maintenance and operations of new capital projects like Fire Station #3, Max Road Sports Park, etc.

Residential properties represent 66% or two-thirds of the property value tax base. The additional .007 cents adopted on the operating tax component of the tax rate, equates to \$10.50 on a \$150,000 house and \$21.00 on a \$300,000 and so on. Thus, the total proposed tax rate of \$.7121 generates

\$402 for Operations and Maintenance and \$887 for debt service, based on an average value of \$186,000.

Expenditure Overview



Local government is an operation geared to the health, safety, and welfare of its residents and visitors. For that reason, more than half (54%) of General Fund expenditures are dedicated to Public Safety (Police and EMS/Fire). For the past two years, public safety expenditures have had a double-digit growth rate, 16.8% and 14.5% in FY 2013 and FY 2014, respectively. This growth was associated with the improved coverage for EMS/Fire operations with facilities, equipment, and staffing.

Overall General Fund Expenditures, including transfers out are up 1.8% in FY

2015. Operating expenditures without the transfers out are up 3.8% from FY 2014 projections.

Being a “people” organization, it is not surprising that 67% of General Fund expenditures are for wages and benefits across all departments. The cost for employee health care mentioned earlier is one of the significant cost factors, but providing wages and other benefits at levels needed to



recruit and retain the desired high caliber of dedicated professionals across this organization is the largest expense.

The Parks and Recreation category is budgeted at \$6.77 million in expenditures, lower than last year's budget of \$8.64 million, which is primarily a function of our reorganization transferring functions to Public Works. The contract for rights-of-way maintenance and for City facilities and custodial management has been moved to Public Works as well, where the expenditures likewise are reflected as higher in FY 2015. One of the advantages of the transplanted duties is to allow our Parks and Recreation team to zero in on their core services. We have opportunity and need to grow new service opportunities at our new facilities coming out of the ground like Max Road and the forthcoming Shadow Creek Ranch Sports Complex. Moreover, we want to deepen our programs and services with the diverse range of our resident backgrounds, including older adult services, preparing for the steadily growing aging demographic. Finally, there are opportunities for partnership with clubs, service organizations, volunteers, other governmental agencies, and more to provide a variety of service offerings that make Pearland the desirable competitive place to be in a competitive market. We are also committed to life-long learning opportunities for our residents and public libraries can be just that, in addition to valuable community gathering places and resources for business, job-seekers, students, and seniors. We have in this budget the support for expanding the two public libraries here, in concert with Brazoria County that operates them within our buildings, including expansion of open hours during the week because of the high public demand. Our Parks and Recreation Department and other staff can partner with the library professionals to offer programs and resources to our common citizens more and more.

Capital Improvements

Capital improvements total \$55.134 million for FY 2015. These are funded by \$16.9 million of General Obligation bonds; \$11.1 million of Certificates of Obligation; and \$2.1 million of Water/Sewer Revenue Bonds. The City of Pearland continues to benefit from its planning and cooperation with intergovernmental support. There is \$21.7 million from other funding sources, mainly from HGAC TIP funding the amount of \$16.57 million for street improvements, resulting in improved mobility. Street funding for FY 2015 totals \$29.6 million, followed by facility improvements of \$14.1 million which makes up 79% of the FY 2015 CIP budget. The following are a few of the projects planned for this year:

1. **McHard Road extension: Cullen Pkwy to Mykawa Rd** - A new key extension of approximately 3.5 miles of McHard Road, from Cullen Parkway to Mykawa Road, constructing a 4-lane, concrete, curb and gutter, divided roadway with raised medians. Includes storm sewers, outfalls and detention, traffic signals, sidewalks and related items. Design services will begin during the 4th quarter of FY 2014 with construction scheduled to begin in 2017 and completion slated for 2019.
2. **Bailey Road widening** - Bailey Road will be improved to a four-lane concrete curb and gutter boulevard from approximately 1,000 feet west of FM 1128 to Veterans Drive, a distance of 2.76 miles. The design of this roadway is nearing completion and is estimated to begin construction in the spring of 2015. The construction duration will take about 18 months and should be completed in the summer of 2016.
3. **Shadow Creek Ranch Sports Complex** - The project will entail the construction of a sports complex on 65+/- acres that will include clearing, earthwork, paving drainage, detention, utilities, lighted baseball/softball fields, a soccer field, a pavilion with restrooms



and concession facilities and site amenities. Construction of this facility will begin by September 2014 with completion scheduled for September of 2015.

4. **Fire Stations** – Fire Station 2, located at the northeast corner of Harkey and Fite Road, is currently under design. This station will be approximately 10,700 sq. ft. and house an operation crew, two fire engines, and one ambulance. This facility is scheduled for construction in October 2014 and will be ready for starting occupancy by July 2015.

Fire Station 1, currently located at the corner of Orange Street and Old Alvin Road, will relocate in 2018 to provide quicker response times. The new station will be located on McHard Road near Pearland Parkway. At approximately 8,500 sq-ft, the station will house a 24-hour operation crew, one fire engine, and one ambulance.

5. **Far Northwest Water (Reflection Bay) Treatment Plant expansion** – This project will expand the existing 2.0MGD wastewater treatment plant serving the area west of SH 288 to 6.0MGD to accommodate current and future demand. Project includes addition of effluent pumping capability to provide irrigation to Shadow Creek Ranch Park. The PER for the project is nearing completion and design is scheduled to kick off in August 2014. Construction will begin after a year of design and will be complete in the Fall of 2017.

Utility Enterprise Funds

What can be more important besides the air than the water we need for our metaphorical Pearland garden? As Pearland continues the rapid growth pattern, staff continues the planning for the expansion of the various components of the public water-sewer utility; striving to keep pace with both the system's expansion as well as the rehabilitation of the aging portions of the infrastructure. The City's 2015-2019 CIP shows a considerable amount, \$165 million, needed for expansions of wastewater treatment plants, beginning phase one of a 10MGD surface water plant, as well as rehabilitation and replacement of our current aging infrastructure. The FY 2015 budget continues the concept of growing pay-as-you-go for regular items by funding lift station rehabilitation, pigging or cleaning of water lines to ensure water quality, interior lining maintenance of storage tanks, to name a few, to ensure a sustainable system that maximizes life cycle investments.

In order to operate the system, provide for debt service, cash reserves and to meet bond coverage requirements, a 4.63% revenue increase is needed, generating \$1.358 million in additional revenues. The user fee revenue increase for FY 2015 was in last year's forecast. The City's last rate increase was six years ago, in October 2008. However new growth and aging plants need to be nurtured in order to have a resilient intertwined system that will provide quality service and water to our customers.

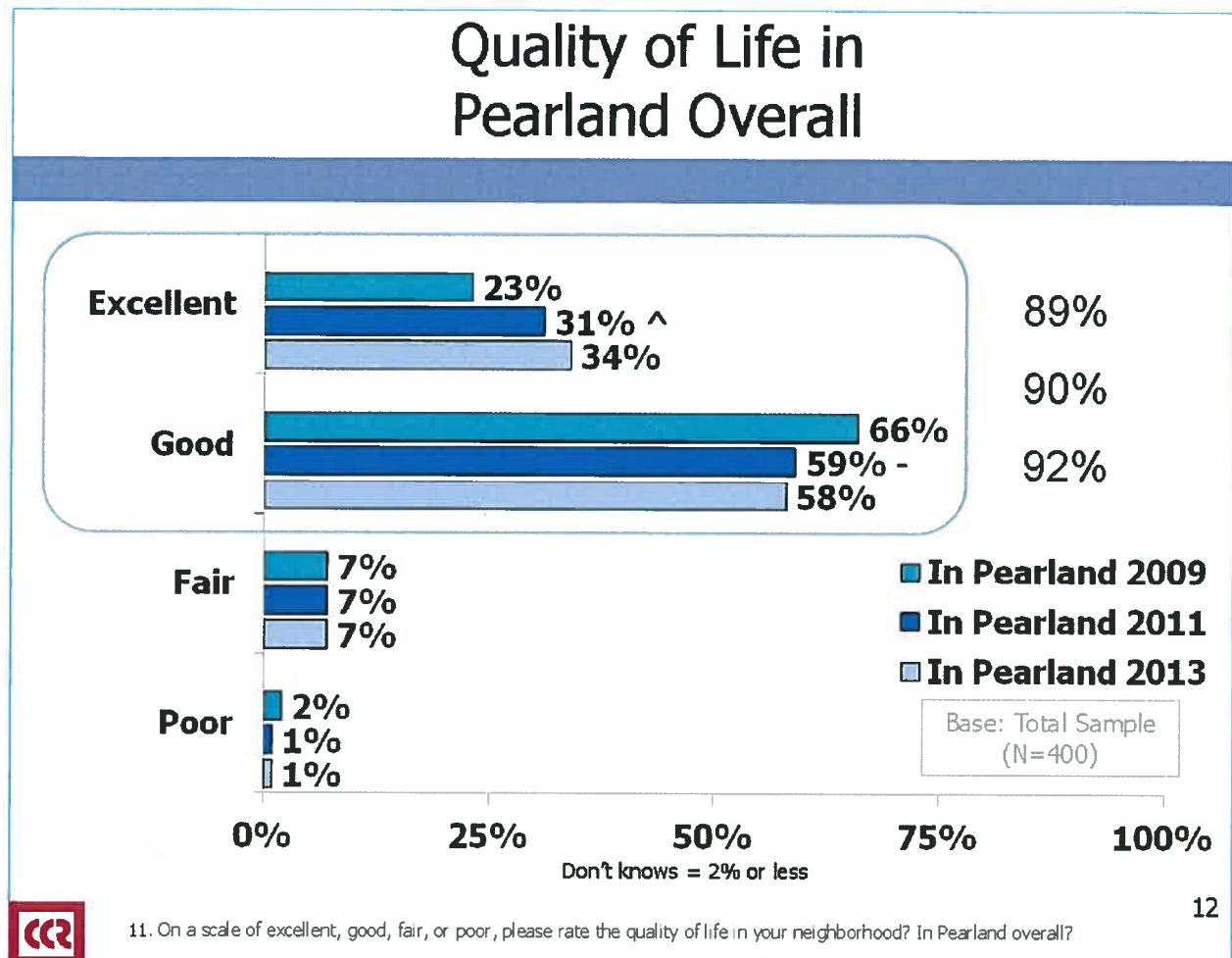
Another piece of the system for our utilities is the storm water management. Pearland has made great strides with major improvements for managing in a reasonable fashion most "normal" storm events. The comparison from stories of years' past to how things are directed today exemplifies the virtuous cycle of planning, investment, execution, and maintenance.

Conclusion

While we can all get caught up in individual, projects and passions for the patches of ground we see most often, and while we can get into the weeds and be vexed about several voices on any topic, we understand that Pearland is a big diverse community with 110,000 residents plus visitors who appreciate their choice to be here. Pearland has great location, public schools,



neighborhoods, friendly people, safe streets, and entertainment. The 2013 bi-annual statistically-valid survey of citizen perceptions bears out this strong groundwork for us to nurture to be even better:



The garden that is Pearland is big. It has well-prepared soil. It is planted with a great mix of flora that ranges from the life-sustaining to the simply aesthetic. But it is still in many ways a young garden. It is not self-sustaining and in many ways will always be interdependent with our surroundings. And our fully-blossomed community has not yet completely taken root.

We have seeds of investment like the Shadow Creek Ranch Tax Increment Reinvestment Zone. One of the most successful public-private partnerships around, the TIRZ District has gone from a total valuation of \$7.2 million in 1998 for the City to \$1.553 billion for tax year 2013. In tax year 2029, fiscal year 2030, 100% of the TIRZ property tax revenue will come fully to the City. If it were today, it would be an additional \$4.6 million in property tax revenue with our current rate. Getting to 2030 in smart fashion with the aforementioned vulnerabilities is our mission.

We all—Council, staff, and the residents and businesses we serve—have a lot of nurturing left to do. From Mark Pelt to the fig and pear fruit of Wiltold von Zychlinski, Pearland has a tradition of planting and tending to the land. You and your predecessors have planted the right seeds and tilled the right areas. We now need to be on the lookout for everything that can both help and hurt our progress, from drought to flooding, from too little care to too much, from too much of one



thing to not enough of another. That, I hope, is what this Budget does. A City budget is a complex multi-faceted thing that has something that everyone can take issue with, but has to have an overall balance. The budget here makes sure we have staff support in the right places while paying attention to the ground beneath us and making sure the right things come out of the ground.

Respectfully submitted,



Clay J. Pearson
City Manager

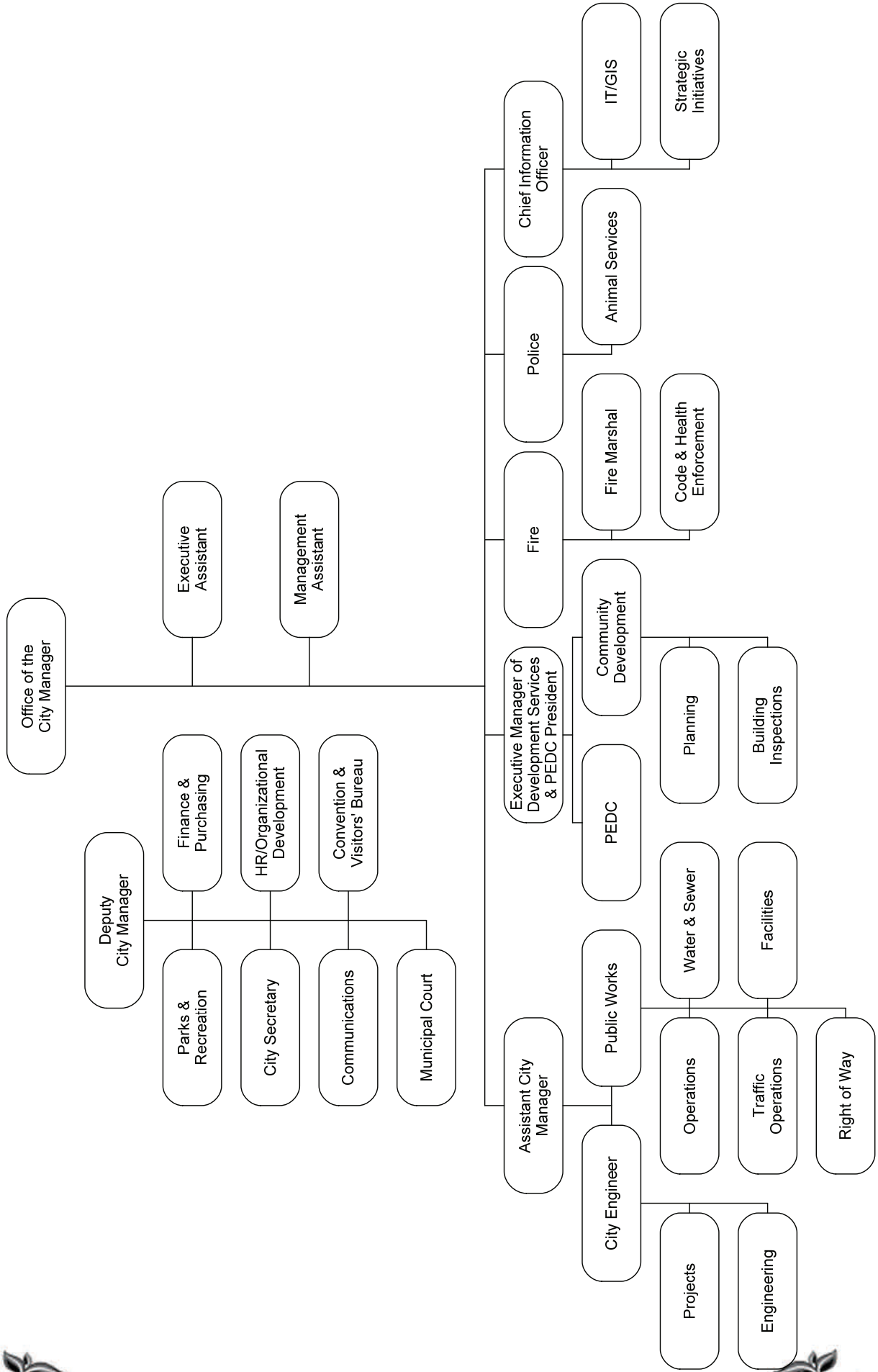
Postscript: The annual City budget is my responsibility as City Manager to recommend but is obviously the work of many pros that know and care about the City of Pearland. In just under five months, the community and its people continue to impress. Having been through some 24 City budgets, I affirm for you that the people here are ready to meet each vulnerability we identified and anticipate the next ones, to be proactive and energetic in meeting community expectations. I want to thank Claire Bogard, Bobby Pennington, Paulette Englund, Neelie Walker, Joel Hardy, Jon Branson, and all the admin staff especially and the directors across all the departments here that make this complete package for you and us to full-fill in 2015+.



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City of Pearland, Texas Organization Chart



**CITY OF PEARLAND, TEXAS
CITY MANAGEMENT**

Elected Officials

Tom Reid
Tony Carbone
Scott Sherman
Gary Moore
Keith Ordeneaux
Greg Hill

Position

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

Appointed Officials

Clay Pearson
Darrin Coker
Letitia Farnie

City Manager
City Attorney
Municipal Court Judge, Presiding

City Management

Jon Branson
Trent Epperson
Matthew Buchanan

Young Lorfing
Chris Doyle
Vance Riley
Eric Wilson
Claire Bogard
Bonita Hall
Lata Krishnarao
Michelle Graham
Kim Sinistore

Andrew Fearn
Sparkle Anderson
Jennifer Huhn
John Knight

Deputy City Manager
Assistant City Manager
Executive Manager of Developmental
Services and President, P.E.D.C.
City Secretary
Police Chief
Fire Chief
Director of Public Works
Director of Finance
Director of Human Resources
Director of Community Development
Director of Parks & Recreation
Executive Director of Convention
and Visitors' Bureau
Head Librarian*
Communications Manager
Municipal Court Administrator
Information Technology Manager

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



CITY OF PEARLAND, TEXAS STRATEGIC PRIORITIES

PEARLAND 20/20 STRATEGIC PLAN

In October 2012, the Pearland Economic Development Corporation (PEDC), along with local partners in government, education, healthcare and business embarked upon a long-term strategic community and economic development planning process in order to create a shared vision for the community's future growth and an action plan to achieve it.

The Pearland 20/20 Strategic Plan is the result of months of research, public input, and feedback and oversight from the project Steering Committee. The Steering Committee included representatives from the City Council, PEDC Board of Directors, Chamber of Commerce, school districts, City staff, and other key leaders. The Strategic Plan was approved unanimously by the Steering Committee, PEDC Board of Directors and City of Pearland City Council.

The nine key strategies outlined in the Strategic Plan are:

1. Marketing – Optimizing Pearland's outreach and message
Maintain a focus on core competencies such as working with developers and commercial brokers, incentivizing high-quality job growth, maintain a steady intensity of retail development, and ensuring that key parcels and sites in Pearland are "shovel ready" and primed for outside investment. Enhance efforts to attract key segments of the health care and energy sectors to Pearland.
2. Mobility – Congestion management strategies
Development and enhancement of high-impact road projects must continue, with priority placed on improvements to SH288, FM518/Broadway, and other state roads such as SH35. Continue to advocate for the timely design and construction of a park-and-ride facility and continue effort to secure long-term mass transit options for residents. Communicate to residents and businesses the projects being constructed or under development and the full breadth of east-west and north-south mobility options in Pearland.
3. Corridors – Planning to support high-value development
Position major corridors (SH288, FM518/Broadway, and SH35) to support catalytic development.
4. Recreation & Culture – A destination for residents and visitors
Ensure capital investment in funded park, recreation and trail capacity continues as scheduled and accelerate implementation of the master plans for Parks and Recreation and Trails. Creation of a parks foundation and development of a sports marketing program, along with efforts to better coordinate the arts in Pearland will be an important first step towards providing additional cultural capacity in the City.
5. Beautification – Enhancing aesthetics to fuel growth
Leverage past successes into a more robust and "next level" beautification strategy in order to elevate the community's attractiveness for a wide range of audiences. The siting and replacement of power pole/lines and the feasibility of a city demolition program for distressed properties are important factors that should be considered in the beautification strategy.



6. Lower Kirby – Pearland’s mixed-use urban district
Implement the recommendations of the master plan in order to transform this site into Pearland’s signature urban district; aggressive marketing of the district, consistent identity, and developing quality of life amenities for the district.
7. Multi-Use Event Center – A venue worthy of a major city
A best-in-class multi-use events center in order for the city to be more competitive for employers and residents.
8. Workforce Pipeline – Enhancing local learning and training capacity
Maintain a competitive labor advantage and ensure that future generations of local students are prepared for jobs that are available locally. Education and workforce providers must continually reassess systematic skills-development issues, improve partnerships, and develop programs to respond to labor force skills deficits and employer needs. Optimize education systems and align training programs with the realities of today’s workplace that better position students for college and careers.
9. Image Campaign – More awareness to cultivate identity
Develop a stronger identity and sense of pride among Pearlanders for their city, its assets and its future.

These nine strategies are designed to take Pearland to the next level of success both as an economy and sustainable residential location. Each strategy is comprised of a variety of sub-actions that details steps and tactics necessary to further the strategic goal.

City Council also held a retreat March 2014 for early budget decisions and discussions, which also included background and education from staff on certain topics as well as Policy Development that needed to be addressed. Topics for Policy Development included:

1. Finances – Paying for the City we are Becoming
 - a. Property Tax Revenue: Ad valorem tax growth; expenditure cost containment and efficiencies
 - b. Debt Service
 - c. In-City Municipal Utility Districts’ – property tax rebates on additional residential development
2. Quality of Life
 - a. Cultural/Entertainment facilities potentials and parameters
3. Community Development
 - a. Multi-family Housing



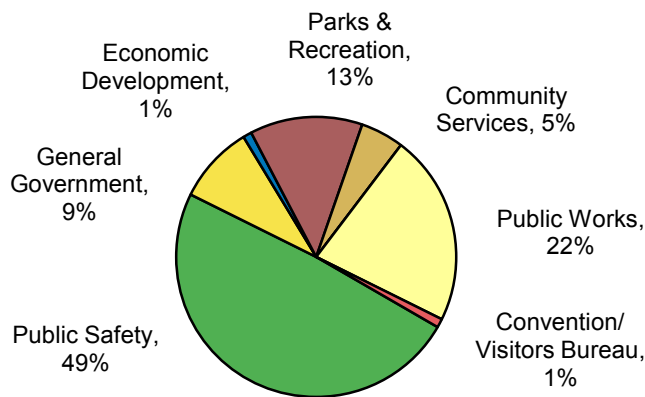
STAFFING LEVELS FY 2014-2015

The number of budgeted Full-time Equivalent (FTE) positions totals 695.5, a net increase of 11.5 for FY 2015: 9 in the General Fund, 1 in the Water/Sewer Fund and 1.5 in Other Funds. This is a 1.7% increase in the number of FTE positions versus a 3.3% anticipated growth in population. Seven of the 11.5 new positions are in Police.

Employees by Service Area

The chart below illustrates the 695.5 FTE count by Service Area. General Government is comprised of the City Manager's Office, Finance, Human Resources, Information Systems, Legal, Utility Customer Service and the City Secretary's Office, Community Services includes Municipal Court, Communications Office, and Community Development: Planning and Permits and Inspections. Public Safety includes Police, Fire and Emergency Response, Health and Code Enforcement, and Animal Services. Public Works includes Facilities and Medians/Rights-of-Way Maintenance, Custodial Services, Fleet Maintenance, Traffic Operations, Water Meter Service, Water & Sewer Services, and Engineering and Capital Projects. Parks & Recreation includes all Parks Maintenance and Activities as well as the management of the Recycling Center. Other Funds include positions funded with Special Revenues, such as Municipal Court Technology Funds, Hotel/Motel Occupancy Tax: Convention & Visitors' Bureau, and Pearland Economic Development Corporation (PEDC).

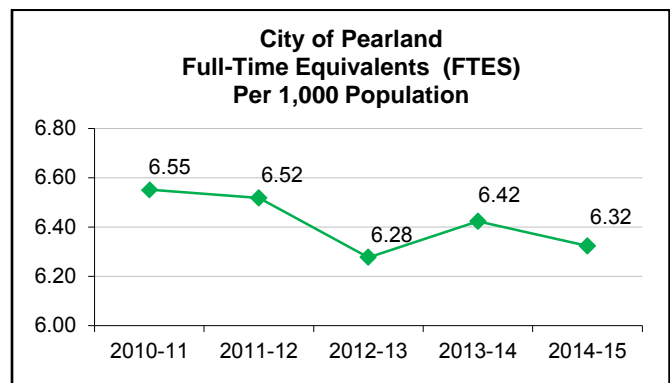
**City of Pearland
Employees by Service Area as % of Total
Fiscal Year 2015 Full-Time Equivalents**



Employees per 1,000 Population

The table and graph below show the number of FTE positions per 1,000 residents. This figure excludes seasonal and temporary employees. A combination of growth in the population, re-organization, and the elimination of a position in Parks & Recreation for FY 2015, have resulted in a staffing per 1,000 population below that of FY 2014; providing for efficient operations while maintaining high quality service levels.

Fiscal Year	FTE	Population	FTE Per 1,000 Population
2010-11	616.5	94,100	6.55
2011-12	633.5	97,200	6.52
2012-13	651.5	103,800	6.28
2013-14	684.0	106,500	6.42
2014-15	695.5	110,000	6.32



**CITY OF PEARLAND
FY 2015 ADOPTED BUDGET
AUTHORIZED PERSONNEL BY DEPARTMENT**

Function/Department	Full-Time Employees			Part-Time Employees			FY 2015 Total Headcount	FY 2015 Total FTE
	FY 2013 BASE	FY 2014 AMENDED	FY 2015 REQUEST	FY 2015 ADOPTED	FY 2013 BASE	FY 2014 AMENDED		
General Government								
City Manager	4	4		4			2	6
City Secretary	4	4		4				4
Finance	16	17		17	1	1		18
Human Resources	6	7		7	3	2	(2)	7
Information Systems	5	6	1	7				7
Geographical Information System			6	6				6
Legal	5	5		5		1		6
Utility Billing	17	18	(7)	11	4	4		6
General Government Total	57	61	0	61	8	8	0	69
Public Safety								
Fire Department	33	84		84	19	51		135
Fire Marshal	6	6		6	2	2		8
Health & Code Enforcement	6	6	1	7				7
Emergency Medical Services	39			0	24			0
Police Department	191	195	7	202	7	7		209
Animal Services	9	10		10	1	1		11
Public Safety Total	284	301	8	309	53	61	0	370
Public Works								
Public Works Oper. Admin.	1.75	1.75		1.75				1.75
Facilities Maintenance		1	4	5				5
Custodial Services			2	2				2
Fleet Maintenance	7	7		7				7
Streets & Drainage	17	17	(1)	16				16
Public Works ROW			3	3				3
Traffic Operations	6	6		6				6
PW W&S Administration			5.25	5.25				5.25
Lift Stations	9	10	(3)	7				7
Wastewater Treatment	14.75	14.75	0.25	15				15
Water Production	12	15		15				15
W&S Distrib. & Collect.	27.5	27.5	(4.5)	23				23
W&S Construction	13	13	(3)	10				10
Public Works GIS	4	4	(4)	0				0
Public Works W&S ROW Mow			6	6				6
Water Meter Service			7	7				7
Public Works & Engr. Admin.	3	3		3				3
Engineering	12	12		12				12
Geographical Info. System	2	2	(2)	0				0
Capital Projects	8	9		9				9
Public Works Total	137	143	10	153	0	0	0	153

**CITY OF PEARLAND
FY 2015 ADOPTED BUDGET
AUTHORIZED PERSONNEL BY DEPARTMENT**

Function/Department	Full-Time Employees			Part-Time Employees			FY 2015 Total FTE		
	FY 2013 BASE	FY 2014 AMENDED	FY 2015 REQUEST	FY 2015 ADOPTED	FY 2013 BASE	FY 2014 AMENDED		FY 2015 REQUEST	FY 2015 ADOPTED
Community Services									
Community Develop. Admin.	3	3		3					3
Planning	4	4		4					4
Permits & Inspections	13	13	1	14	2	2		2	16
Municipal Court*	10	10		10	2	1		1	11
Communications	2	3	1	4					4
Community Services Total	32	33	2	35	4	3	0	3	38
Parks & Recreation									
Parks & Rec. Admin.	8	7		7	1				7
Parks & Rec. Resource Development		2	(1)	1		1		1	2
Custodial Services	3	2	(2)	0					0
Facilities Maintenance	6	4	(4)	0					0
Parks Maintenance West	15	15	(15)	0					0
Parks Maintenance East	16	15	12	27	49	54		54	27
Recreation Center/Natorium	6	9		9	1	1		1	63
Westside Events Center	2	2		2	4	4		4	3
Athletics	2	2		2	4	4		4	6
Youth Development	1			0	4				0
Aquatics	1			0	4			4	4
Special Events	1	1		1					1
Senior Programs	2	2		2	3	3		3	5
Recycling	2	2		2	4	4		4	6
Parks & Recreation Total	65	63	(10)	53	70	71	0	71	124
Economic Development	5	5		5					5
Convention & Visitors' Bureau	2	3		3			2	2	5
U. of Houston-Pearland	1	1		1					1
Municipal Court Security Fund	1	1		1		1	1	2	3
Municipal Court Juvenile Services	1	1		1					1
Other Funds	10	11	0	11	0	1	3	4	15
General Fund	473.75	498.75	9.00	507.75	131.00	139.00	0.00	139.00	646.75
Water & Sewer Fund	97.25	102.25	1.00	103.25	4.00	4.00	0.00	4.00	107.25
Total Other Funds*	10.00	11.00	0.00	11.00	0.00	1.00	3.00	4.00	15.00
Grand Total	585.00	612.00	10.00	622.00	135.00	144.00	3.00	147.00	769.00

*Two full-time and two part-time Municipal Court positions are funded in Other Funds.

Note: Seasonal positions are not included

FY 2015 BUDGET READER'S GUIDE TO THE BUDGET

The Fiscal Year 2014-2015 budget document has been prepared and presented in an effort to comply with the guidelines and recommendations of the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Awards Program. In order to be considered for the budget award, the following four areas must be included in the budget presentation: (1) the budget as a policy document, (2) the budget as a financial plan, (3) the budget as an operations guide, and (4) the budget as a communications device. A brief explanation of these criteria is presented below.

The budget as a policy document. This involves including a statement (or statements) of budgetary policies, goals and objectives for the year and also an explanation of the budgeting process to the reader. Goals and objectives are an integral part of this document, which we believe satisfy this requirement.

The budget as a financial plan. This criterion involves including an explanation of the financial structure and operations of the City. The City's major revenue sources and fund structures are defined and amplified. The budget contains an all-inclusive financial plan for all funds and resources of the City, and also includes a five-year financial forecast. Included are projections of financial condition at the end of the fiscal year, projections of financial activity, and historical comparisons. The budget also presents a consolidated picture of all operations and financing activities in a condensed format. An explanation of the budgetary accounting basis (cash basis, modified accrual basis, or other acceptable method) was employed in the development of the budget. The budget summary section, as well as the various fund and department summaries, satisfies this requirement.

The budget as an operations guide. This criterion involves explaining the relationship between organizational units (departments) and programs. An organizational chart, description of the departmental organizational structure with staffing levels, and historical comparisons of staffing levels are therefore included. Explanations of how capital-spending decisions will affect operations are offered. These issues are addressed throughout the document.

The budget as a communications device. The budget document is available to the public at the City Secretary's Office in City Hall and at the Pearland Branch Libraries, as well as on the City's website. We also provide summary information suitable for use by interested citizens and/or the media. As much as possible we have avoided the use of complex technical language and terminology. Efforts are made to explain the basic units of the budget, including funds, departments or activities, and disclosing sources of revenues and explanations of revenue estimates and assumptions. This information is contained in the transmittal letter and budget summary sections.

In summary, each of the above four criteria is recognized by the GFOA as an integral part of any budget document in order to convey to the reader the goals and objectives the City will address during the year, and how those goals and objectives will be met and measured. We have attempted to present these goals and objectives to the reader in such a manner that any reader, regardless of the reader's financial background or knowledge, will be able to gain a basic understanding of them.

Organization of the Budget Document

Transmittal Letter includes the City Manager's budget message to City Council.

Introduction includes the City's Organization Chart, list of City Management, City Council Strategic Priorities, Staffing levels and Staffing Chart and Graphs, a Reader's Guide to the Budget, and the fiscal year 2015 Budget Calendar.

Highlights includes descriptions and financial and staffing impact of new or expanded programs, services and buildings, as well as significant changes to existing programs and staffing, revenue enhancements, and major reductions, if any.

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



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

Multi-Year Forecast includes the financial forecast for the City of Pearland's major funds over a three-year timeframe, and is a comprehensive, integrated forecast of the City's Debt Service (DS) Fund, General (GF) Fund, Water and Sewer (W&S) Fund, and Pearland Economic Development Corporation (PEDC).

Property Tax Section includes an overview of the City's property taxes, levy and collections for fiscal year 2015. The effective tax rate calculation as required by State law is also included. Historical Assessed Valuation, Taxes Levied and Taxes Collected, along with Tax Rate Distribution and Principal Taxpayers information are in this section.

Debt Service Fund Section includes an overview of the General Obligation Debt Service Fund, with revenue and expenditure summaries. Governmental and General Debt Schedules are included, with a government debt to maturity graph.

General Fund Section includes an overview comprised of revenue, expenditure and fund balance information. A revenue detail report is provided, followed by an expenditure summary for all general fund departments by function. Each functional area, and each department within the General Government area, begins with an organizational chart followed by a summary of expenditures by department/function and by category, a staffing summary and an overview with key budget items, goals, accomplishments, objectives, and performance measures.

Enterprise Fund Section includes an overview of the Water & Sewer Fund that includes a revenue and expense summary and beginning and ending cash equivalents. An organizational chart, a report on revenue detail and an expense and staffing summary by department is followed by department overviews with key budget items, goals, accomplishments, objectives, and performance measures. This section also includes revenue debt schedules and graphs.

Capital Project Funds Section includes a summary schedule of revenues and expenditures by Capital Project Fund followed by a brief description of each project with annual operating impacts.

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

Internal Service Fund Section includes an overview describing each Internal Service Fund. The revenue and expense summaries.

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

Appendix A includes the City's Charter Article 8, Finance, and adopted budget and tax ordinances, as well as the adopted General City, Police, and Fire Pay Plans.

Appendix B includes new personnel funded and the General Fund and Water & Sewer Fund supplemental and capital requests that were not funded and those that were funded, as well as those funded from other funds.

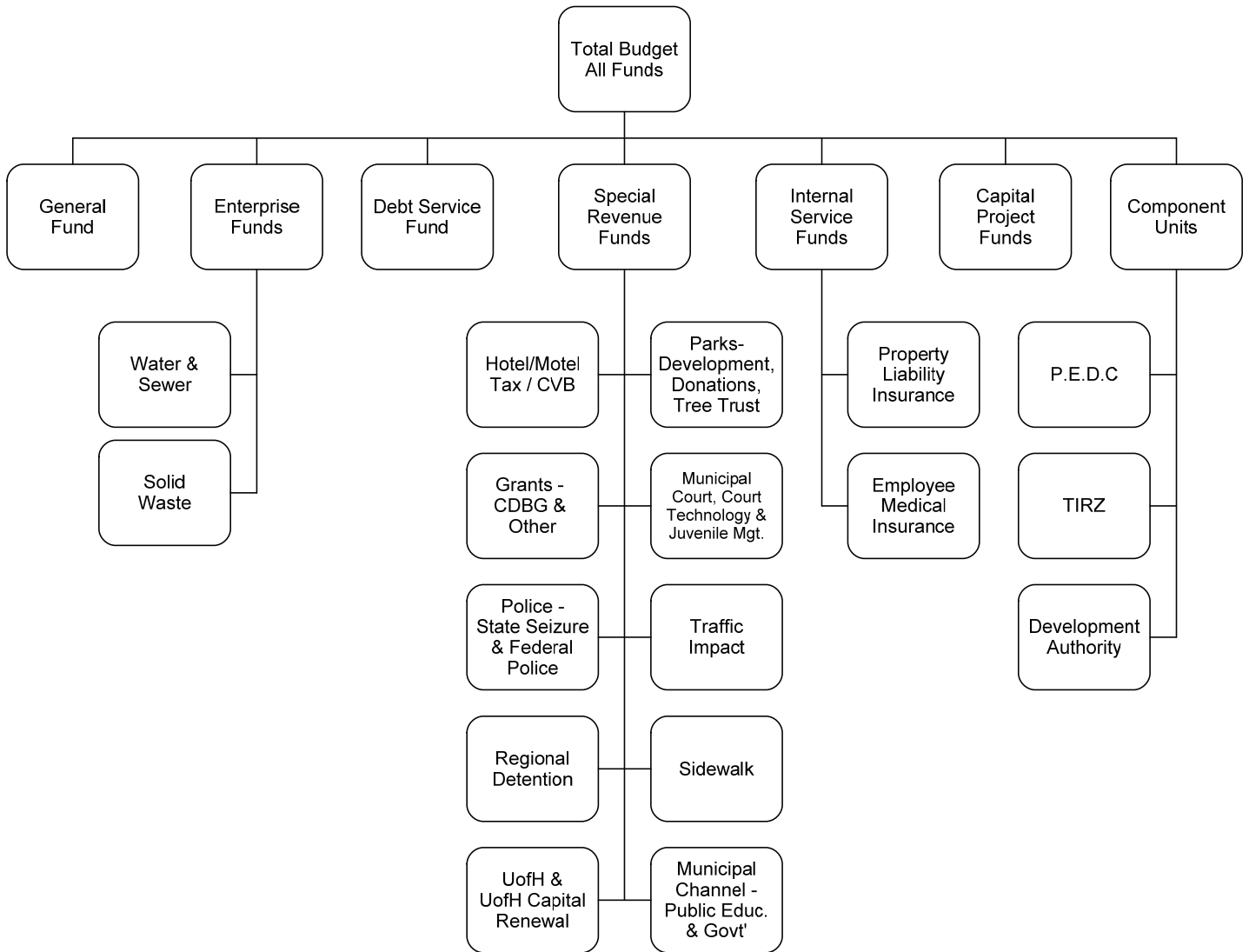
Appendix C includes an introduction to Pearland, City demographics and statistics, and area maps.

Glossary Section includes the glossary and acronyms.



**CITY OF PEARLAND
FUND STRUCTURE**

The City accounts for revenues and expenditures based on the Fund, an accounting system used by nonprofit organizations and agencies, particularly governments. Because there is no profit motive, accountability is measured instead of profitability. The main purpose of the Fund system is stewardship of financial resources to ensure funds are received and expended in compliance with legal requirements. Funds are established to ensure accountability and expenditure for designated purposes. Revenues must be raised and expended in accordance with special regulations and restrictions. The budget is adopted and recorded in the accounts of the related fund.



BUDGET OBJECTIVES AND PHILOSOPHY

BUDGET OBJECTIVES

The FY 2015 budget has been prepared in an effort to clearly communicate to the citizens and staff of the City the overall policies and goals of the City Council and City Management and who we are and what we do, thereby enabling the reader to gain valuable information about the City without requiring detailed accounting or budgetary knowledge. The budget document includes descriptions of various activities and programs (departments) of the City, and comparative performance indicators for each program or activity, where available.

BUDGET PHILOSOPHY

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

BASIS OF BUDGETING AND ACCOUNTING

The financial information presented in the FY 2015 budget is similar to information presented in previous budget documents. The accounting and financial treatment that applies to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus.

BASIS OF BUDGETING

GOVERNMENTAL FUNDS

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

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

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

PROPRIETARY and INTERNAL SERVICE FUNDS

The Water and Sewer Enterprise Fund, Solid Waste Fund, and Property Insurance Fund are budgeted using a flow of economic resources, which is similar to the accrual basis of accounting, with exceptions listed below. Available



balances are determined using the cash equivalent approach: cash + investments + accounts receivable + prepaid expenses – accounts payable = cash equivalent available.

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

BASIS OF ACCOUNTING

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GASB 34)

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

BUDGET PROCEDURES

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

Using the budget worksheets, each department head projects the financial needs of their department. Supplemental requests for capital, annexation, growth and development or other items that don't fit within normal operating budgets are requested and justified separately. Upon completion of the proposed budget, department heads submit their budget request to the Budget Office for review, after which the budget is submitted to the City Manager for review and approval. The City Manager meets with his direct reports to discuss and make adjustments where needed.

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



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

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1, which must be adopted by the last regularly scheduled Council meeting of September. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices and hearings are conducted pursuant to state law.
3. The budget is legally enacted through passage of an ordinance.
4. The legal level of control is the total approved budget for each fund.
5. All funds are included in the budget development process and submitted to the Council for adoption each year and are monitored by department administrators and budget analysts during the year. These funds include the General Fund, Capital Improvement Fund(s), Special Revenue Funds, Debt Service Funds, Water and Sewer Fund, Solid Waste Fund, Internal Revenue Service Funds, and the Economic Development Corporation Fund.
6. Operating fund appropriations lapse at year-end.
7. See the Pearland City Charter, Article 8, in the Appendix section for further budget procedures and rules for the adoption of the budget.

PROCEDURE TO AMENDING THE BUDGET

EMERGENCY APPROPRIATIONS:

At any time in any fiscal year, the Council may make emergency appropriations to meet a pressing need for public expenditure, for other than regular or recurring requirements, to protect the public health, safety or welfare. Such appropriations shall be by ordinance adopted by the majority vote of the Council members at one special or regular meeting.

TRANSFER OF APPROPRIATIONS:

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



BUDGET CALENDAR for FY 2014-2015

Distribution of Budget packets to Directors/Department Heads by Finance	March 4
Budget Training Workshop.....	March 5
Budget requests submitted to Finance Department with all supporting documents.....	April 11
Preliminary revenue estimates issued by Finance for current and next fiscal year.....	April 29
Finalize preliminary income statements for General Fund and Debt Service Fund Review with Management.....	week of May 19
Discussion of Budget Requests with Departments.....	May 28 – June 3
Complete and update Final Payroll information.....	week of June 9
Review funding requests, impact on funds, pare down list.....	June 16 – June 18
Review all funds and totals with City Manager.....	week of June 23
Updated Water/Sewer Rate Model	week of June 30
Final adjustments made and budget submitted to City Manager.....	week of June 30
Finalize budget, write Transmittal Letter, Budget packets prepared, agenda and PowerPoint prepared.....	June 30 – July 21
City Manager's recommended budget filed with the City Council.....	July 28
City Council Budget Workshop #1.....	August 4
City Council Budget Workshop #2; including CIP.....	August 11
Mission/Goals/Performance Measures due.....	August 11
Schedule Public Hearing on Budget and Tax Rate.....	August 13
City Council Budget Workshop #3.....	August 18
Send Notice of Effective Tax Rate to paper.....	August 19
Budget Public Notice sent to paper.....	August 19
City Council Budget Workshop #4.....	September 2
Public Hearing on the Budget and Tax Rate.....	September 2
Public Hearing on the Tax Rate.....	September 8
First reading of ordinance to adopt a revised current year budget and FY2014 budget.....	September 22
Second and final reading of ordinance to amend current year budget Second and final reading of ordinance to adopt FY2014 budget.....	September 29
Adoption of Capital Improvement Program (CIP).....	September 29

The City of Pearland Charter requires that the City's annual budget must be adopted by the last regularly scheduled Council meeting in September.



Funding Highlights

- ◆ General Fund
- ◆ Water / Sewer Fund
- ◆ Grant Fund

Staffing Highlights

- ◆ General Fund
- ◆ Water / Sewer Fund
- ◆ Other Funds



**GENERAL FUND
MAJOR FUNDING HIGHLIGHTS
FY 2015 ADOPTED BUDGET**

IT Strategic Plan \$1,586,168

Pursuant to the City's 5-Year IT Strategic Plan, the City moved forward in fiscal year 2014 with the hiring of Berry Dunn to lead the process of replacing the City's current 18-year-old financial system, SunGard H.T.E. The City had three demonstrations on software, based on proposals received, in August, with selection and award to occur in fiscal year 2015. As such, funds are budgeted of \$1,472,090 for year 1 of an 18-24 month conversion, testing, and go-live process. Also included is the addition of a Chief Information Officer (CIO) at \$157,050 for 9 months for fiscal year 2015, beginning January 1, 2015. The CIO will provide vision and leadership for developing and implementing technology initiatives in support of operations and develop policy and procedures for the department, including disaster recovery.

Consolidation Fire/EMS \$ 487,783

Consolidation of the Fire/EMS departments began in fiscal year 2014 with training EMS personnel as Firefighters and the purchase of gear. Fiscal year 2015, phase two of the consolidation, actually merges the two departments with previous EMS personnel going on a 48/96 fire schedule as of October 2014. At this time these employees will also transition to firefighter pay and guaranteed scheduled overtime pursuant to FLSA 7K exemption for firefighters. The new 48-hour schedule will be monitored and evaluated during the year for effectiveness and efficiency with eye towards staffing and safety. Included is \$67,342 for additional firefighter training for those EMS personnel who could not participate first year.

Community-wide Park Facility Openings \$ 437,517

The fiscal year 2015 budget includes operating costs for completed parks projects that were in the 2007 voted bond package; Shadow Creek Ranch, Centennial, and the Max Road Sportsplex. Max Road is scheduled to open October 2014, Centennial to be completed by June 2015 and Shadow Creek Ranch by August 2015.

New Fire Stations #3 and #2 \$ 335,236

Fiscal year 2015 includes operating funding for both stations based on anticipated openings. In fiscal year 2015, four full-time and eight part-time Firefighter/EMS, including gear, are included to accommodate Station 3 (Broadway and Yost), which is expected to open in early 2015. Fire personnel for Station 2 (Harkey and Fite), will be hired October 2015, fiscal year 2016, although an ambulance is expected to be running out of Station 2 just prior to October.

Police Personnel \$ 950,003

Two Patrol Sergeants were added to provide additional first line supervision of Police Officers assigned to night shift squads, as the size of the squads has approached a number that exceeds the effective span of control for the current number of supervisors. Four Patrol Officers were added to increase the visibility and shorten the response time of Officers on the streets. New positions were added in lieu of adding take-home vehicles in FY 2015, as the priority of the City is to make available more officers. A civilian Crime Analyst will be added to the Police Investigations unit to analyze technical information, determine crime patterns and disseminate the results to the department in order to provide information to be used to make well informed decisions on where to allocate resources in combating crime.



**GENERAL FUND
MAJOR FUNDING HIGHLIGHTS
FY 2015 ADOPTED BUDGET**

Medical Premium Increase \$1,082,770

Due to a high claims cost in FY14, and anticipating this trend will continue, the self-insured medical contributions will increase for FY15 for the City and employees, based upon Option 6a reviewed with City Council in July. In order to provide a strong, yet sustainable plan for the employees, the City will provide two Kelsey Seybold plans and an HSA, eliminating the open access plan.

Merit Pay and Police Step Pay \$ 843,286

A 2% merit pay increase is budgeted for all employees at a cost of \$750,000 in the General Fund, including benefits. Pursuant to civil service, the 2015 budget includes \$93,286 for a civil service step increase of 3% on the anniversary of date of hire.

Business Center Library Expansion \$ 96,996

Additional rent and common area maintenance is required for the 4,000 square foot expansion of the existing Business Center Library, the busiest in Brazoria County Library System. The addition will provide a total of 10,000 square feet of library space. A total of \$450,000 is budgeted in FY2014 for the design and construction of this expanded facility.

Community Beautification \$ 311,723

Pursuant to the Pearland Vision 20/20: A Blueprint for Pearland, funding has increased for the landscaping and maintenance of City facilities and roads and corridors, implementing new contract standards, as well as transitioning current medians/right-of-ways mowed by City staff to contract. Beautification of roadways and public spaces create or improve the image and gateway for the City as well as increases re-development and development within the City.

Flashing Left Turn Arrow Program \$ 138,186

Flashing amber arrow for left turns along FM 518 will improve the traffic flow along this stretch of roadway and will reduce delays for left turn traffic during peak hours. Traffic and traffic related issues are the number one concern of Pearland residents in the 2013 Citizen Survey, and has been since the first citizen survey in 2009. This flashing arrow program will be a three year project. Year 1 will cover FM 518, part of Dixie Farm Road, and part of Magnolia. Year 2 will cover FM 2234/McHard, Cullen, and SH 35. Year 3 will cover the remainder of Dixie Farm Road, Magnolia, and signals off major roadways. These funds cover Year 1.

Span Wire Rebuild/Intersection Upgrades \$ 192,000

The span wire intersections along FM 518 are at least 20 years old and need to be upgraded. Span wire only upgrades include the replacement of all span wire, signals, and the controller cabinet. By upgrading the traffic signals, it will reduce overtime calls and improve the look and performance of the signals. These funds will be used for the FM 518 signals at Walmart, Cullen, Woody, and Woodcreek because these locations have existing issues that cause the signals to go into "flash" mode, requiring a service call.

Total General Fund Highlights \$6,461,668



**WATER & SEWER FUND
MAJOR FUNDING HIGHLIGHTS
FY 2015 ADOPTED BUDGET**

Auto Dialer Alarm System \$ 231,000

The wireless remote alarm system will notify personnel of alarm events within minutes of alarm. The auto dialers will be installed at 44 lift station sites that only have visual alarm systems. TCEQ rules and regulations Design Criteria for domestic wastewater systems states that lift stations must include an audiovisual system and the system must transmit all alarm conditions through the use of an auto dialer alarm system. Rapid response time to any alarms that could result in overflows could reduce or eliminate any sanitary sewer overflows into the storm drains and receiving streams of the state.

Lift Station Rehabilitation \$ 500,000

The Lift Station Rehabilitation program will rehabilitate older lift stations through the replacement of pump infrastructure, refurbishment of the wet well, rehabilitation of adjacent piping, and key electronic components. Much of the rehabilitation will center on the replacement of older, above ground Gorman Rupp Centrifugal Lift Station pumps. The newer generation of pumps are submersible thus reducing noise to the surrounding areas.

Pigging of Water Lines \$ 300,000

The interior infrastructure in the area served by the Southeast Water Production Facility needs to be scoured to remove deposits caused by the elevated levels of organic manganese in the water produced by that facility over the years. The cleaning of the water lines will provide good quality potable water to residents and stay in compliance with TCEQ regulations.

Sludge Dewatering/Hauling \$ 525,000

The Far NW wastewater treatment plant has had equipment failures in the dewatering facilities. This requires additional sludge cost to get dewatered or hauled off. Far Northwest Treatment Plant cannot keep up with the sludge removal amounts. The plant is overloaded and the current dewatering machine cannot keep up with the demand. Proper sludge removal or filtering will produce quality effluent allowing the City to remain in compliance with TCEQ regulations. This additional expense is temporary, until the expansion of the plant.

Analyze and Improve SCADA System \$ 100,000

The current SCADA system communication network has not proven to be reliable. The current system needs to be analyzed to identify options for improvements to the system. The project will look at two aspects of the system. The first is the operational functionality of the system and the facilities to which it extends. The second is the communication network which supports the system. It is anticipated that the functionality of the system will need an upgrade which will most likely be through a new software solution. The project deliverable would be similar to a preliminary engineering report that recommends phase projects to improve the system functionality.

Vactor Truck Program \$ 459,026

The vactor truck purchase allows the City to establish a new rehabilitation program to clean the sewer collection system. The new program will include daily inspection, sewer line cleaning and use of the CCTV truck and vactor truck. The Jet Eye System on the vactor truck will allow the City to view, televise and record the conditions of the sewer lines while cleaning them, thus increasing efficiency.



**WATER & SEWER FUND
MAJOR FUNDING HIGHLIGHTS
FY 2015 ADOPTED BUDGET**

Quick Valve Insertion Machine \$ 65,422

The Quick Valve Insertion Machine allows staff to insert valves ranging from 4 to 12 inches in-line without interrupting water service to citizens during emergencies or connection of new water lines to the system. The machine will reduce customer inconvenience, and limit the loss of water pressure while repairs are being made. With the Quick Valve Insertion Machine, the City would improve customer service and reduce water loss. During main breaks the machine will not eliminate disruption of service for everyone, however the area of water outage will be greatly reduced each time. This machine will also be utilized when contractors are connecting to the system and an isolation valve is not close to the new connection.

Interior Lining for Storage Tanks \$ 400,000

Water tank cleaning has a substantial impact on the physical structure and reliability of water storage tanks. Three storage tanks are in need of cleaning and interior lining protection to prevent corrosion and to stop leaks. These tanks are the elevated storage tanks at Bailey and McLean, and the ground storage tank at Garden. The work on these three storage tanks will keep them in compliance with TCEQ and American Water Works Association (AWWA) regulations. This is year 2 of a 5 year program.

Longwood Street Manhole Rehabilitation \$ 159,600

The existing sanitary sewer manholes along the length of Longwood Street are in need of rehabilitation due to deterioration caused by sewer gases. There are approximately 40 manholes.

Wireless Read System (Backbone only) \$ 304,790

By 2017, the City will have 22,000 water meters out of 33,000 that will be over 10-years old. In anticipation of a 4-year phased City-wide meter change out program to a wireless remote read, beginning in 2016, the City proposes the purchase of the Sensus Advanced Metering Infrastructure backbone including transceiver, installation, software, support, and project management which will allow staff to start transitioning over to the new meters and system for new development while phasing in the replacement of existing meters. The new meter will read lower water flows at 0.03 gallons per minute, thus measuring with better accuracy.

ERP \$ 802,797

Pursuant to the City's 5-Year IT Strategic Plan, the City moved forward in fiscal year 2014 with the hiring of Berry Dunn to lead the process of replacing the City's current 18-year-old financial system, Sunguard H.T.E, with award expected in fiscal year 2015. As such, water and sewer funds, pro-rata portion, are budgeted of \$802,797 for year 1 of an 18-24 month conversion, testing, and go-live process.

Total Water/Sewer Highlights

\$3,847,635



**GRANT FUND
FUNDING HIGHLIGHTS
FY 2015 ADOPTED BUDGET**

Emergency Management Performance Grant (EMPG) \$ 40,863

The Texas Department of Public Safety – Division of Emergency Management issues formula grant funds to the City of Pearland Fire Marshal Department for the purpose of providing emergency preparedness resources for the citizens of Pearland. The City of Pearland utilizes these funds for personnel who coordinate the training needed by community-based organizations and agencies that provide mutual aid to the City and assist citizens with evacuation readiness, homeland security preparedness, and public safety efforts during hurricanes and other natural disasters. Funding typically covers approximately 7% - 10% of the department's personnel costs.

Crime Victim Liaison \$ 64,687

The Office of the Governor's Criminal Justice Division is providing grant funds toward one Crime Victim Liaison personnel. The Pearland Police Department Crime Victim Liaison provides various types of social services assistance to victims of domestic violence, theft, burglary, robbery and other crimes against persons. The Crime Victim Liaison assists Pearland residents in need with referrals to human services organizations, counseling, transportation assistance, legal aid and emergency shelter for victims of domestic violence. Funding covers approximately 95% of one person.

Crime Victim Specialist \$ 41,849

The Office of the Attorney General provides grant funds for Crime Victim Specialist personnel and the City has applied for this grant as an adjunct to the funds the City receives from the Criminal Justice Division. The Pearland Police Department staff provides various types of social services assistance to victims of domestic violence, theft, burglary, robbery and other crimes against persons. The Crime Victim Specialist will assist the Crime Victim Liaison with efforts to provide Pearland residents in need with referrals to human services organizations, counseling, transportation assistance, legal aid and emergency shelter for victims of domestic violence. The two years of grant funds cover approximately 90% of program costs, including personnel and minor professional development expenses.

Staffing for Adequate Fire and Emergency Response (SAFER - VFF) \$ 57,526

The City is in year three of a four-year grant totaling \$146,802 to implement recruitment and retention efforts designed to improve the volunteer firefighter capacity of the Pearland Fire Department. This grant comes from the U.S. Department of Homeland Security, through its Federal Emergency Management Agency (FEMA). Pearland Fire Department will use the fiscal year 2015 budget for this grant to maintain volunteer firefighter recruitment coordinator staff and continue to implement its marketing program to attract new volunteer firefighters. The remaining periods of funding will be used to continue the recruitment and retention of firefighters.

TxDOT/HGAC DWI Enforcement Program \$ 18,719

The City has been receiving an annual allocation of funding from TxDOT through the Houston-Galveston Area Council for the purpose of covering approximately 81% of the overtime costs for officers that conduct safety inspections of drivers to prevent and enforce violations of laws designed to prohibit intoxicated driving.

Bulletproof Vest Partnership (BVP) Grant \$ 14,663

U.S. Department of Justice distributes matching grant funds to law enforcement jurisdictions for the purpose of assisting them with purchases of bulletproof vests for officers. Vests that are pending expiration of their traditional 5-year warranties are eligible for replacement. The department typically replaces approximately 25 vests per year, ensuring that officers have the most effective personal protective equipment possible while in the field. Fiscal year 2015 BVP Grant allocations will be used to issue replacement vests for 51 police officers. BVP funds provide a 50% match for all eligible vests that grant funds are requested to replace. The total cost of the vests is \$29,326.



**GRANT FUND
FUNDING HIGHLIGHTS
FY 2015 ADOPTED BUDGET**

Solid Waste Recycling Equipment Grant **\$ 13,562**

Through the Houston-Galveston Area Council, Texas Commission on Environmental Quality provides jurisdictions and non-profit organizations with grant funds for programs that foster education and awareness programs, and equipment purchases, to improve efforts to recycle solid wastes. The City will purchase 3 additional tilt hoppers for use with a previously-funded glass crusher at the Stella Roberts Recycling Center, as well as surveillance cameras and detection equipment designed to assist the Fire Marshal's Office with the enforcement of illegal dumping laws in Pearland.

E. Byrne Memorial JAG Program Funding **\$ 10,428**

The Pearland Police Department will utilize a formula-allocation of funding from the U.S. Department of Justice for the purchase of Gang Tracking Software, lighting enhancements for police motorcycles, and technology designed to aid in the digital reconstruction of accident and investigative scenes.

Total Grant Fund Highlights **\$ 262,297**



**GENERAL FUND
FISCAL YEAR 2015
STAFFING AND FTE CHANGES**

FY 14 Amended	Headcount	FTE
Full-Time	498.75	498.75
Part-Time	139	69.50
Total FY 14 Amended	637.75	568.25

**FY 15 Changes
Department**

	Headcount		FTE	Position Title	Justification/Services Affected
	Full-Time	Part-Time			
Information Systems	1		1	Chief Information Officer	This is a 9-month position beginning January 1, 2015. This position will provide vision and leadership for developing and implementing technology initiatives in support of operations in order to improve effectiveness, efficiencies, service quality and development, and will develop policy and procedures for the department, including disaster recovery.
Police Patrol	2		2	Sergeants	These two positions will provide first line supervision of Police Officers assigned to night shift squads. The distances to be covered as well as type of calls (disturbances, major accident, pursuit, etc.) necessitate the addition of 2 to ensure an effective span of control and supervision.
Police Patrol	4		4	Officers	These four positions, funded for 8 months in FY 2015, will provide first line patrol and response. The positions will provide additional visibility in the community. Response time is anticipated to improve due to availability of additional Officers on the street.
Police Investigations	1		1	Crime Analyst	This is a 9-month position, beginning January 1, 2015. The Analyst will collect and analyze technical crime information, determine crime patterns and trends and provide reports to the Department. The information will be used to make well-informed decisions on where to allocate resources in combating crime.
Health/Code Enforcement	1		1	Housing Enforcement and Rehabilitation Officer	Funded by CDBG Funds, this position will be used to remediate the beginning signs of slum and blight by identifying code violations, improving awareness and education of local standards, encouraging self-remediation and directing grant funds were applicable. This position will also assist in administering a single-family housing rehab program for low-moderate income residential homeowners. These activities are designed to remove livability risk and promote sustainable housing conditions for eligible recipients of CDBG Funds.

**GENERAL FUND
FISCAL YEAR 2015
STAFFING AND FTE CHANGES**

Department	Headcount		FTE	Position Title	Justification/Services Affected
	Full-Time	Part-Time			
Permits & Inspections	1		1	Permit Clerk	The workload in permits continues to increase due to new commercial, residential and population growth in the past few years. Commercial permits have increased significantly, from 85 in 2012, 55 through May of 2013, and a total of 107 for the year 2013, to 144 through May of this year. This position will help with the accuracy and timeliness of tasks, provide better customer service and support, and reduce the strain on current staff. Two Parks Maintenance Workers in Medians and Rights-of-Way mowing were moved to Public Works, with additional personnel funded within the Water/Sewer Fund, and the former Parks Medians/ROW department was consolidated with the Parks Maintenance department to accommodate the new Parks coming on line, which resulted in the ability to reduce staffing by 1 FTE.
Parks & Recreation	-1		-1	Parks Maintenance Worker	
Total Changes	9	0	9		

FY 15 Base	Headcount	FTE
Full-Time	507.75	507.75
Part-Time	139	70
Total FY 15 Base	646.75	577.25

**WATER AND SEWER FUND
FISCAL YEAR 2015
STAFFING AND FTE CHANGES**

FY 14 Amended	Headcount	FTE
Full-Time	102.25	102.25
Part-Time	4.00	2.00
Total FY 14 Amended	106.25	104.25

FY 15 Changes
Department

Headcount	FTE	Position Title	Justification/Services Affected
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Wastewater Treatment	1	1	Utility Inspector	An additional inspector is needed to inspect grease traps and work with the pretreatment program. This will ensure all grease traps are inspected at least twice a year and help with the pretreatment issues in the city.
Total Changes	1	1		

FY 15 Base	Headcount	FTE
Full-Time	103.25	103.25
Part-Time	4.00	2.00
Total FY 15 Base	107.25	105.25

**OTHER FUNDS
FISCAL YEAR 2015
STAFFING AND FTE CHANGES**

FY 14 Amended	Headcount	FTE
Full-Time	11.00	11.00
Part-Time	1.00	0.500
Total FY 14 Amended	12	11.5

FY 15 Changes

Department	Headcount		FTE	Justification/Services Affected
	Full-Time	Part-Time		

Hotel/Motel Fund 045 - Convention & Visitors' Bureau		2	1	Receptionist	Two part-time Receptionists to extend the Visitor Center hours to select seasonal weekend hours along with assisting in day-to-day receptionist/administrative duties on select weekdays. The purpose is to gain greater visibility and provide the public and visitors with maps, hotel, restaurant and event information during weekends.
Municipal Court Security Fund 017 - Municipal Court		1	0.5	PT Bailiff	With the addition of a full-time Judge in FY 2014, additional dockets have been added, such as show cause hearings, additional pre-trial and juvenile hearings, additional bench and jury trials and the addition of bond forfeiture hearings, putting a strain on the full time and part time bailiffs. This new part time bailiff will help ensure the safety of the judge, citizens and staff.
Total Changes	0	3	1.5		

FY 15 Base	Headcount	FTE
Full-Time	11.00	11.00
Part-Time	4.00	2.000
Total FY 15 Base	15.00	13.0

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CITY OF PEARLAND, TEXAS
COMPREHENSIVE FINANCIAL MANAGEMENT POLICY STATEMENTS

ADOPTED
SEPTEMBER 2011

Purpose

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

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

Objectives

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



I.
ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

Maintain accounting practices that conform to generally accepted accounting principles and comply with prevailing federal, state, and local statutes and regulations. Provide for, prepare and present regular reports that analyze and evaluate the City's financial performance and economic condition.

A. *Accounting Practices and Principles*

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

B. *Financial and Management Reporting*

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

C. *Annual Audit*

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

D. *Signature of Checks*

Pursuant to the City Charter, all checks shall have two signatures, signed by the City Manager or Mayor and countersigned by the City Secretary, or the City Treasurer, or one member of Council. City Treasurer is further defined as the Director of Finance. Signatures shall be affixed on all City



checks via facsimile signatures, either with a signature plate used with a check signing machine or with a secure laser check printing system. Component unit check signers are officers elected by the board, where applicable. Component unit's checks shall also have two signatures.

E. *Compliance with Council Policy Statements*

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

II.

BUDGET AND LONG RANGE FINANCIAL PLANNING

A. *Balanced Budget*

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

B. *Current Funding Basis (Recurring Revenues)*

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

C. *Use of Non-Recurring Revenues*

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

D. *Tax Rate*

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

1. *Homestead Exemption*

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

2. *Over-Age and Disabled Persons Exemptions*

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

E. *Pay As You Go Capital Projects*

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



F. *Revenue Estimating for Budgeting*

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

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

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

H. *Budget Preparation*

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

I. *Budget Management*

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

J. *Amended Budget*

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



K. *Performance Measurement*

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

L. *Operating Deficits*

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

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

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

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

M. *Long-Range Financial Plans*

1. The City shall develop and maintain a five-year Financial Forecast for each major operating fund, in conjunction with the annual budget process. Major operating funds are as follows:
 - General Fund
 - Debt Service Fund
 - Water/Sewer Utility Fund
 - Economic Development Corporation
2. The forecast should enable current services and current service levels provided to be sustained over the forecast period. Operating impacts from completed capital improvement projects in the City’s five-Year CIP shall be included in the forecast. Commitments/obligations already made that require future financial resources shall also be included.
3. The forecasts should identify impact to property taxes and utility rates.
4. Major financial decisions should be made in the context of the Long-Range Plan.

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



III. REVENUES

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

A. *Balance and Diversification in Revenue Sources*

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

B. *User Fees - General Fund*

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

C. *User Fees - Enterprise Funds*

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

D. *One-Time/Unpredictable Revenue Sources*

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

E. *Revenue Collection*

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

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

F. *Write-Off of Uncollectible Receivables*

(excludes property taxes, court fines and warrant)

1. Receivables shall be considered for write-off as follows:
 - a. State statute authorizing the release of extinguishment, in whole or in part, of any indebtedness, liability, or obligation, if applicable.



- b. Accounts outstanding for 3 years, identified as uncollectible, and all attempts to collect have been taken.
2. Accounts shall be written-off annually near year-end. Upon approval, accounts will be forwarded to a credit reporting agency.
3. The write-off of uncollected accounts is a bookkeeping entry only and does not release the debtor from any debt owed to the City.

IV. EXPENDITURES

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

A. *Maintenance of Capital Assets*

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

B. *Periodic Program/Services Reviews*

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

C. *Purchasing*

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

V. FUND BALANCE AND RESERVES

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

A. *General Fund Unrestricted Fund Balance*

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

B. *Water/Sewer Unreserved Working Capital*

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

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

C. *Use of Fund Balance/Working Capital*

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



D. *Debt Service Fund Unrestricted Fund Balance*

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

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

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

F. *Employee Benefits Fund Unrestricted Fund Balance*

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

G. *Economic Development Corporation*

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

H. *Water/Sewer Revenue Debt Coverage Reserves*

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

I. *Bond Issuance Reserves*

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

J. *Contingency Fund*

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

K. *Fund Balance Classification*

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

- **Nonspendable:** Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples include Inventories, prepaid items, and long-term receivables.
- **Restricted:** Amounts for which constraints have been placed on the use of resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balances include but may not be limited to: Debt Service Reserves, Special Court Funds created by State Statute, Debt Service Funds, Hotel Occupancy Tax, State and Federal Forfeitures/Seizures, Parkland, Detention, Sidewalk, Tree Trust, and Park and City-Wide Donation revenues, University of Houston Fund, Unspent bond proceeds, Unspent grant funds, Unspent Capital Lease proceeds, and Unspent funds received pursuant to funding, developer, and/or TxDOT agreements.
- **Committed:** Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.
- **Assigned:** Amounts that are constrained by the City's intent to be used for specific purposes but



are neither restricted nor committed. In governmental funds other than the general fund, assigned fund balances represents the amount that is not restricted or committed. This indicates that those resources are, at a minimum, intended to be used for the purpose of that fund. Examples include: residual funds in all governmental funds except the General Fund and outstanding encumbrances at year-end.

- Unassigned: Is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Commitment of Fund Balance:

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

Assignment Fund Balance:

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

Order of Expenditure of Funds:

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

VI. CAPITAL EXPENDITURES AND IMPROVEMENTS

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

A. *Capitalization Threshold for Tangible Capital Assets*

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

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

1. The City shall annually prepare a five-year capital improvement plan based on the needs for capital improvements and equipment, the status of the City infrastructure, replacement and renovation needs, and potential new projects. Capital projects are improvements or additions to the City's physical plant/facilities/infrastructure and become a part of the City's asset inventory. Capital projects can be further categorized into land, buildings, improvements other than buildings, and infrastructure, which includes roads, sidewalks, bridges, utility lines, physical plants, etc. Capital costs typically consist of preliminary design, final design, and construction,



and may involve the acquisition of land or easements. For purposes of the CIP Plan, a Capital Improvement Project should generally exceed a cost of \$100,000.

2. For the most part, projects in the CIP should be based upon master plans or developer agreements. This ensures that the City's CIP, which is the embodiment of the recommendations of these individual planning studies, is responsive to the officially stated direction of the City as contained in the Comprehensive Plan and supporting master plans. Examples of these supporting documents are: Water and Wastewater Modeling Plans, Thoroughfare Plan, Parks Master Plan, Trail Plan, Municipal Facilities Plan, etc.
3. For every project identified in the CIP, a project scope and project justification will be provided. Also, project costs shall be estimated, funding sources identified and annual operation and maintenance costs computed.
4. Parks Board and the Planning and Zoning Commission will be provided opportunities to review the list of CIP projects for the CIP and may suggest additions and/or changes to the plan as appropriate. Pursuant to the City Charter, the Planning and Zoning Commission makes recommendation to the City Manager.
5. The City Manager is charged with recommending a Capital Improvement Plan to City Council. The CIP shall be filed and adopted in conjunction with the annual budget.
6. Annually, through the budget process and at year-end, projects are to be reviewed. For those identified as complete, any remaining funds will close to fund balance. For those projects with identified savings, the project budget will be reduced and the subsequent savings will flow to fund balance. These funds can then be re-appropriated during the next fiscal year capital budget. Funds remaining from bond proceeds will only be used in accordance with the legal use of those funds.
7. Appropriations for capital projects are for the life of the project; therefore re-appropriation of capital funding for each fiscal year for budgeted projects is not necessary.

C. *Infrastructure Evaluation and Replacement/Rehabilitation*

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

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

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

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

E. *Capital Expenditure Financing*

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



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

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

G. *Capital Improvements/Project Reporting*

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

VII.
DEBT

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

A. *Use of Debt Financing*

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

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

B. *Affordability*

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

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

C. *Types of Long-Term Debt*

1. General Obligation Bonds (GO)

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



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

2. Certificates of Obligation

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

- a. The City may issue CO's when there is insufficient funding on a general obligation bond-financed capital improvement.
- b. The City may issue CO's when "emergency" (urgent, unanticipated) conditions require a capital improvement to be funded rapidly.
- c. The City may issue CO's for projects when the City can leverage dollars from others to reduce the City's capital cost for a community improvement.
- d. The City may issue CO's for projects when there is no other adequate funding source available (ie: GO or developer funding), the project is determined to be in the best interest of the City, and where a determination is made that waiting for the next bond referendum or having a bond referendum for a small amount of money or a small number of projects is impractical and where public notice versus a voted bond referendum is deemed acceptable by the City Council.
- e. The City may issue CO's if it would be more economical to issue Certificates of Obligation rather than issuing revenue bonds; and
- f. The City may issue CO's for projects for which the City will be reimbursed by Developer (principal plus interest).

3. Revenue Bonds

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

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

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

D. *Debt Structures*

The City shall normally issue bonds with a life not to exceed 25 years for general obligation bonds and 30 years for revenue bonds, but in no case longer than the useful life of the asset. The City shall seek level or declining debt repayment schedules and shall seek to retire 90% of the total principal outstanding within 20 years of the year of issuance. There should be no debt structures that include increasing debt service levels in subsequent years, with the first and second year of a bond payout schedule the exception or as special situations may warrant. There shall be no "balloon" bond repayment schedules, which consists of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the first fiscal year after a bond sale and principal payments starting generally no later than the second fiscal year after the bond issue. Normally, there shall be no capitalized interest included in the debt structure except for debt issuances reimbursing developers for infrastructure or in the case in which the project will generate revenue, but it takes a couple of years to produce the revenue. Capitalized interest should normally not exceed 2 years.



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

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

E. *Debt Refunding*

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

F. *Interest Earnings on Debt Proceeds*

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

G. *Bond Elections*

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

H. *Sale Process*

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

I. *Underwriting Syndicates*

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

J. *Bond Ratings*

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

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



K. *Covenant Compliance*

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

L. *Arbitrage Rebate Monitoring and Reporting*

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

M. *Lease/Purchase Agreements*

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

VIII.

CASH MANAGEMENT AND INVESTMENTS

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

A. *Investment Management*

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

B. *Investment Strategy*

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

C. *Interest Income*

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



D. *Arbitrage Investments*

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

E. *Depository*

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

F. *Collateralization of Deposits*

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

IX.

GRANTS AND INTERGOVERNMENTAL REVENUES

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

A. *Grant Guidelines*

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

B. *Grant Review Process*

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

C. *Budgeting for Grant Expenditures*

Annually via the budget process, departments will submit for possible funding, known grant opportunities. These grant opportunities will be prioritized and ranked along with all other



supplemental requests. If approved, the expenditure and associated revenue will be appropriated in the Grant Fund. If there are grant opportunities that arise during the year and are received by the City, the budget will be amended via the projections, if the City can fund the local match required.

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

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

X.
FINANCIAL CONSULTANTS

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

A. *Selection of Auditors*

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

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

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

B. *Arbitrage*

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

C. *Delinquent Tax Collection Attorney*

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



D. *Bond Counsel*

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

E. *Financial Advisory Services*

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

F. *Depository Bank*

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



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**FY 2015 ADOPTED BUDGET
SUMMARY ALL FUNDS
REVENUES AND EXPENDITURES**

REVENUES	FY2013 ACTUAL	FY2014 AMENDED BUDGET	FY2014 YEAR END PROJECTION	FY2015 ADOPTED BUDGET
Property Taxes	\$37,077,444	\$38,470,634	\$38,586,318	\$41,560,765
Sales Taxes	\$23,791,181	\$26,102,052	\$25,455,411	\$26,985,303
Franchise Fees	\$5,999,154	\$6,340,215	\$6,529,559	\$6,916,438
Licenses and Permits	\$2,988,859	\$2,877,117	\$3,642,823	\$3,922,331
Fines and Forfeitures	\$3,533,664	\$3,568,281	\$2,945,940	\$3,105,239
Charges For Services	\$49,924,094	\$51,279,667	\$49,423,517	\$52,931,381
Interest Income	\$215,849	\$200,682	\$374,959	\$278,994
Hotel/Motel Occupancy Tax	\$1,150,360	\$1,148,088	\$1,342,794	\$1,383,078
Bond/Lease Proceeds	\$12,391,309	\$31,186,539	\$61,937,728	\$33,062,333
Grant Revenue	\$826,841	\$1,345,227	\$1,383,649	\$576,091
Miscellaneous	\$15,368,322	\$16,472,690	\$17,087,428	\$15,925,127
Other Revenue Sources	\$5,268,123	\$8,116,365	\$7,981,993	\$18,996,584
TOTAL REVENUES	\$158,535,201	\$187,107,557	\$216,692,118	\$205,643,664
Transfers from Other Funds	\$13,543,433	\$12,691,859	\$16,623,898	\$11,654,337
TOTAL AVAILABLE RESOURCES	\$172,078,634	\$199,799,416	\$233,316,016	\$217,298,001
EXPENDITURES				
General Government	\$6,697,743	\$7,630,655	\$8,334,601	\$10,373,879
Public Safety	\$29,502,740	\$34,670,771	\$33,888,364	\$35,465,648
Community Services	\$3,312,707	\$4,353,538	\$4,320,772	\$3,060,665
Public Works	\$40,937,102	\$46,517,167	\$44,440,612	\$50,189,646
Parks & Recreation	\$7,615,778	\$8,896,513	\$8,563,170	\$6,910,155
Utility Billing	\$2,712,671	\$2,538,277	\$2,054,519	\$1,342,418
Debt Service	\$30,944,229	\$31,697,324	\$64,871,369	\$38,887,129
Construction ¹	\$40,228,773	\$65,758,858	\$64,503,078	\$55,634,653
Insurance Coverage	\$7,015,609	\$6,845,914	\$7,543,946	\$8,176,248
Economic Development Corporation	\$1,936,160	\$4,586,296	\$3,504,775	\$3,992,815
Other ²	\$1,707,264	\$1,231,881	\$1,406,316	\$1,312,953
TOTAL EXPENDITURES	\$172,610,776	\$214,727,194	\$243,431,522	\$215,346,209
Transfers to Other Funds	\$13,543,433	\$12,691,859	\$16,623,898	\$11,654,337
TOTAL EXPENDITURES AND OTHER USES	\$186,154,209	\$227,419,053	\$260,055,420	\$227,000,546
Revenues Over/(Under) Expenditures ³	(14,075,575)	(27,619,637)	(26,739,404)	(9,702,545)

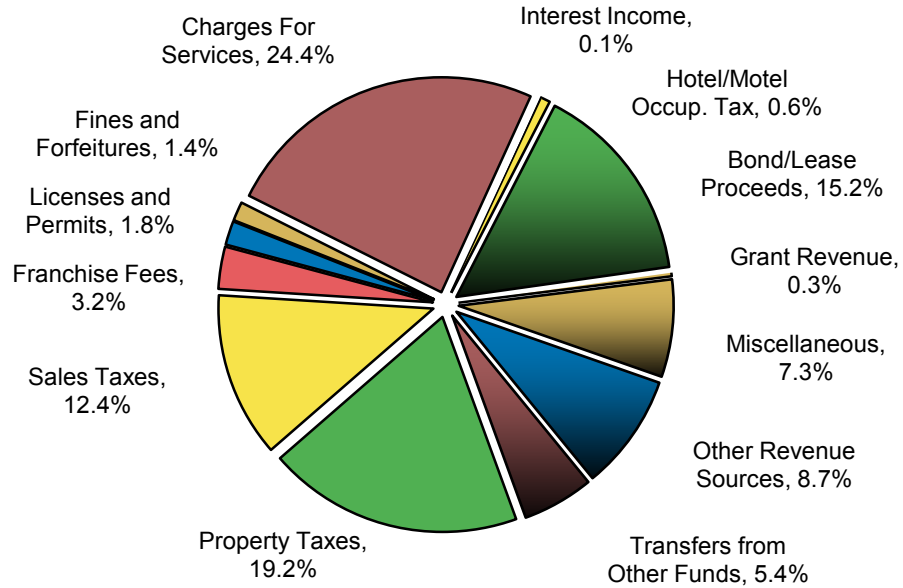
¹Capital projects are budgeted for project length. Construction is based on annual funding and not dollars spent.

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

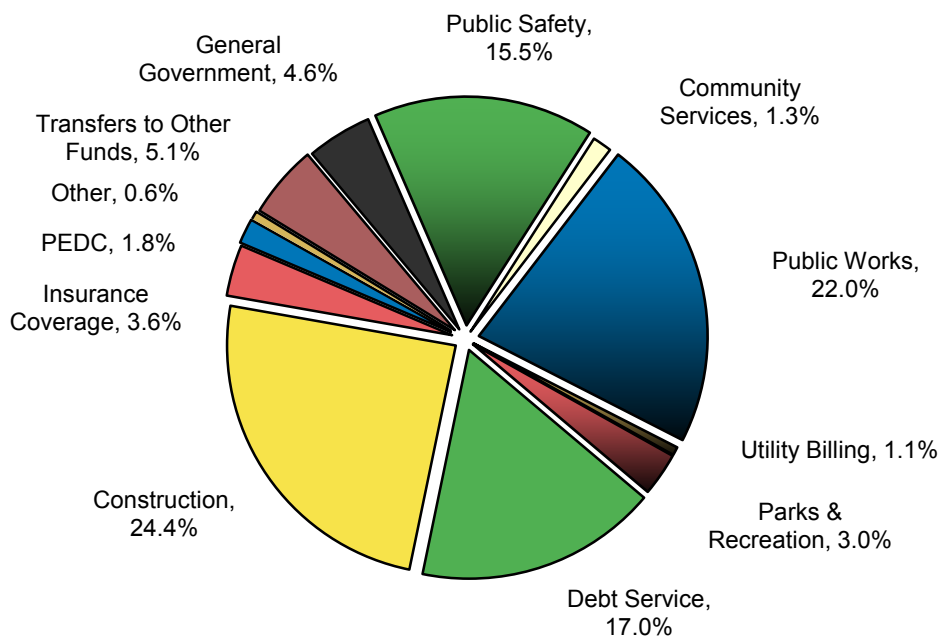
³Expenditures under Revenues due to use of bond proceeds and cash on hand.



Revenue Summary All Funds - 2015 Budget



Expenditure Summary All Funds - FY 2015 Budget



**FY 2015 ADOPTED BUDGET
SUMMARY ALL FUNDS
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

FUND	FY 2015 ADOPTED BEG BALANCE	FY 2015 ADOPTED REVENUES	FY 2015 ADOPTED EXPENDITURES	FY 2015 ADOPTED END BALANCE*
General Fund	\$15,532,128	\$63,692,881	\$67,520,359	\$11,704,650
Special Revenue Funds	5,883,627	2,931,730	2,455,019	6,360,338
Governmental Capital Project Funds	1,091,719	52,729,681	53,291,227	530,173
Governmental Debt Service Fund	4,026,845	29,869,444	29,749,859	4,146,430
Proprietary Funds	14,464,933	42,199,767	43,620,366	10,766,078
Proprietary Capital Project Funds	5,355,077	8,246,469	7,458,912	6,142,634
Internal Service Fund	1,078,454	8,212,263	8,196,248	1,094,469
P.E.D.C. Fund	17,423,544	9,415,766	14,708,556	12,130,754
FY 2015 BUDGET	\$64,856,327	\$217,298,001	\$227,000,546	\$52,875,526

*Exclusive of any reserve requirements.

**FY 2015 ADOPTED BUDGET
SPECIAL REVENUE FUNDS
ANALYSIS OF FUND BALANCE**

FUND	FY 2015 ADOPTED BEG BALANCE	FY 2015 ADOPTED REVENUES	FY 2015 ADOPTED EXPENDITURES	FY 2015 ADOPTED END BALANCE
17 Court Security	\$105,835	\$57,208	\$99,497	\$63,546
18 City Wide Donation	57,477	23,250	22,000	58,727
19 Court Technology	5,687	65,510	66,665	4,532
23 Court Juvenile Management Fund	53,656	38,322	44,229	47,749
33 Street Assessment Fund				
35 Traffic Impact Improvement Fund	672,121	1,800	91	673,830
43 Regional Detention*				
45 Hotel/Motel Tax	2,920,225	1,393,078	819,213	3,494,090
46 Park Donations	83,556	81,140	80,000	84,696
47 Park & Recreation Development	772,977	51,100	118,532	705,545
49 Tree Trust	69,309	45	69,100	254
55 Sidewalk	244,863	5,240	67,224	182,879
60 Police State Seizure	125,764	20,100	54,100	91,764
62 Federal Police	26,770	15		26,785
101 Grant	25,860	262,297	276,959	11,198
111 Community Development	43	313,794	313,794	43
140 University of Houston		339,955	339,915	40
141 U of H Capital Renewal	240,109	8,376		248,485
145 Municipal Channel	479,375	270,500	83,700	666,175
TOTAL	\$5,883,627	\$2,931,730	\$2,455,019	\$6,360,338

*No activity in Regional Detention Fund 43



**FY 2015 ADOPTED BUDGET
GOVERNMENTAL CAPITAL PROJECT FUNDS
ANALYSIS OF FUND BALANCE**

FUND		FY 2015 ADOPTED BEG BALANCE	FY 2015 ADOPTED REVENUES	FY 2015 ADOPTED EXPENDITURES	FY 2015 ADOPTED END BALANCE
50	Capital Projects General	\$417,107	\$3,835,500	\$3,884,372	\$368,235
68	Capital Projects-CO 2001	61,548	10,928,569	10,956,770	33,347
70	Capital Projects Mobility GO 2001	75,841		75,841	
200	Capital Projects-CO 2006	3,596			3,596
202	Capital Projects-GO 2007A	805,296		805,296	
203	Capital Projects-GO 2009	(271,669)	37,965,612	37,568,948	124,995
TOTAL		\$1,091,719	\$52,729,681	\$53,291,227	\$530,173

**FY 2015 ADOPTED BUDGET
PROPRIETARY FUNDS
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

FUND		FY 2015 ADOPTED BEG BALANCE*	FY 2015 ADOPTED REVENUES	FY 2015 ADOPTED EXPENSES	FY 2015 ADOPTED END BALANCE*
30	Water & Sewer Fund	\$14,074,705	\$35,583,118	\$37,017,108	10,362,459
31	Solid Waste Fund	390,228	6,616,649	6,603,258	403,619
TOTAL		\$14,464,933	\$42,199,767	\$43,620,366	\$10,766,078

*Net of any reserve requirements.

**FY 2015 ADOPTED BUDGET
PROPRIETARY CAPITAL PROJECT FUNDS
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

FUND		FY 2015 ADOPTED BEG BALANCE	FY 2015 ADOPTED REVENUES	FY 2015 ADOPTED EXPENSES	FY 2015 ADOPTED END BALANCE
42	Utility Impact Fee Fund	3,162,186	4,760,368	3,438,770	4,483,784
44	Shadow Creek Impact Fee	171,721	556,186	623,018	104,889
67	W & S Revenue Bonds	922,021	2,705,415	2,949,746	677,690
301	Water/Sewer Pay As You Go CIP	387,697	224,500	424,947	187,250
302	MUD 4 Capital Program	711,452		22,431	689,021
TOTAL		\$5,355,077	\$8,246,469	\$7,458,912	\$6,142,634



**FY 2015 ADOPTED BUDGET
INTERNAL SERVICE FUND
ANALYSIS OF FUND BALANCE**

FUND	FY 2015 ADOPTED BEG BALANCE	FY 2015 ADOPTED REVENUES	FY 2015 ADOPTED EXPENSES	FY 2015 ADOPTED END BALANCE
95 Property Liability Insurance	\$84,004	\$1,390,375	\$1,374,360	\$100,019
99 Medical Self-Insurance	\$994,450	\$6,821,888	\$6,821,888	\$994,450
TOTAL	\$1,078,454	\$8,212,263	\$8,196,248	\$1,094,469

*Net of Debt Service Reserves

**FY 2015 ADOPTED BUDGET
P.E.D.C.
ANALYSIS OF FUND BALANCE**

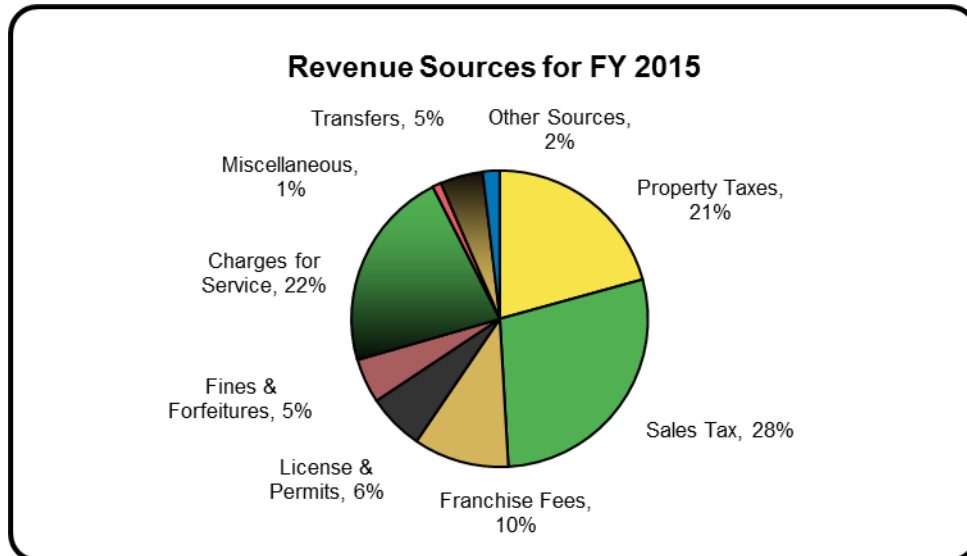
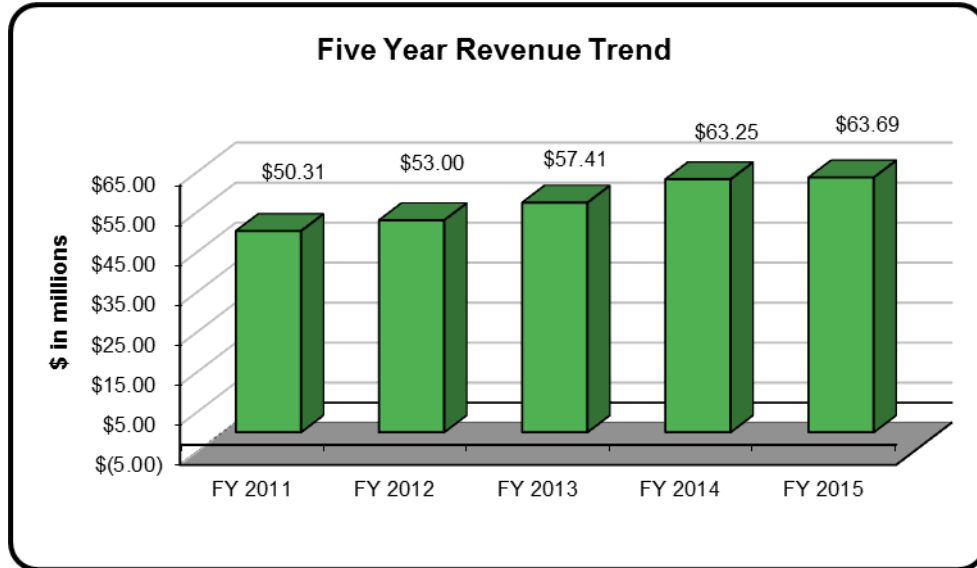
FUND	FY 2015 ADOPTED BEG BALANCE	FY 2015 ADOPTED REVENUES	FY 2015 ADOPTED EXPENDITURES	FY 2015 ADOPTED END BALANCE
15 Economic Development Fund	\$17,423,544	\$9,415,766	\$14,708,556	\$12,130,754
TOTAL	\$17,423,544	\$9,415,766	\$14,708,556	\$12,130,754



General Fund and Water & Sewer Revenues, Expenditures and Other Sources

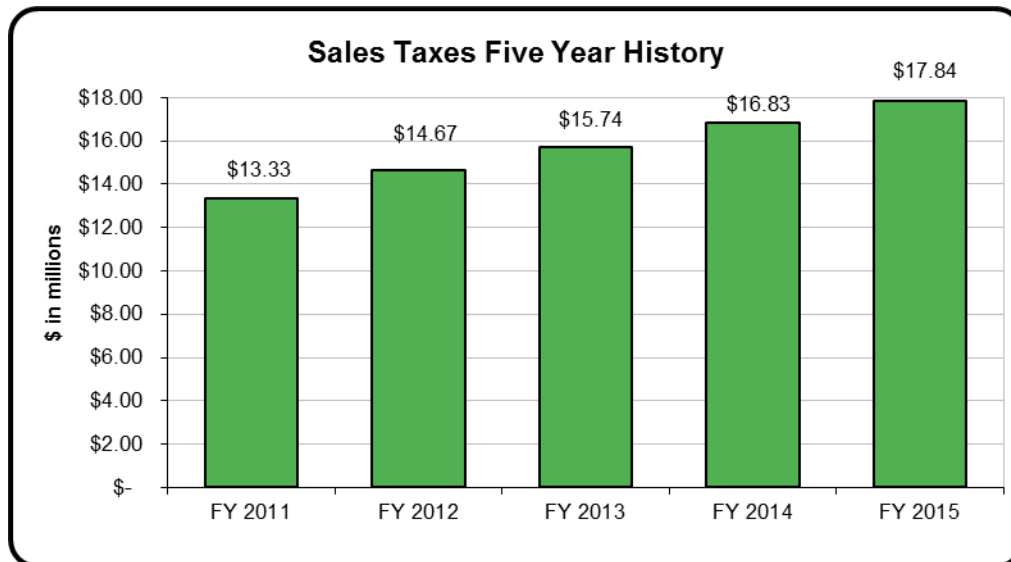
Trends for Fiscal Year 2015

General Fund revenues and other sources are projected to increase from \$63,245,053 in FY 2014 to \$63,692,881 in FY 2015, an increase of \$447,828 or 0.7%, mainly due to an increase in Property Tax, Sales Tax, and TIRZ Administration Fees.



General Fund Current Property Taxes are expected to increase from a projected \$11,901,823 in FY 2014 to \$13,104,208 in FY 2015, an increase of \$1,202,385 or 10.1%, due to new development, revaluation and an increase in the operating property tax rate of .007, from .2151 to .2221, for increased cost of services, as well as costs for new capital projects, such as Fire Station #3 and Max Road Sports Park.

Other Taxes, primarily composed of sales taxes, are estimated to increase from a projected \$17,038,649 in FY 2014 to \$18,063,535 in FY 2015, an increase of \$1,024,886 or 6.0%. The sales tax increase is the result of the improvement in the local economy and increased consumer confidence. Employment in the Houston MSA grew 4.3% for the 12 months ending September 2014; adding 120,700 jobs.



Franchise Fees are expected to increase from a projected \$6,264,559 in FY 2014 to \$6,646,438 in FY 2015, an increase of \$381,879 or 6.1%, due to anticipated growth in Electric, Cable Television and Sanitation Fees from new development and an increase in garbage rates.

Licenses & Permits are estimated to increase from a projected \$3,642,823 in FY 2014 to \$3,922,331 in FY 2015, an increase of \$279,508 or 7.7% mainly due to new/increased fees. The budget, to be conservative, maintains single family and commercial permits at similar levels to FY 2014.

Fines & Forfeitures are expected to increase from a projected \$2,945,940 in FY 2014 to \$3,105,239 in FY 2015, an increase of \$159,299 or 5.4%; taking part in the State Warrant Round-Up..

Charges for Services are estimated to increase from a projected \$12,828,870 in FY 2014 to \$14,077,727 in FY 2015, an increase of \$1,248,857, or 9.7%. There is an increase of \$957,319 due to growth of assessed valuation in the TIRZ, of which the City receives 64% of the taxes for services.

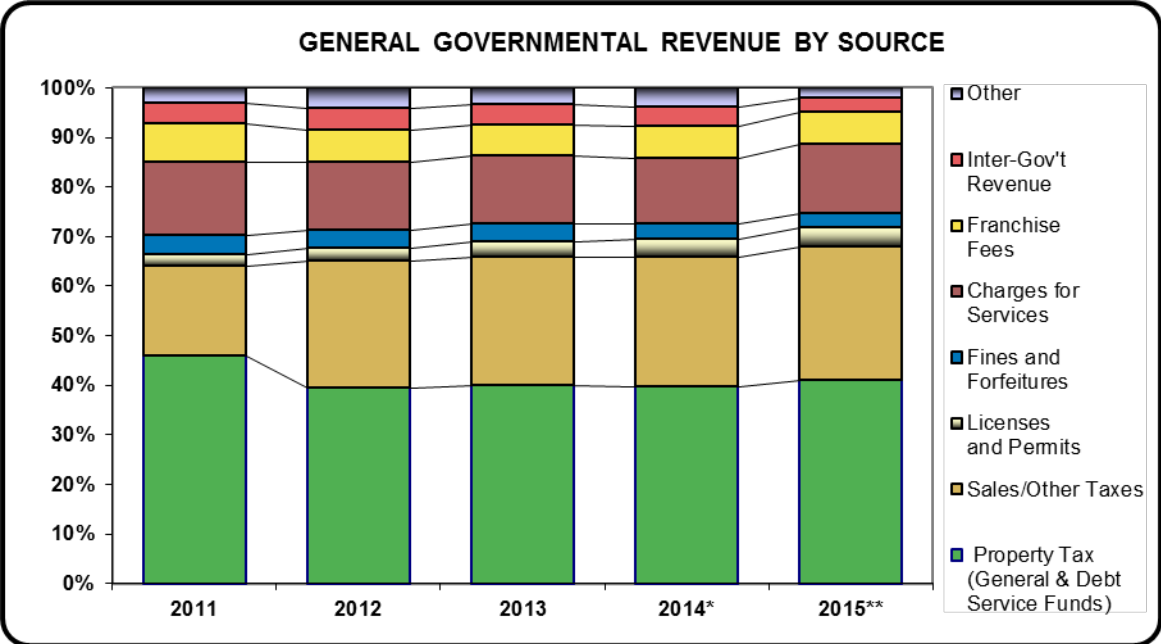
Miscellaneous Revenue is anticipated to decrease from a projected \$2,329,940 in FY 2014 to \$611,309 in FY 2015. The decrease is mainly due to the sale of land along Beltway 8 in FY 2014.

Inter/Intra Governmental Revenues decrease from a projected \$3,865,462 in FY 2014 to \$2,975,094 in FY 2015, a decrease of \$890,368 or -23.0% mainly due to a decrease in transfers from capital project funds as TXDot reimbursements on audited joint street projects were used to fund pavement and sidewalk rehabilitation. No reimbursement is expected in FY 2015.

Other Financing Sources is budgeted at \$1,187,000 for FY 2015 and will be obtained through capital lease proceeds to fund the purchase of a new financial software system, replacing the current 20-year old system.

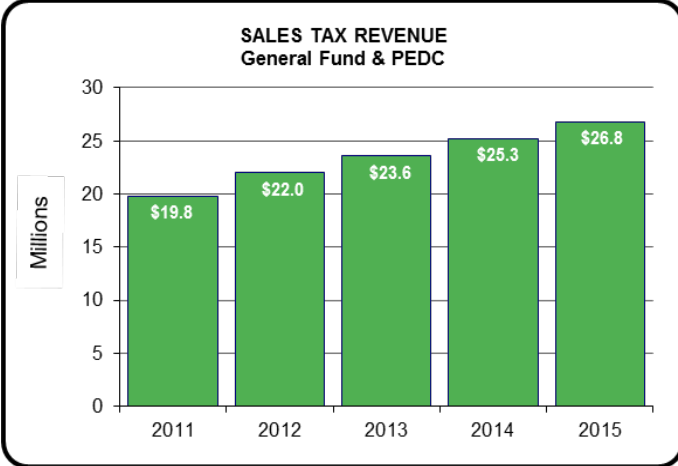
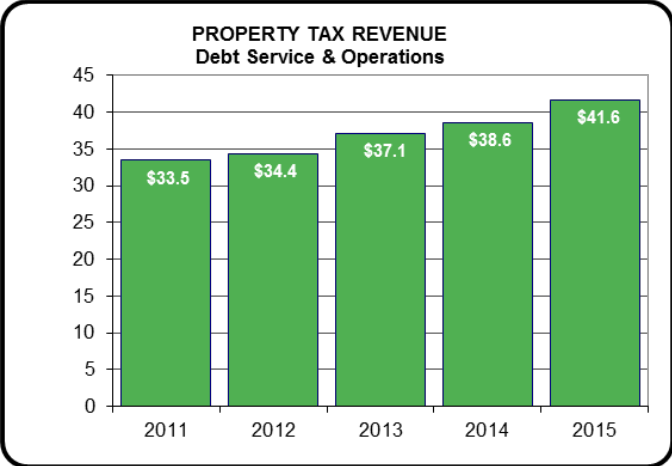
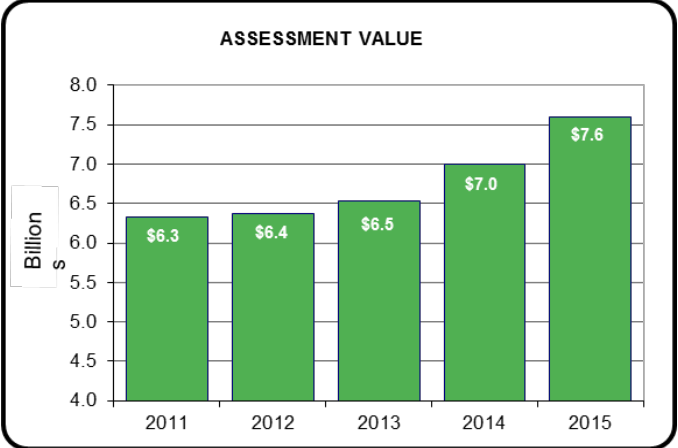
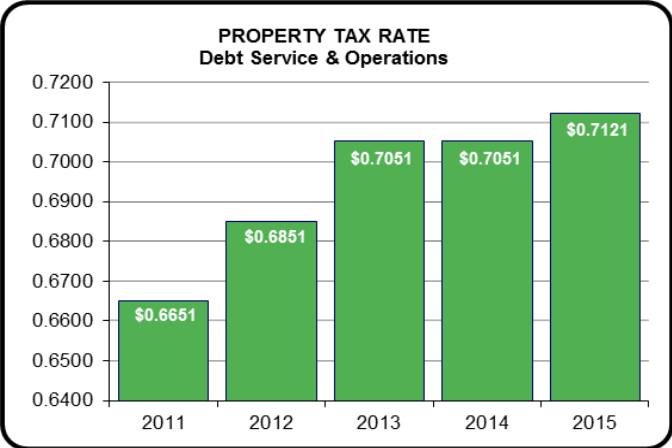


CITY REVENUES – FIVE YEAR TRENDS



*2014 Projected

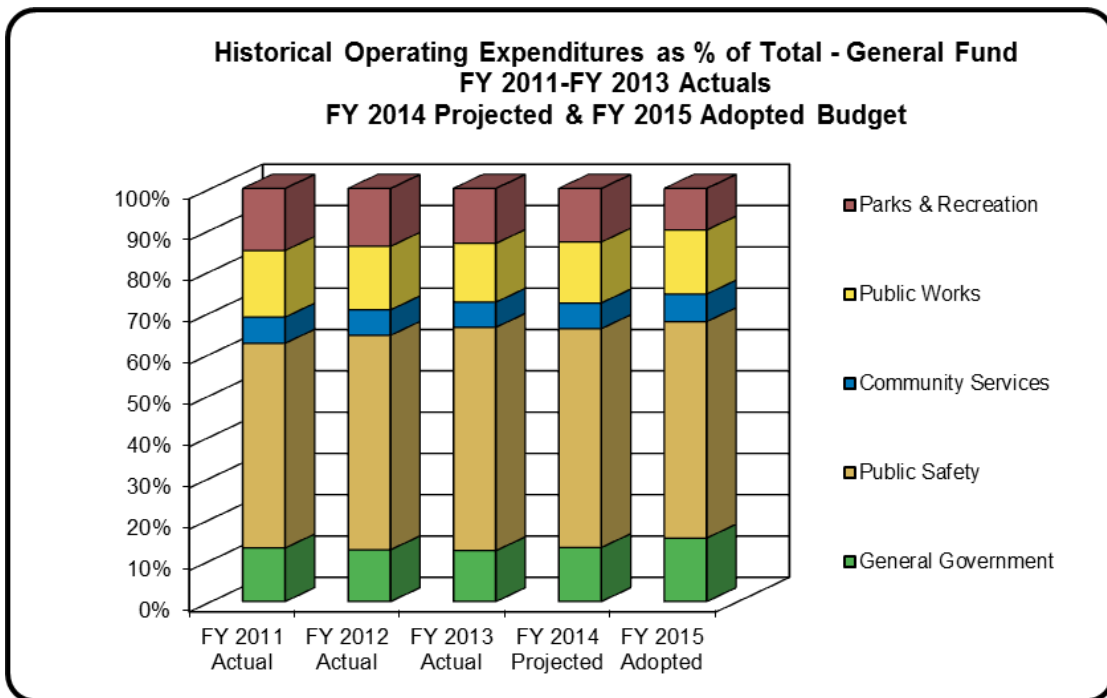
**2015 Adopted Budget



GENERAL FUND EXPENDITURES

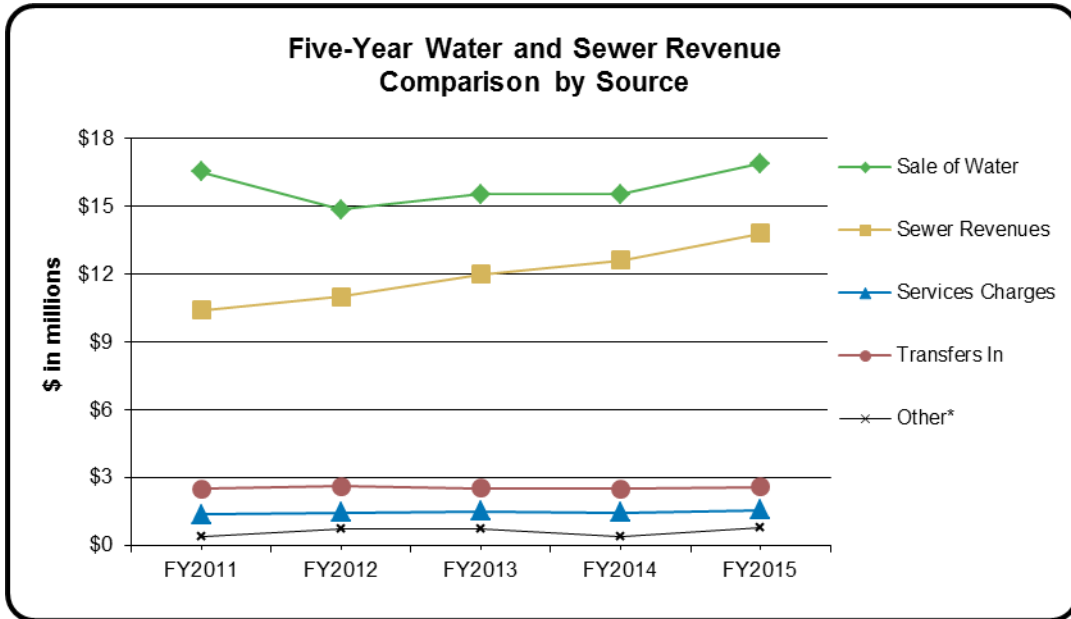
General Fund expenditures are anticipated to increase from a projected \$66,336,042 in FY 2014 to \$67,520,359 in FY 2015, an increase of \$1,184,317 or 1.8%. The increase is mainly due to an increase in cost of medical, compensation, as well as new positions added in fiscal year 2015. New positions added for fiscal year 2015 result in a net increase of 9 full-time equivalent positions. Of the new positions, 8 full-time are in Public Safety, 1 in Information Systems for 9 months, and 1 Permit Clerk. One Parks Maintenance Worker position is eliminated with the continuation of contracted services. The positions in Public Safety include 2 Sergeants for the Patrol Unit funded for 12 months and 4 Police Patrol Officers funded for 8 months, 1 Crime Analyst, and 1 Housing Enforcement and Rehabilitation Officer.

Employee medical insurance claims increased 10.3% from \$5.0 million in FY 2013 to \$5.5 million projected in FY 2014, and are anticipated to increase another 6% in FY 2015, to \$5.8 million. The City made significant plan changes in FY 2015 as a strategy to keep medical claim increases to a minimum.

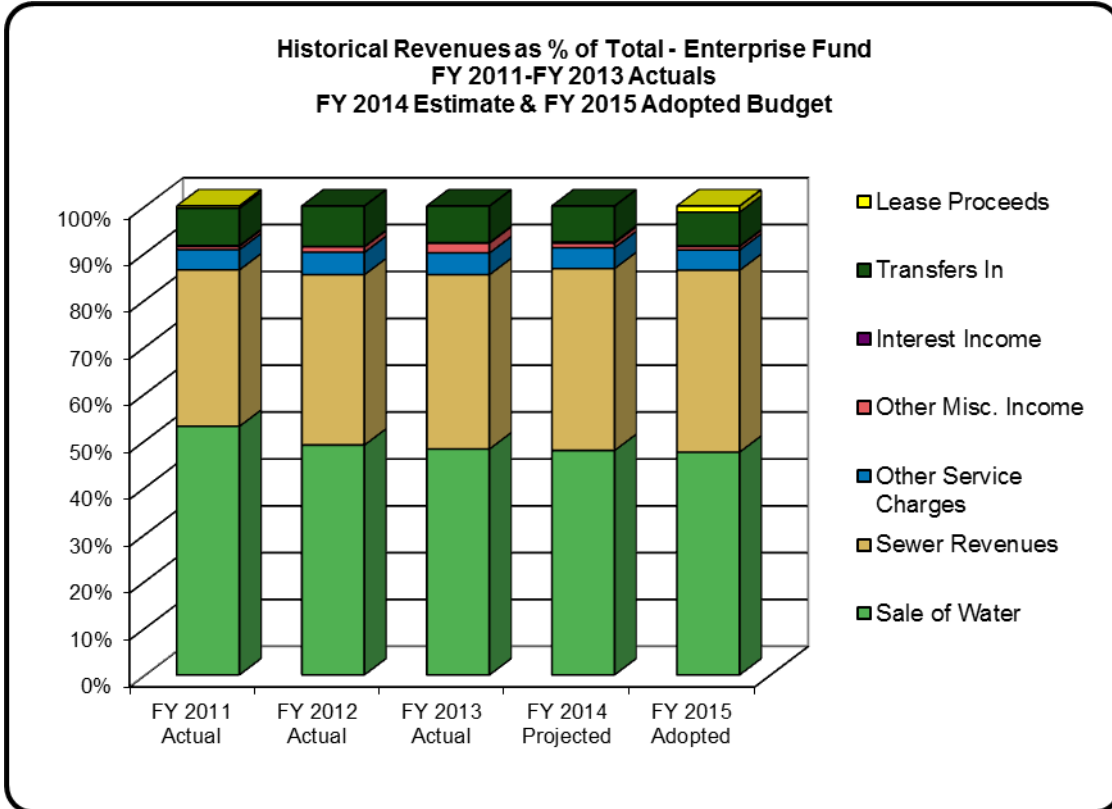


WATER AND SEWER FUND REVENUES

Water and Sewer Fund revenues are projected to increase by 9.5%, or \$3,094,754, from a projected FY 2014 amount of \$32,488,364 to \$35,583,118 in FY 2015. The increase is mainly attributable to an increase in the consumption of water and sewer, with a continued residential and commercial growth, as well as a 4.63% revenue increase, generating an additional \$1.4 million.



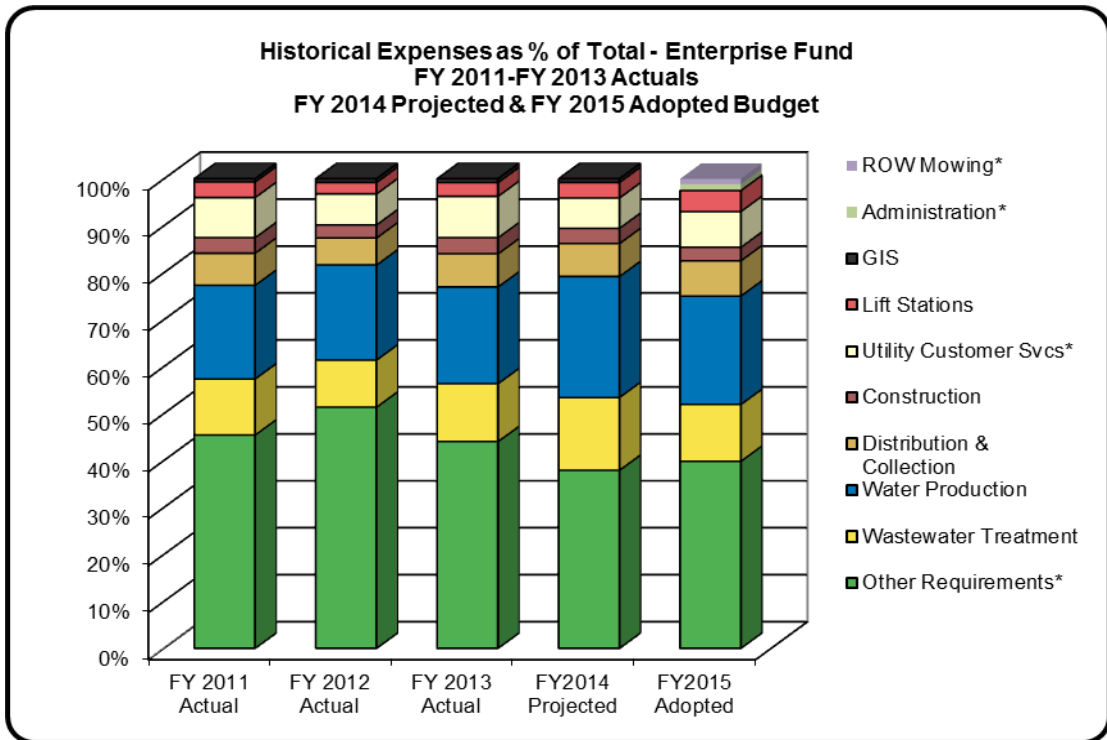
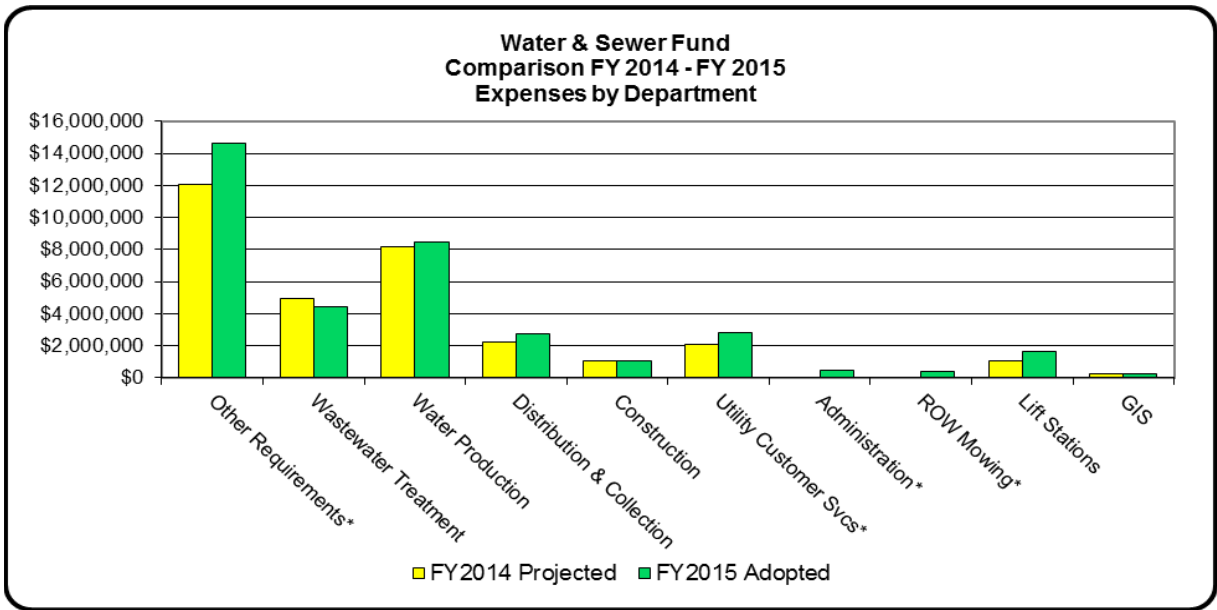
*Other includes Interest, Grants, Lease Proceeds, Miscellaneous.



WATER AND SEWER FUND EXPENSES



Expenses for the fund are anticipated to increase by \$5,202,395, or 16.4% from \$31,814,713 in FY 2014 to \$37,017,108 in FY 2015. Excluding other requirements, expenses are projected to increase by \$5,914,496, or 19.9%, going from \$29,760,194 to \$35,674,690. A 21.5% increase is anticipated in Other Requirements, from \$12,061,801 in FY 2014 to \$14,654,216 in FY 2015 due to a \$1.0 million pay-as-you-go for capital, \$64K towards the replacement of the City financial software, and a \$678K increase in annual debt service.



*Utility Customer Services includes Water Meter Services. Prior to FY 2015, Administration was distributed throughout three departments; in FY 2015, Facilities Maintenance, Custodial Services and ROW Mowing were moved from the Parks Department, some of which are in the General Fund.



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CITY OF PEARLAND MULTI-YEAR FORECAST FISCAL YEARS 2014 - 2017

EXECUTIVE SUMMARY

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

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

The forecast does this by building upon the proposed 2014-2015 budget and projects future resources and expenditures based upon known reasonable trends, and continuing the City's current services and service levels. The forecast for each fund also incorporates the debt and operating costs associated with capital improvement projects in the City's Five-Year Capital Improvement Program (CIP), thus, these forecasts provide City Council and management the opportunity to "gaze" into the future based on today's and past decisions, and apply strategies and sound fiscal management to maintain the strong financial health of the City.

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

OVERVIEW

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

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

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

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

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

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



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

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

However, in order to do so,

- ◆ The total tax rate would need to increase by \$0.042, from the fiscal year 2014 rate of \$0.7051 to \$0.7471 per \$100 valuation by fiscal year 2017. Additional Increases are anticipated in fiscal years 2018 and 2019 associated with planned capital improvements approved by voters in 2007 and the 2015-2019 CIP. The tax impact analysis done for the 2007 bond referendum showed an impact of \$.0750 and an additional \$0.055 cents to complete projects from the 2001 referendum, for a total tax rate increase of 0.13 cents.
- ◆ Revenue increases of 4.63% are needed in fiscal year 2015 in the water/sewer fund. Additional Increases are needed in fiscal years 2016 and 2017 of 5.55% and 9.06% respectively by in order to meet cash reserve and bond coverage requirements.

Structural Imbalance

The City's General Fund for years 2015-2016 shows that the fund policy requirement of 2 months is met, but also shows a structural imbalance, meaning that recurring expenditures exceed recurring revenues; however shows that the fund policy requirement of 2 months is met. This is mainly due to the completion of capital improvement projects with significant operations and maintenance expenditures such as the opening of fire station #2 and #8, the expansion of Tom Reid Library and improvements to various parks and streets.

By 2017 the General Fund is balanced. Strategies will need to be put in place now to minimize or prevent further erosion in the imbalance in FY 2016.

The forecast also shows that the General Fund cannot support a pay-as-you-go CIP program of any magnitude. Street and sidewalk rehabilitation is funded at \$770,000 for FY15 and FY16, less than the prior \$1.1 million per year. The City will need to find a strategy to infuse monies into this program to ensure maintenance of existing infrastructure. The forecast does not assume State legislative changes to Property Taxes or Appraisals, nor assumes any future Federal or State mandates. If these were to occur during the Three-Year period, there could be an adverse impact.

FORECAST METHODOLOGY

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

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

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



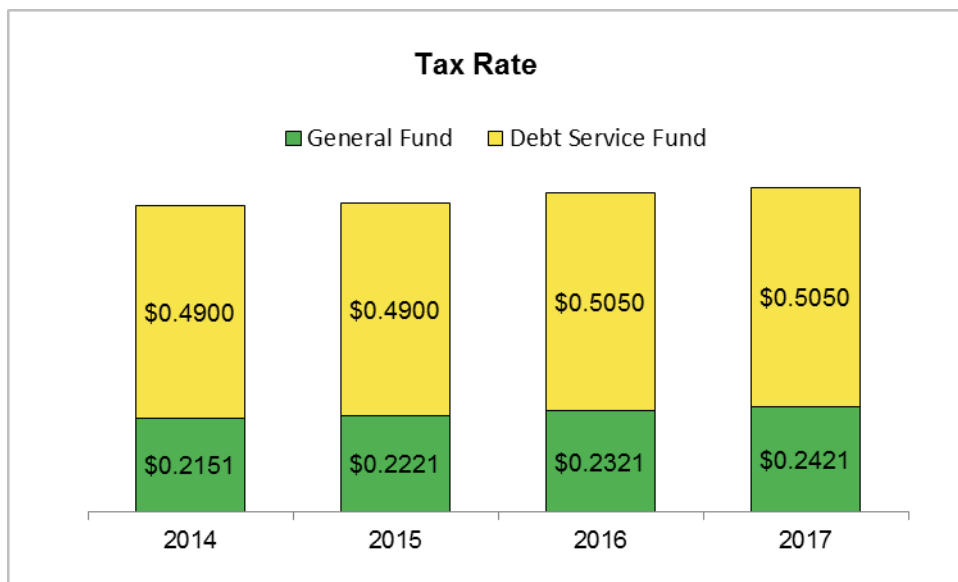
controls are assumed in the plan. The Debt Service Fund expenditure forecast is based upon current principal and interest debt service payments based on the City's Five-Year CIP and, future debt issuance, MUD rebates.

INDIVIDUAL FUND OVERVIEWS

Tax Rate

In fiscal year 2015 the adopted tax rate of \$0.7121 allocates \$0.2221 or 31% to the General Fund and \$0.4900 or 69% to the Debt Service Fund. The chart below presents the total tax rate required to meet obligations and the allocation between Debt Service and O&M. The General Fund tax rate increase is limited to the O&M effective tax rate plus 8%.

By fiscal year 2017, the total tax rate is \$0.7471, 32% to the General Fund and 68% to the Debt Service Fund, an additional increase of 9% to the General Fund and a 3% increase to the Debt Service Fund. The Debt Service Fund tax rate increase from fiscal year 2015 is \$0.015, and the General Fund tax rate increase is \$0.02.



Debt Service Fund

The Debt Service Fund can meet all current and future obligations based on the City's Multi-Year Forecast and Five-Year CIP. The issuance of debt is factored in based on the Five-Year CIP and pending fiscal year 2014 GO and CO issuance. All new debt issued totaling \$88.275 million from 2014-2017 is assumed to be issued with a 20-year maturity level principal payment. The outcome of any major projects bid at a later date, which may not be incorporated into this forecast, will be incorporated into future forecasts.

In order to fund obligations and implement the fiscal year CIP, the Debt Service tax rate will need to increase by \$0.015 from the fiscal year 2015 tax rate of \$0.4900 to \$0.5050 in fiscal year 2016. Additional increases are projected in the long-term with \$0.05 increase by fiscal year 2018 and \$0.0275 increase by fiscal year 2019. The Debt Service total tax rate for fiscal year 2019 is projected at \$0.5375. From fiscal year 2015 to fiscal year 2017, total revenues are anticipated to increase 6% to 8% per year.

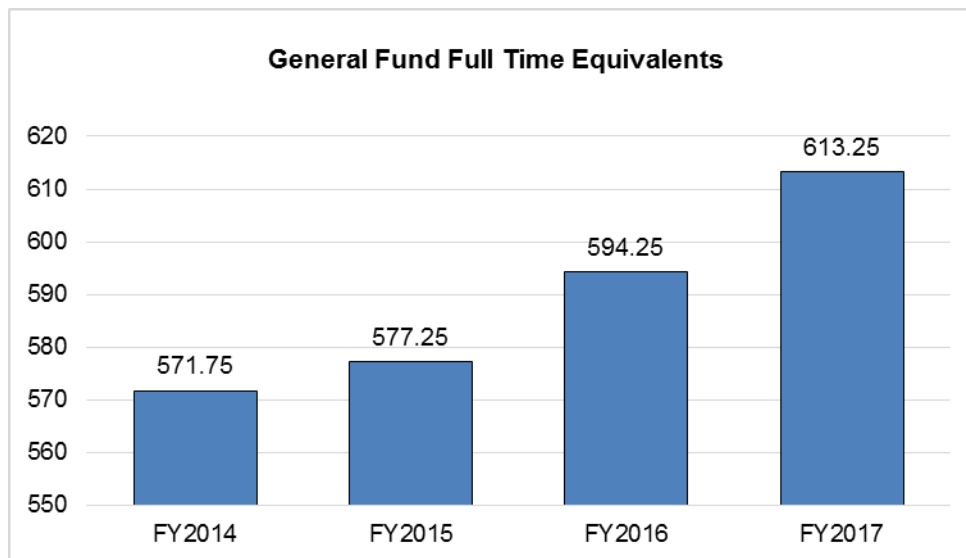
Fiscal year 2015, the City is above the 10% reserve policy. The 2015 ending fund balance is projected to be \$4.1 million, \$1.2 million over a 10% reserve. As such, the City plans to draw down fund balance in 2016 to use reserves on hand in order to minimize the impact to the taxpayer. For all fiscal years through 2017, the fund balance remains above the reserve policy and by 2017 the DS Fund ending balance is above the reserve policy by \$841 thousand. Possible uses of these funds could be to lower the tax rate or absorb new debt from a new voted bond referendum.



General Fund

The General Fund meets reserve requirements; however, cannot fund current services and anticipated operating expenditures from completed CIP projects in years 2015-2016. The fund is structurally imbalanced, whereby recurring expenditures exceed recurring revenues. By 2017, the General Fund is in balance. The policy reserve requirement of 2 months recurring operating expenditures grows from \$10.34 million in fiscal year 2015 to \$11.36 million by fiscal year 2017, an increase of \$1.06 million. In order to fund services and meet fund balance policy requirements, the O&M tax rate will increase from \$0.2221 in 2015 to \$0.2421 by 2017, a \$0.02 increase, though limited by truth-in-taxation laws.

Full-time equivalents in the General Fund will increase from 571.75 in fiscal year 2014 to 577.25 as for fiscal year 2015. Full-time equivalents are projected to increase to 613.25 by fiscal year 2017, an increase of 41.5 positions or 7.3% over the three-year period or 2.4% annually. Population is expected to increase 3.2% annually, not including the day-time or weekend populations from continued retail development.



An increase of 21 positions from 2015 – 2017 are associated with completed CIP for base services and growth. The CIP staff additions include 10 for Fire Station #2 in 2016, 10 for Fire Station #8 in 2017, and 1 for Independence Park Phase I in 2017. The remaining 15 positions are built in for base growth which include 4 scheduled police officers per year.

Operating expenditures from completed CIP total \$1.1 million in 2016, increasing to \$1.5 million in 2017. Fiscal year 2016 includes Fire Station #2, a full year of Centennial Park, Tom Reid Library Expansion, Kirby Drive Extension, and Industrial Drive Realignment, to name the major impacts.

Property and Sales Tax are a major revenue component funding these expenditures. Revenues from current property tax, as a percent to total revenues, are 18% in fiscal year 2014. It increases to 21% in fiscal year 2017 due to increases in the O & M tax rate and valuation and revenue from the TIRZ goes from \$6.8 million in 2014 to \$9.8 million in 2017. This revenue is needed to fund increasing cost, and new or enhanced services.

Sales tax receipts, as a percent to total revenues, remains relatively stable at 26.6% in 2014 to 26.9% in 2017. The City is projected to maintain a modest increase in sales tax in fiscal year 2015 through 2017; a 6% increase is projected each year, mainly due to continued development down Highway 288 and throughout the City in general.



Water & Sewer Fund

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

A water and sewer revenue increase is needed in 2015 of 4.63% to meet cash reserve ratios and to have smaller rate increases annually versus large ones periodically. Revenue increases of 5.55% and 9.06% for 2016 and 2017 are needed due to plant expansions and maintenance of infrastructure.

The utility system users generate the revenues that support the system. Annual water and sewer charges by 2017 total \$38.7 million, an increase of \$6.5 million from fiscal year 2015, and include growth in the number of connections, as well as two revenue increases needed. The growth in the number of connections average 2.6% annually over the multi-year forecast.

Total expenditures increase to \$41.4 million, up from \$37 million in fiscal year 2015. Debt service increases over the forecast period, from \$10.7 million in fiscal year 2015 to \$13.9 million in fiscal year 2017. The revenue increases for bond coverage generates pay-as-you go funding, such that by 2017 pay-as-you go totals \$4.2 million versus \$1.0 million in 2015.

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

Pearland Economic Development Corporation (PEDC)

The PEDC can fund its current operations, as well as provide incentives to attract capital investment to add to Pearland's tax base and to bring new jobs to the City. Through the 2017 forecast period, the ending fund balance is projected to be \$4.9 million in 2017, a decrease of \$10.4 million or 68% from the \$15.4 million in fiscal year 2013 due to the \$6,556,900 series 2010 bond payoff in 2015 as well as \$8.3 million for improvements to the SH288 corridor pursuant to the 20/20 strategic plan.

Sales tax revenue is a major component of funding for the Corporation. Revenues from sales taxes increase by 12.5% through the forecast period, from \$8.4 million in fiscal year 2014 to \$9.5 million in fiscal year 2017. For each year of the forecast, sales tax revenues are 95% of the total revenue each year.

The available balance can be used to fund infrastructure projects.

RECOMMENDATIONS

- Maintain recommended fund balance and cash reserve requirements.
- Be selective about future service additions.
- Continue emphasis on efficient use of existing resources.
- Continue emphasis on cost containment measures.
- Continue marketing efforts in order to expand the tax base – property and sales tax.
- Continue to review capital projects timing in order to build when needed and not before.
- Continue to look at other funding sources for capital improvements to leverage City dollars such as grants, developer agreements, inter-local agreements, etc.
- Identify strategies to increase pay-as-you-go funding for maintenance of existing infrastructure.

CONCLUSION

The proposed forecast is conservative and only includes developments that are anticipated based on current knowledge. If certain economic development projects are successful and come to fruition, or if new developments not currently known take place, then this forecast will substantially change. This forecast will be updated annually as any new developments that will impact revenue or expenditures are identified as "concrete," or likely to happen.



There are external factors outside of the City, such as the legislature, anticipated TxDOT funding of capital projects, weather, that could impact the forecast and significantly affect the City's ability, despite a prudent financial plan in place, to continue to provide the highest quality service and provide for those capital projects which provide a high quality of life. Our objective was to provide City Council and management a prudent financial plan in order to make decisions to benefit our current and future residents.



MULTI-YEAR BUDGET 2014-17
DEBT SERVICE

DESCRIPTION	Actual 2012-13	Projected 2013-14	Adopted 2014-15	Projected	
				2015-16	2016-17
REVENUES					
Property Taxes					
Property Taxes	24,770,799	26,286,916	28,046,481	30,782,940	32,623,422
Delinquent Taxes	240,117	198,166	210,295	224,372	246,264
Penalty & Interest	196,378	199,413	199,781	213,153	233,950
MUD Annexation Current Tax	685,777				
MUD Annexation Delinquent Tax	5,424				
Total Property Taxes	25,898,494	26,684,495	28,456,557	31,220,465	33,103,636
Miscellaneous Revenue					
Lease Income - UofH	786,076	775,398	763,475	750,039	731,799
Interest Income	20,036	36,561	36,000	36,500	36,500
Unrealized Capital Gain (Loss)	(740)				
MUD Annexation	1,160,897				
Total Miscellaneous Revenue	1,966,269	811,959	799,475	786,539	768,299
Bond Proceeds					
Bond Proceeds on Refunding		33,498,000			
Total Bond Proceeds		33,498,000			
Transfers					
Transfers from Fund 30	277,127	277,127	277,127	277,127	277,127
Transfers from Fund 30 for MUD 4		182,040	179,440	176,710	173,850
Transfer in From Fund 302	7,711				
Transfer in From Fund 203	5,000				
Transfer in From Fund 43	10,443				
Transfer in From Fund 10	161,445	159,272	156,844	154,160	150,454
Total Transfers	461,726	618,439	613,411	607,997	601,431
Total Revenues	28,326,489	61,612,893	29,869,444	32,615,001	34,473,366



**MULTI-YEAR BUDGET 2014-17
DEBT SERVICE**

DESCRIPTION	Actual 2012-13	Projected 2013-14	Adopted 2014-15	Projected 2015-16	Projected 2016-17
EXPENDITURES					
Miscellaneous Services					
Arbitrage Services	27,300	29,475	33,880	36,380	38,880
Total Miscellaneous Services	27,300	29,475	33,880	36,380	38,880
MUD Rebates					
MUD Rebates	4,057,682	4,307,495	4,713,417	5,077,569	5,414,408
Total MUD Rebates	4,057,682	4,307,495	4,713,417	5,077,569	5,414,408
Bond Payment					
Current Debt Service Principal	11,125,000	10,475,000	10,510,000	10,985,000	10,680,000
Current Debt Service Interest	12,543,211	12,711,216	12,164,795	11,690,615	11,221,315
Refunding			(283,622)	(238,430)	(235,805)
Future Debt Issuances					
General Obligation 2014 - 20			921,654	936,469	923,094
General Obligation 2015 - 20				1,810,970	1,627,875
General Obligation 2016 - 20					1,910,898
CO's Series 2014 -20			481,015	438,693	422,279
CO's Series 2015 - 20				1,188,124	1,068,060
CO's Series 2016 - 20					265,499
Fiscal Fees	10,225	11,475	12,475	13,475	14,475
Bond Issuance Costs		315,563			
Escrow Agent/Issuance		33,182,437			
Total Bond Payment	23,678,436	56,695,691	23,806,317	26,824,916	27,897,690
Short-Term Note					
Current Lease/Purchase (P&I)	912,730	1,196,208	1,196,245	929,640	762,747
Future Lease/Purchase					
Total Short-Term Note	912,730	1,196,208	1,196,245	929,640	762,747
Total Expenditures	28,676,148	62,228,869	29,749,859	32,868,506	34,113,725
Revenues Over(Under) Expenditures	(349,659)	(615,976)	119,586	(253,505)	359,641
Beginning Fund Balance	4,992,479	4,642,821	4,026,845	4,146,431	3,892,926
Ending Fund Balance	4,642,821	4,026,845	4,146,431	3,892,926	4,252,567
10% Reserve Requirement	2,867,615	2,873,087	2,974,986	3,286,851	3,411,372
Amount over 10% Reserve	1,775,206	1,153,758	1,171,445	606,075	841,194
DS Tax Rate	0.4900	0.4900	0.4900	0.5050	0.5050
DS Tax Rate Change	0.0200			0.0150	
Debt Issuance					
General Obligation		11,575,000	16,890,000	17,370,000	15,125,000
Certificates of Obligation		4,625,000	11,070,000	2,415,000	9,205,000
Total		16,200,000	27,960,000	19,785,000	24,330,000



MULTI-YEAR BUDGET 2014-17
GENERAL FUND

DESCRIPTION	Actual 2012-13	Projected 2013-14	Adopted 2014-15	Projected	
				2015-16	2016-17
Revenues					
Property Taxes	11,178,950	11,901,823	13,197,208	14,841,176	16,371,961
Sales Taxes	15,919,785	17,038,649	18,063,535	19,147,348	20,296,188
Franchise Fees	5,758,776	6,264,559	6,646,438	6,890,710	7,144,106
Licenses & Permits	2,988,859	3,642,823	3,922,331	4,426,701	4,559,502
Fines & Forfeitures	3,333,675	2,945,940	3,105,239	3,198,396	3,294,348
Charges for Service	12,567,692	12,828,870	13,984,727	15,374,531	16,477,224
Miscellaneous	717,581	2,329,940	611,309	557,424	574,147
Transfers in	3,764,560	3,865,462	2,975,094	3,064,347	3,156,277
Other Financing Sources	1,179,413	2,426,987	1,187,000	634,315	2,637,500
Total Revenues	57,409,291	63,245,053	63,692,881	68,134,948	74,511,253
Expenditures					
General Government	6,697,743	8,334,601	10,373,879	9,417,652	9,149,802
Public Safety	29,407,660	33,660,791	35,389,548	35,524,480	39,301,040
Community Services	3,312,707	3,936,686	2,949,771	3,068,402	3,178,084
Public Works	7,741,495	9,379,884	10,486,794	10,839,608	11,064,208
Parks & Recreation	7,224,818	8,239,889	6,773,623	7,085,285	7,519,890
O&M for CIP				1,144,867	1,524,433
Total Operating Expenditures	54,384,423	63,551,851	65,973,615	67,080,294	71,737,456
Transfers Out	1,973,712	2,784,191	1,546,744	1,842,211	2,173,677
Total Expenditures	56,358,135	66,336,042	67,520,359	68,922,505	73,911,133
Revenues Over/(Under) Expenses	1,051,156	(3,090,989)	(3,827,478)	(787,557)	600,120
Beginning Fund Balance	17,571,961	\$18,623,117	\$15,532,128	\$11,704,650	\$10,917,094
Ending Fund Balance	18,623,117	\$15,532,128	\$11,704,650	\$10,917,094	\$11,517,214
Ending Fund Balance		15,532,128	11,704,650	10,917,094	11,517,214
Less Policy Requirement		9,450,047	10,338,499	10,931,114	11,395,645
Excess funds available over policy		6,082,082	1,366,150	62,342	148,450
General Fund		\$ 0.2151	\$ 0.2221	\$ 0.2321	\$ 0.2421
Debt Service Fund		\$ 0.4900	\$ 0.4900	\$ 0.5050	\$ 0.5050
Total Tax Rate		\$ 0.7051	\$ 0.7121	\$ 0.7371	\$ 0.7471



**MULTI-YEAR BUDGET 2014-17
GENERAL FUND REVENUE**

DESCRIPTION	Actual 2012-13	Projected 2013-14	Adopted 2014-15	Projected 2015-16	Projected 2016-17
Property Taxes					
Current Taxes	10,874,381	11,539,447	12,808,458	14,147,573	15,639,367
Delinquent Taxes	122,012	83,012	93,000	97,650	102,533
Penalty & Interest	100,009	110,000	120,000	126,000	132,300
In Lieu of Property Taxes	82,349	168,170	175,750	184,538	193,764
MUD 5	199	1,194			
Total Property Taxes	11,178,950	11,901,823	13,197,208	14,555,760	16,067,963
Sales Taxes					
Sales Taxes	15,742,794	16,833,524	17,843,535	18,914,148	20,048,996
Mix Drink Taxes	176,991	205,125	220,000	233,200	247,192
Total Sales Taxes	15,919,785	17,038,649	18,063,535	19,147,348	20,296,188
Franchise Fees					
Gas	230,038	285,497	294,062	302,884	311,970
Electric	2,755,125	2,927,365	3,083,733	3,207,082	3,335,366
Telephone	287,691	281,155	272,721	280,903	289,330
Cable	1,204,283	1,329,060	1,404,174	1,460,341	1,518,755
Sanitation	1,281,639	1,441,482	1,591,748	1,639,500	1,688,685
Total Franchise Fees	5,758,776	6,264,559	6,646,438	6,890,710	7,144,106
Licenses & Permits					
Building Permit	1,238,710	1,675,514	1,835,000	2,390,050	2,461,752
Platting Fees	107,739	114,313	177,180	182,495	187,970
Beer Permits	19,845	21,000	24,000	24,720	25,462
Moving Permits	4,100	3,900	4,100	4,223	4,350
Peddlers & Solicitors	4,555	4,355	4,500	4,635	4,774
Health Certificate Fees	84,282	80,000	133,250	137,248	141,365
Wrecker Permits	4,530	4,500	4,500	4,635	4,774
Building Plan Check Fee	801,431	871,267	859,800	885,594	912,162
Occupancy Permits	7,900	7,500	8,000	8,240	8,487
Demolition Permits	1,350	1,300	1,300	1,339	1,379
Bldg. Site Work Permit	39,209	90,585	69,516	71,601	73,750
Alarm Permits	41,002	39,209	45,000	46,350	47,741
Health-Registration 1 Yr.	3	500			
Health-Registration 2 Yr.	(75)				
Sign Permits	12,620	13,000	13,000	13,390	13,792
Ambulance Permit	14,250	18,650	18,650	19,210	19,786
Taxi Cab Permit	4,643	2,463	3,500	3,605	3,713
Temporary Structures	600	1,700	1,200	1,236	1,273
Recordation & Courier Fee	9,199	9,000	9,000	9,270	9,548
Miscellaneous	275	275	275	283	292
BP Plan & Zone Adjustment	21,600	23,000	23,000	23,690	24,401
Garage Sale Permits	36,225	38,000	38,000	39,140	40,314
Culvert Permits	360	500	800	824	849
Animal Licenses	33,645	32,000	32,000	32,960	33,949
Foster Home Inspection	1,850	1,950	1,950	2,009	2,069
Mowing Lien	(2,254)				
Electrical Permits	115,913	144,575	153,735	158,347	163,097
Plumbing & Gas Permits	149,024	185,216	195,725	201,597	207,645
Mechanical Permits	156,447	179,400	180,690	186,111	191,694
Reinspec. Fee/Inspection	8,465	7,260	7,260	7,478	7,702
Fire Alarm	5,839	2,678	3,500	3,605	3,713
Fire Protection	790	2,300	2,500	2,575	2,652
Fire Sprinkler	9,216	11,453	10,000	10,300	10,609
Fire Sprinkler-Alteration	174	150	250	258	265
Fireworks	50	150	150	155	159
Irrigation	18,547	18,000	18,500	19,055	19,627
Swimming Pool	35,300	35,660	41,000	42,230	43,497
Dirt Grading Permit	1,500	1,500	1,500	1,545	1,591
Total Licenses & Permits	2,988,859	3,642,823	3,922,331	4,540,001	4,676,201



**MULTI-YEAR BUDGET 2014-17
GENERAL FUND REVENUE**

DESCRIPTION	Actual 2012-13	Projected 2013-14	Adopted 2014-15	Projected 2015-16	Projected 2016-17
Fines & Forfeiture					
Fines & Forfeitures	3,126,349	2,755,000	2,904,000	2,991,120	3,080,854
Child Safety	24,109	24,651	24,800	25,544	26,310
Child Safety-Harris Co.	5,263	5,350	5,350	5,511	5,676
Commercial Carrier Fines	76,978	70,000	75,000	77,250	79,568
Time Efficiency	(6,269)	(5,508)	(5,808)	(5,982)	(6,162)
Animal Cruelty	300	350	350	361	371
Omnibase	16,696	16,225	17,325	17,845	18,380
State/Service Fee Recoup	90,249	79,872	84,222	86,749	89,351
Total Fines & Forefeitures	3,333,675	2,945,940	3,105,239	3,198,396	3,294,348
Service Charges					
Ambulance Service Fee	2,832,968	2,610,000	2,854,300	2,939,929	3,028,127
Mud/Ems/Fire Collections	77,384	78,715	78,342	80,692	83,113
Strategic Ptr Agrmt/Fire,Ems	256,834	271,963	336,000	356,160	377,530
False Alarm Fee	60,750	62,000	65,000	66,950	68,959
Arrest Fees	3,910	5,495	5,495	5,660	5,830
Clear. Letter Fee	420	475	475	489	504
Subpoena	63	150	150	155	159
Offense Report Copies	84	100	100	103	106
Accident Report Copies	6,234	6,410	6,450	6,644	6,843
Other Copies	80	80	80	80	80
SRO Equipment	84,545	88,500	88,500	91,155	93,890
SRO Personnel	644,243	659,486	703,594	752,846	805,545
Non-Emergency EMS Transport	2,020	2,020	2,020	2,020	2,020
Non-Emergency EMS Service	5,600	7,000	7,000	7,210	7,426
Training Tuition	4,380	4,000	4,000	4,120	4,244
Training Recycling	3,716	3,000	3,000	3,090	3,183
Animal Shelter Fees	46,146	47,000	47,000	48,410	49,862
Events & Programs	479,240	477,645	495,591	510,459	525,772
Facility Rentals	117,217	116,050	105,250	108,408	111,660
Swimming Pool Fees	6,889	24,000	24,000	24,720	25,462
Natorium	99,422	133,045	39,357	40,538	41,754
Recreation Center Rentals	61,639	40,000	134,270	138,298	142,447
Recreation Center Memberships	1,128,900	1,194,192	1,222,500	1,259,175	1,296,950
Facility Rental - U of H	2,940	900	900	927	955
Special Event Permit Fee	150	50	150	155	159
Miscellaneous	1,250	3,850	4,500	4,635	4,774
Engineering Inspect Fee	269,420	123,515	120,000	123,600	127,308
TIRZ Administration Fee	6,351,358	6,847,349	7,614,803	8,943,663	9,813,567
Permits Inspection Fee	10,220	13,400	13,500	13,905	14,322
Traffic Impact Analysis	9,750	10,500	10,500	10,815	11,139
Total Service Charges	12,567,692	12,828,870	13,984,727	15,542,908	16,651,588
Interest					
Interest Income	52,477	82,974	84,000	86,520	89,116
Unrealized Capital Gain(Loss)	1,586	1,586	1,586	1,586	1,586
Total Interest	54,063	82,974	84,000	86,520	89,116
Intergovernmental					
County	2,844	2,844	2,844	2,844	2,844
Total Intergovernmental	2,844	2,844	2,844	2,844	2,844
Miscellaneous					
Building Rent	17,180	18,040	18,095	18,638	19,197
Other Victims Program	6,911	7,000	7,000	7,210	7,426
Street Light Charges	86,129	63,904	50,000	51,500	53,045
Recycle Revenue	67,667	59,373	52,953	54,542	56,178
N.S.F. Fees	3,645	7,000	5,000	5,150	5,305
Plat Copies	28	28	28	28	28
Reproduction/Xerox Copies	1,244	1,200	1,200	1,236	1,273

**MULTI-YEAR BUDGET 2014-17
GENERAL FUND REVENUE**

DESCRIPTION	Actual 2012-13	Projected 2013-14	Adopted 2014-15	Projected 2015-16	Projected 2016-17
Sale Of Property	76,655	1,775,259	28,000	28,840	29,705
Waiver Of Encroachment	1,500	1,000	1,000	1,030	1,061
Jail Phone	793				
Ambulance Permit App. Fee	4,450	4,450	4,450	4,584	4,721
Suspense Revenue	1,095				
Sign Revenue	27,263	22,012	22,500	23,175	23,870
Insurance Reimbursement	43,142	29,933			
Miscellaneous	233,213	257,795	337,111	375,000	286,250
MUD Annexation	89,759				
Total Miscellaneous	660,674	2,246,966	527,309	570,904	488,031
Grant, Issuance, Transfers					
From Fund 15	151,438	113,792	119,482	123,066	126,758
From Fund 18		21,000			
From Fund 30	927,817	935,000	1,190,100	1,225,803	1,262,577
From Fund 31		146,794			
From Fund 42	150,665	272,032	146,785	151,189	155,724
From Fund 50	109,974	11,274	50,372	51,883	53,440
From Fund 67	263,715	132,293	218,786	225,350	232,110
From Fund 68	685,502	278,498	288,095	296,738	305,640
From Fund 70	17,227	21,844			
From Fund 101	489,081	236,513	191,107	196,840	202,745
From Fund 301	83,929		93,947	96,765	99,668
From Fund 302		19,763	22,431	23,104	23,797
Transfer From Fund 202	395,692	1,044,922			
Transfer From Fund 203	406,495	506,398	546,202	562,588	579,466
From Fund 116	7				
Transfer From CDBG	43,663	45,450	107,787	111,021	114,351
From Fund 109					
Transfer From Fund 200		79,889			
Transfer From Fund 201	39,355				
Total Grant, Issuance, Transfers	3,764,560	3,865,462	2,975,094	3,064,347	3,156,277
Other Financing Sources					
Capital Lease Proceeds	1,179,413	2,426,987	1,187,000	634,315	2,637,500
Total Other Financing Sources	1,179,413	2,426,987	1,187,000	634,315	2,637,500
Total Revenues	57,409,291	63,245,053	63,692,881	68,231,209	74,501,319



**MULTI-YEAR BUDGET 2014-17
GENERAL FUND EXPENDITURES**

DESCRIPTION	Actual 2012-13	Adopted 2013-14	Adopted 2014-15	Projected 2015-16	Projected 2016-17
General Government					
City Council	102,643	104,632	106,575	108,166	109,783
City Manager	673,544	1,051,905	731,787	743,230	762,166
Human Resources	710,583	875,312	788,203	803,915	820,060
City Secretary	293,686	322,340	334,026	338,978	347,863
Legal	646,482	689,447	696,870	752,825	770,765
Information Systems			2,809,040	2,108,000	1,499,347
Information Technology	1,354,791	1,460,836			
Geographic Information Systems			231,712	237,844	244,154
Finance	1,818,822	1,894,138	1,988,872	2,009,968	2,087,675
Other Requirements	963,548	1,203,488	2,301,815	1,657,266	1,681,060
Library	133,645	732,503	384,979	383,129	386,960
NEW POSITIONS					60,032
New Lease/Purchases				205,181	309,739
Total General Government	6,697,743	8,334,601	10,373,879	9,348,501	9,079,605
Public Safety					
Administration	1,169,332	1,233,475	1,313,100	1,343,394	1,371,402
Patrol	9,723,103	10,704,643	12,065,685	12,427,371	12,756,438
Investigations	1,675,342	2,267,411	2,296,597	2,300,853	2,363,274
Community Serv	756,933	985,142	849,774	845,821	868,408
Support	1,614,495	1,899,446	1,972,524	2,031,377	2,083,446
Jail	899,852	1,052,890	1,141,957	1,156,073	1,187,851
Commercial Vehicle Encfmt	208,284	219,649	230,605	237,504	244,197
SRO	1,090,677	1,146,159	1,175,948	1,208,063	1,241,676
Traffic Encfmt/Motorcycles	795,567	1,009,512	913,934	920,778	946,837
Special Investigations	517,522	408,588	384,176	396,536	407,541
Training	76,847	104,894	98,258	99,241	100,233
Police (Total)	18,527,952	21,031,809	22,442,558	22,967,011	23,571,304
Animal Control			779,096	752,269	771,346
Fire Administration			1,003,376	1,028,759	1,056,547
Fire	6,410,733	7,216,264	9,919,982	9,898,078	12,769,306
Fire Marshal	640,011	656,179	709,900	720,463	740,326
Emergency Management	43,059	47,421	39,362	39,756	40,153
Health/Code Enforcement			495,274	510,788	526,029
Emergency Medical Services	3,785,906	4,709,118			
NEW POSITIONS				234,357	480,488
Total Public Safety	29,407,660	33,660,791	35,389,548	36,151,481	39,955,498
Community Services					
Community Development Admin.	268,175	446,542	310,676	291,268	298,909
Planning	263,747	346,657	415,862	423,561	433,005
Permits & Inspections	809,206	995,115	1,111,829	1,138,086	1,169,486
Health/Code Enforcement	392,863	403,562			
Animal Control	636,652	752,572			
Communications	327,896	336,984	434,718	434,106	442,733
Municipal Court	614,169	655,254	676,686	694,574	713,828
NEW POSITIONS				86,807	120,122
Total Community Services	3,312,707	3,936,686	2,949,771	3,068,402	3,178,084
Public Works					
Public Works Engineering Admin.	266,032	277,611	309,363	320,421	329,516
Public Works Operations Admin.	159,418	483,758	153,178	156,972	160,837
Facilities Maintenance		21,781	985,347	933,369	950,110
Custodial Services			317,089	324,589	327,144
Fleet Maintenance	390,524	423,276	484,998	480,933	494,805
Streets & Drainage	4,204,505	4,872,224	4,215,851	3,871,529	3,926,976
Right-of-Way Maintenance			731,463	741,474	751,560

**MULTI-YEAR BUDGET 2014-17
GENERAL FUND EXPENDITURES**

DESCRIPTION	Actual 2012-13	Adopted 2013-14	Adopted 2014-15	Projected	
				2015-16	2016-17
Service Center	201,109	133,044	174,911	176,660	148,427
Traffic Operations & Maintenance	637,909	945,875	1,137,980	1,116,792	1,134,692
Engineering & Capital Projects					
Capital Projects	720,618	824,337	841,635	864,756	888,417
Geographic Information Systems	168,931	247,800			
Engineering	992,448	1,150,178	1,134,979	1,165,858	1,197,130
NEW POSITIONS				58,589	120,122
Total Public Works	7,741,495	9,379,884	10,486,794	10,211,942	10,429,735
Parks & Recreation					
Administration	945,743	1,179,704	629,096	645,690	662,933
Resource Development		197,630	129,494	143,475	147,222
Recreation Center/Natatorium	1,566,720	1,813,781	2,220,330	2,306,594	2,520,508
Westside Event Center	190,158	205,799	219,762	227,624	233,015
Parks Maintenance - West	917,297	950,358			
Parks Maintenance	1,170,830	1,259,662	2,381,229	2,563,123	2,671,570
Facilities Maintenance	861,083	859,889			
Custodial Services	337,155	357,028			
Athletics	260,443	333,879	335,591	348,022	355,685
Special Events	251,756	274,359	280,034	283,555	287,969
Senior Programs	201,137	231,160	209,128	216,163	220,982
Youth Development	167,521	217,877			
Aquatics	155,586	142,052	141,223	146,929	148,810
Recycling	199,390	216,711	227,736	235,235	240,833
NEW POSITIONS				58,589	120,122
Total Parks & Recreation	7,224,818	8,239,889	6,773,623	7,175,000	7,609,649
O&M FOR CIP				315,364	430,269
Personnel Services				829,503	1,094,164
Total CIP O&M				1,144,867	1,524,433
SUBTOTAL	54,384,423	63,551,851	65,973,615	67,100,193	71,777,003
Transfers	1,973,712	2,784,191	1,546,744	1,842,211	2,173,677
Total Transfers	1,973,712	2,784,191	1,546,744	1,842,211	2,173,677
TOTAL EXPENDITURE	56,358,135	66,336,042	67,520,359	68,942,404	73,950,680



**MULTI-YEAR BUDGET 2014-17
GENERAL FUND O & M / NEW PERSONNEL**

DESCRIPTION	Adopted	
	2015-16	2016-17
Cowart Creek Diversion	8,200	8,200
Independence Park Ph 1		764
Centennial Park Ph 2	76,045	76,118
Shadow Creek Ranch Trail		4,170
Green Tee Terrace Trail		2,930
Tom Reid Library Expansion	90,382	90,382
Fire Station #2	84,796	84,796
Fire Station #8		33,059
Max Road	26,886	26,886
Fite Road	13,286	13,286
Smith Ranch Road Expansion (CR 94)	5,593	21,186
Bailey Road (Veterans to FM 1128)		25,886
Kirby Drive Extension	8,613	17,226
Hughes Ranch Road (CR 403)		10,697
Old Alvin Rd Widening (Plum to McHard)		4,807
Old Alvin Rd Rehab. (McHard to Knapp)		6,750
Industrial Drive Realignment	1,563	3,126
Total	\$315,364	\$430,269
CIP Personnel Services		
Independence Park Ph 1		\$25,400
<i>Number of FTE</i>		1
Fire Station #2	\$829,503	\$854,388
<i>Number of FTE</i>	10	
Fire Station #8		\$214,376
<i>Number of FTE</i>		10
Total	\$829,503	\$1,094,164
<i>Number of FTE</i>	10	11
Base Personnel		
General Government	0	1
Public Safety	4	4
Community Services	1	1
Public Works	1	1
Parks	1	1
<i>Base Personnel Increase</i>	438,342	900,886
<i>Number of FTE</i>	7	8
Total Personnel Increase	1,267,845	1,995,050
Number of Total FTE	17	19



**WATER AND SEWER FUND REVENUE
MULTI-YEAR BUDGET 2014-2017**

DESCRIPTION	Actual 2012-13	Projected 2013-14	Adopted 2014-15	Projected 2015-16	Projected 2016-17
Charges for Service					
Water/Sewer Charges	27,517,962	28,162,068	30,710,669	33,215,838	37,165,980
Sanitation Billing Fee	352,482	366,594	376,752	399,053	409,290
Connection Fee	165,288	158,000	162,740	167,622	176,003
Water/Sewer Tap Fee	415,949	426,500	490,465	426,677	438,990
Late Payment Fee	464,253	430,000	443,000	456,290	469,979
Meter Set Fee	2,400	5,025	3,600	1,500	1,500
Curb Stop Replacement Fee	161	161	161	1,040	1,040
Grease Trap Fee	55,925	34,500	35,000	34,000	34,000
Reconnect Fee	32,500	27,000	27,810	28,644	29,504
Miscellaneous	557	200	200	200	200
Total Charges For Service	29,007,477	29,610,048	32,250,397	34,730,865	38,726,486
Miscellaneous Revenue					
NSF Fees	10,175	7,800	8,300	8,300	8,300
Reimbursements	43,674	413			
Miscellaneous	290,994	116,186	105,500	105,500	105,500
MUD Annexation	166,122				
Total Miscellaneous	510,966	124,399	113,800	113,800	113,800
Interest					
Interest	39,639	80,960	48,700	33,594	31,730
Unrealized Capital Gain	(2,285)				
Total Interest	37,354	80,960	48,700	33,594	31,730
Interfund Transfers					
From Fund 42	1,554,226	1,568,732	1,709,713	1,708,445	2,706,656
From Fund 44	736,313	624,612	623,018	622,047	887,903
From Fund 301		55,000			
From Fund 10	218,961	235,491	235,491	242,556	249,832
Total Interfund Transfers	2,509,500	2,483,835	2,568,221	2,573,048	3,844,392
Other Financing Sources					
Sale of Property	20,103	54,122	9,000	27,742	27,742
Miscellaneous	141,038	135,000	135,000	139,050	143,222
Capital Lease Proceeds			458,000		
Total Other Financing Sources	161,141	189,122	602,000	166,792	170,963
Total Revenues	32,226,438	32,488,364	35,583,118	37,618,097	42,887,371



MULTI-YEAR BUDGET 2014-17
WATER & SEWER FUND EXPENSE AND CASH EQUIVALENTS

DESCRIPTION	Actual 2012-13	Projected 2013-14	Adopted 2014-15	Projected 2015-16	Projected 2016-17
Public Works					
Administration			487,849	497,606	507,558
Lift Stations	901,210	1,055,744	1,645,383	1,413,603	1,191,711
Wastewater Treatment Plant	3,795,774	4,929,313	4,445,055	4,509,387	4,597,678
Water Production	6,334,431	8,202,045	8,496,521	8,524,050	8,338,904
Distribution and Sewer Collectio	2,169,471	2,228,570	2,759,088	1,966,468	2,023,922
Construction	1,054,607	1,034,829	1,058,769	869,902	900,490
GIS	244,451	247,952			
Water Meter Services			1,456,022	1,485,142	1,514,845
ROW Mowing			428,666	437,239	445,984
Information Systems					
GIS			243,121	245,552	248,008
Utility Billing	2,712,671	2,054,519	1,342,418	1,367,151	1,205,419
Other Requirements	13,543,857	12,061,741	14,654,216	17,041,890	20,460,726
Total Expenses	30,756,471	31,814,713	37,017,108	38,357,991	41,435,245
Revenues Over(Under) Expenditures	1,469,967	673,651	(1,433,990)	(739,894)	1,452,126
Beginning Cash Equivalents	11,931,087	13,401,054	14,074,705	12,640,715	11,900,821
Reserve for Debt Service	1,568,545	1,929,503	2,278,256	2,322,782	2,933,028
Ending Cash Equivalents	11,832,509	12,145,202	10,362,459	9,578,039	10,419,918
Bond Coverage – 1.4		1.43	1.56	1.50	1.45
Cash Reserve Ratio – 25%		38%	28%	25%	25%
Number of Connections		34,731	35,612	36,516	37,441
Growth in Connections			2.54%	2.54%	2.53%
Revenue Increase Needed		0%	4.63%	5.55%	9.06%
Debt Issuance					
W/S Revenue Bonds			\$2,143,400	\$30,157,273	\$43,294,536



MULTI-YEAR BUDGET 2014-17
PEARLAND ECONOMIC DEVELOPMENT CORPORATION

DESCRIPTION	Actual 2012-13	Projected 2013-14	Adopted 2014-15	Projected	
				2015-16	2016-17
Revenues					
Sales Tax	\$7,871,396	\$8,416,762	\$8,921,768	\$9,189,421	\$9,465,103
Interest Income	40,811	69,000	45,000	30,327	21,721
Intergovernmental		71,588	12,000	12,000	12,000
Miscellaneous	438,326	446,412	436,998	460,000	460,000
Total Operating Revenues	\$8,350,533	\$9,003,762	\$9,415,766	\$9,691,748	\$9,958,824
Expenditures					
Operating	\$1,152,608	\$1,472,441	\$1,809,301	\$1,843,491	\$1,894,495
Operating Transfers	2,460,617	199,122	204,971	215,220	225,981
Bond Payments	2,045,585	2,032,500	8,602,270	1,419,957	1,425,757
Inventory	2,464	5,000	5,000	5,000	5,000
Capital Outlay		147,320	955,000	4,205,000	4,248,000
Total Operating Expenditures	\$5,661,274	\$3,856,383	\$11,576,542	\$7,688,667	\$7,799,233
Revenues Over/(Under) Expenses	2,689,259	5,147,379	(2,160,776)	2,003,080	2,159,592
Other Financing Sources (Uses)					
Capital Transfers Out		(1,210,326)	(1,408,500)	(3,500,000)	(3,500,000)
Incentives	(784,450)	(1,880,014)	(1,723,514)	(1,945,514)	(2,380,514)
Total Other Financing Sources	(\$784,450)	(\$3,090,340)	(\$3,132,014)	(\$5,445,514)	(\$5,880,514)
Net Change in Fund Balance	1,904,809	2,057,039	(5,292,790)	(3,442,434)	(3,720,922)
Beginning Fund Balance (Before Reserves)	\$13,461,696	\$15,366,505	\$17,423,544	\$12,130,754	\$8,688,320
Debt Service Reserves	(665,254)	(665,254)			
Debt Pay-off (Cumulative)	(3,041,757)	(4,725,109)			
Ending Fund Balance	\$11,659,494	\$12,033,181	\$12,130,754	\$8,688,320	\$4,967,398



FY 2015 ADOPTED BUDGET PROPERTY TAX COLLECTIONS

OVERVIEW

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

The net taxable value based on values used total \$7,600,947,459, an 8.5% or \$598.2 million increase over the current adjusted tax roll. Estimated new value added to the roll totals \$246,059,569 representing 41.1% of the increase with the remaining coming from revaluation on existing property of \$352,121,846 or 58.9% of the increase. The TIRZ value added is estimated at \$1,747,460,688, a 13.0% or \$200,643,062 increase over last year. TIRZ value within the TIRZ represents 33.5% of the total increase.

In 1998, when the TIRZ was formed, the base property value for the City was \$7.1 million. Today, sitting at \$1.754 billion in property value, the TIRZ shows the success of the public-private partnership that was entered into years ago. Pursuant to the participation agreement, the City remits 100% of its property tax levy to the TIRZ, however the City receives an administrative fee of 64% for the provision of services to serve the area. For FY2015, this totals \$7.7 million, shown as Charges for Services vs. Property Taxes in the City's General Fund. In FY2030, after the TIRZ receives its 2028 taxes in FY2029, the City will realize 100% of the property tax value; this equates to an additional \$4.736 million in property taxes at today's value, tax rate and 100% collection. If this were today, the General Fund would receive \$3.8 million and the debt service fund \$8.5 million, whereas the General Fund would lose \$3.8 million in revenues the debt service fund would gain \$8.5 million.

The tax rate for the adopted budget totals \$0.7121 per \$100 valuation, a 0.007 cent total increase from the current tax rate of \$0.7051. There is no change to the amount dedicated to debt service, \$0.49 of the tax, but an increase is seen in the allocation to the General Fund operations by \$0.007, for a total of \$0.2221, and a total tax rate of \$0.7121.

The tax analysis prepared in 2007 for the \$162 million bond referendum approved by the voters in May 2007, showed that a 13-cent tax rate increase was needed for the completion of the 2001 bond referendum (5.5 cents) and the implementation of the 2007 bond referendum (7.5 cents). The total tax rate will have increased by 5.94 cents since 2007 based on the adopted tax rate of \$0.7121. This can be attributable to construction savings on bond related projects, delay of capital projects, operating budget reductions of \$4.5 million, new development and sales tax increases since 2007.

Based on these assumptions and overall collection rate of 98.4%, a tax levy of \$12,194,794 will be conveyed to the TIRZ and \$40,761,939 will remain with the City.



**CITY OF PEARLAND
TAX COLLECTIONS**

	FY 2014 BUDGETED LEVY	FY 2014 ADJUSTED LEVY	FY 2014 YEAR END PROJECTION	FY 2015 PRELIMINARY ROLL
REVENUES				
City Levy - 100%	38,349,927	38,169,892	37,826,363	41,382,679
TIRZ - 100%	11,025,914	10,906,611	10,726,652	12,443,667
TOTAL at 100%	49,375,841	49,076,503	48,553,015	53,826,346

City Collection Rate	100.0%	100.0%	98.9%	98.4%
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ALLOCATION:

General Fund	11,700,563	11,645,633	11,539,447	12,715,458
Debt Service Fund	26,649,364	26,524,258	26,286,916	28,046,481
TIRZ	11,025,914	10,906,611	10,726,652	12,194,794
TOTAL ALLOCATION	49,375,841	49,076,503	48,553,015	52,956,733

Tax Year	Budgeted 2013*	Adjusted 2013	Preliminary 2014
Total Taxable Value	7,045,219,500	7,002,766,044	7,600,947,459
Less: TIRZ Added Value	1,563,737,676	1,546,817,626	1,747,460,688
Taxable Value to City	5,481,481,824	5,455,948,418	5,853,486,771

Tax Rate per \$100		
General Fund		0.2151
Debt Service Fund		0.4900
Total Tax Rate		0.7051

Tax Rate Split		
General Fund		30.51%
Debt Service Fund		69.49%
Total		100.00%



2014 Property Tax Rates in CITY OF PEARLAND

This notice concerns the 2014 property tax rates for CITY OF PEARLAND. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$ 14,065,682
Last year's debt taxes	\$ 32,041,769
Last year's total taxes	\$ 46,107,451
Last year's tax base	\$ 6,539,136,435
Last year's total tax rate	\$ 0.705100/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$ 35,067,904
+ This year's adjusted tax base (after subtracting value of new property)	\$ 5,201,116,170
= This year's effective tax rate (Maximum rate unless unit publishes notices and holds hearings.)	\$ 0.674238/\$100

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$ 10,698,706
+ This year's adjusted tax base	\$ 5,201,116,170
= This year's effective operating rate	\$ 0.205700/\$100
x 1.08 = this year's maximum operating rate	\$ 0.222156/\$100
+ This year's debt rate	\$ 0.490000/\$100
= This year's total rollback rate	\$ 0.712156/\$100

Statement of Increase/Decrease

If CITY OF PEARLAND adopts a 2014 tax rate equal to the effective tax rate of \$0.674238 per \$100 of value, taxes would decrease compared to 2013 taxes by \$-9,296,600.



Schedule A – Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt of obligation.

Type of Property Tax Fund	Balance
MAINTENANCE & OPERATIONS	\$ 15,532,128
INTEREST & SINKING	\$ 4,141,793

Schedule B – 2014 Debt Services

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
ALL SERIES GO/CO 2003-2014	\$11,320,750	\$12,917,467	\$46,355	\$24,284,572
SHORT TERM DEBT	\$1,114,633	\$81,612	\$0	\$1,196,245
MUD REBATES	\$0	\$0	\$4,713,417	\$4,713,417

Total required for 2014 debt service	\$ 30,194,234
- Amount (if any) paid from Schedule A	\$ 0
- Amount (if any) paid from other resources	\$ 3,442,080
- Excess collections last year	\$ 0
= Total to be paid from taxes in 2014	\$ 26,752,154
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2014	\$ 0
= Total debt levy	\$ 26,752,154

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 451 N. Velasco, Rm. 150, Angleton, Texas. Name of person preparing this notice: Ro'Vin Garrett
 Title: Tax Assessor-Collector
 Date Prepared: 8/7/2014



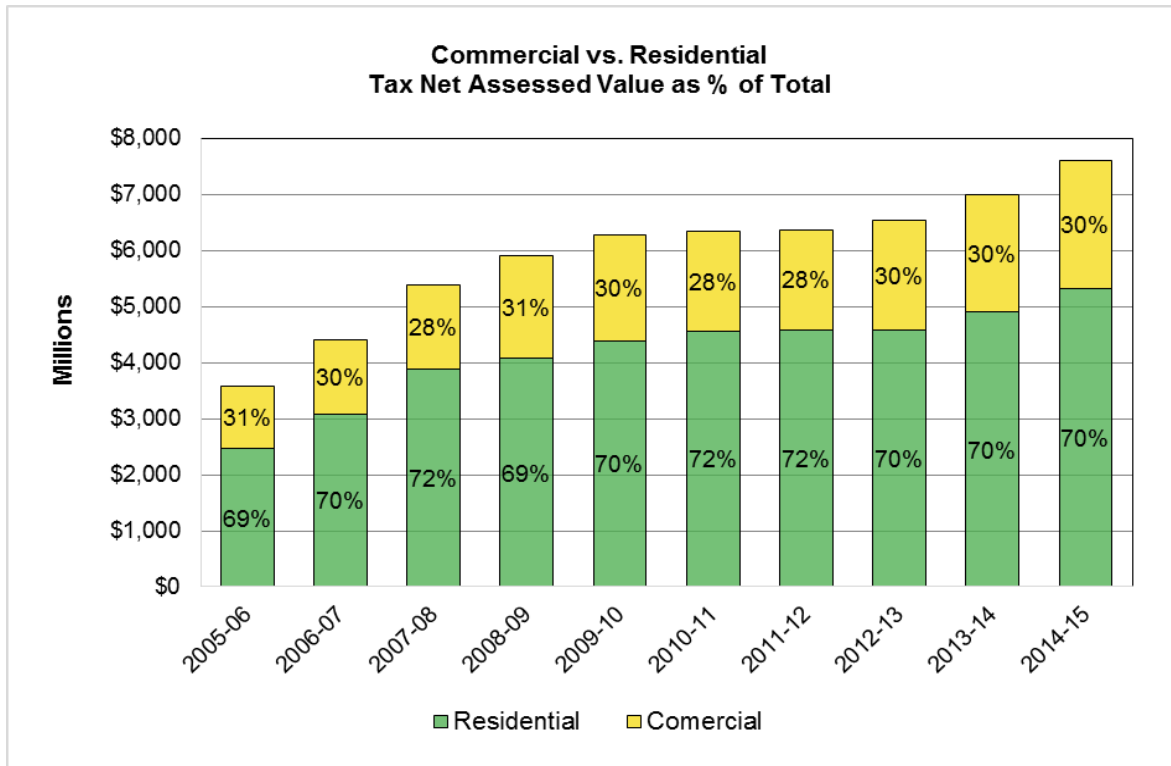
ASSESSED VALUATION, TAXES LEVIED AND TAXES COLLECTED

TEN YEAR SUMMARY OF ASSESSED VALUATION WITH ESTIMATE FOR FISCAL YEAR 2013-2014 AND ADOPTED FOR FISCAL YEAR 2014-2015

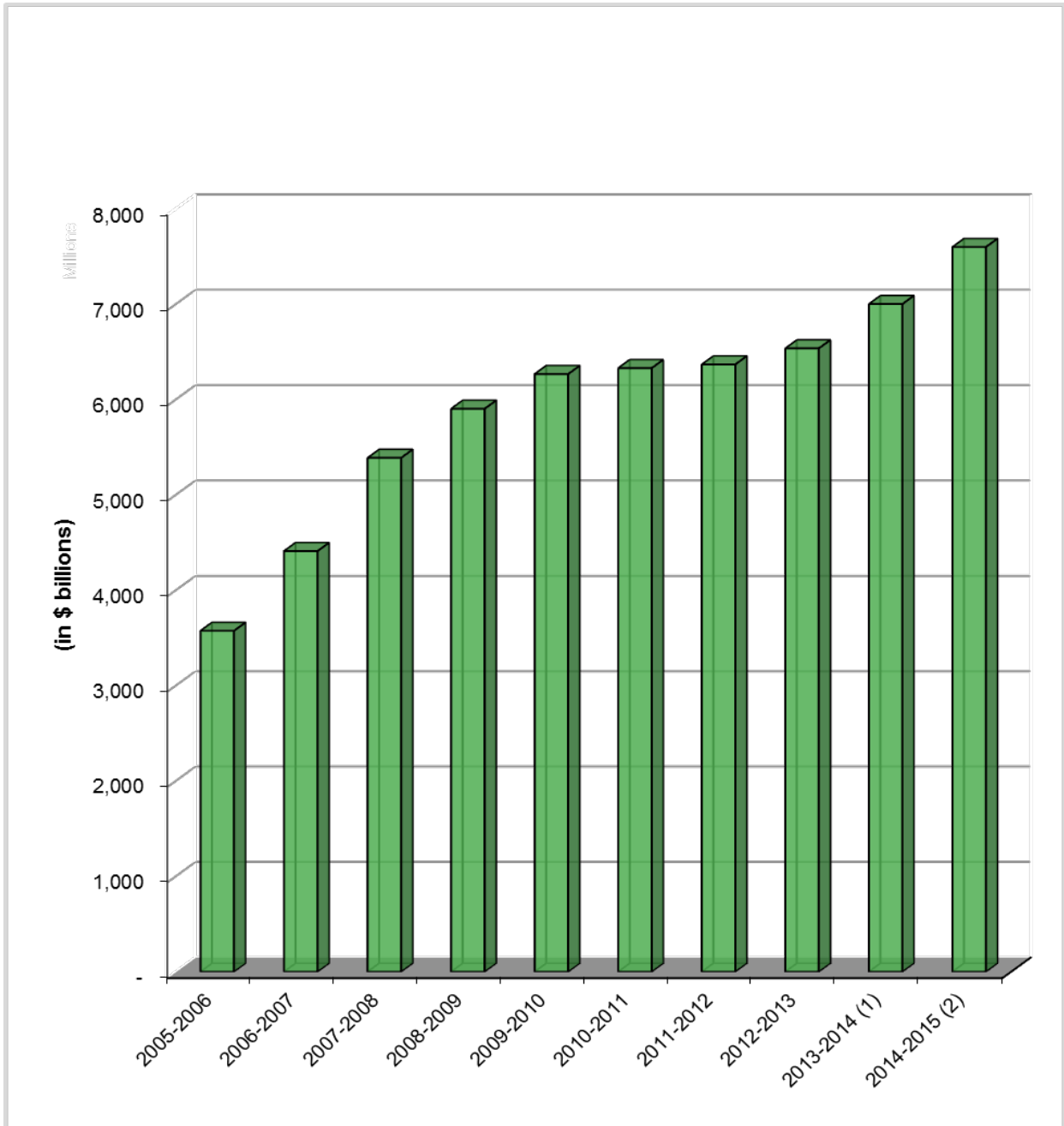
YEAR	NET ASSESSED VALUATION	TAX RATE	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	% OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTION
2005-2006	3,576,439,129	0.6744	24,284,597	23,690,031	97.55%	450,000
2006-2007	4,412,821,949	0.6526	28,819,229	28,235,276	97.97%	276,124
2007-2008	5,389,790,165	0.6526	35,035,569	34,461,652	98.36%	310,112
2008-2009	5,904,826,560	0.6526	38,368,354	37,820,603	98.57%	592,199
2009-2010	6,269,047,937	0.6526	41,081,407	40,590,543	98.81%	274,230
2010-2011	6,331,723,029	0.6651	41,968,046	41,594,389	99.11%	318,250
2011-2012	6,369,626,981	0.6851	43,441,792	43,110,373	99.24%	201,453
2012-2013	6,537,976,038	0.7051	45,850,625	45,509,522	99.26%	362,129
2013-2014 ⁽¹⁾	7,002,766,044	0.7051	49,076,503	48,553,015	98.93%	281,178
2014-2015 ⁽²⁾	7,600,947,459	0.7121	53,826,346	52,956,733	98.38%	303,295

(1) Projected collections

(2) Projected levy and collections



NET ASSESSED VALUATION



- (1) Net assessed valuation
- (2) Estimated for tax year 2015



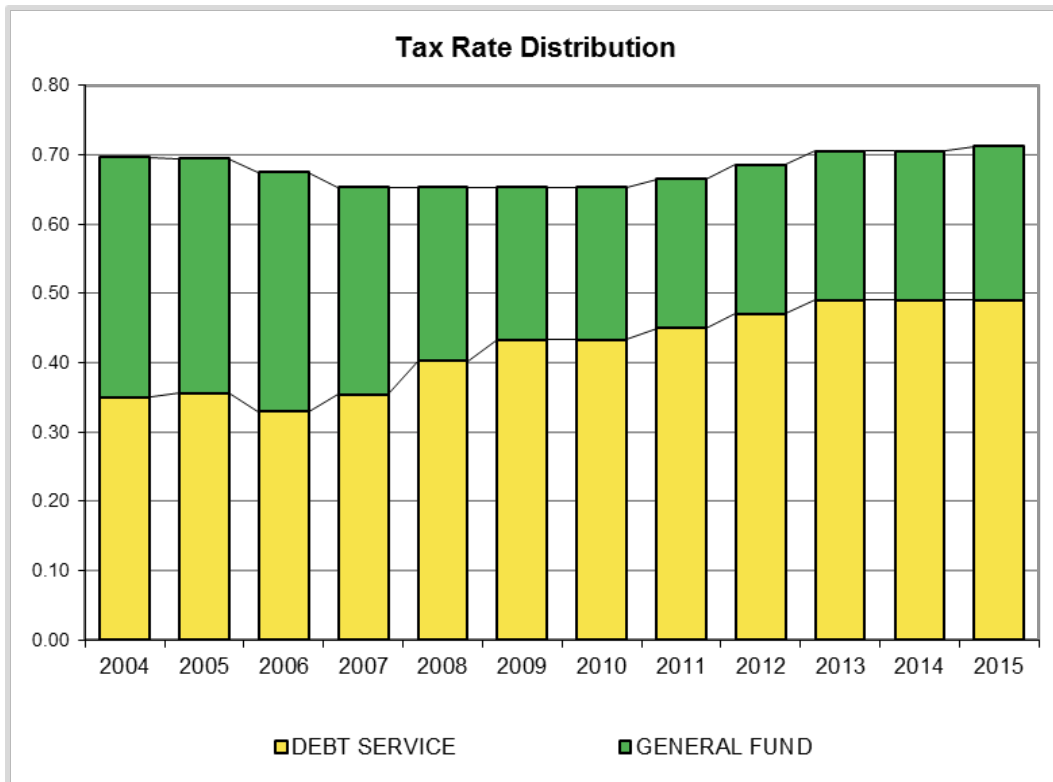
TAX RATE DISTRIBUTION

**LAST TEN YEARS
CURRENT FOR FISCAL YEAR 2013-2014
ADOPTED FOR FISCAL YEAR 2014-2015**

<u>FISCAL YEAR</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE</u>	<u>TOTAL TAX RATE</u>
2004	0.3457	0.3503	0.6960
2005	0.3389	0.3559	0.6948
2006	0.3455	0.3289	0.6744
2007	0.298974	0.353685	0.652659
2008	0.2503	0.4023	0.6526
2009	0.2201	0.4325	0.6526
2010	0.2201	0.4325	0.6526
2011	0.2151	0.4500	0.6651
2012	0.2151	0.4700	0.6851
2013	0.2151	0.4900	0.7051
2014	0.2151	0.4900	0.7051
2015	0.2221	0.4900	0.7121

Notes:

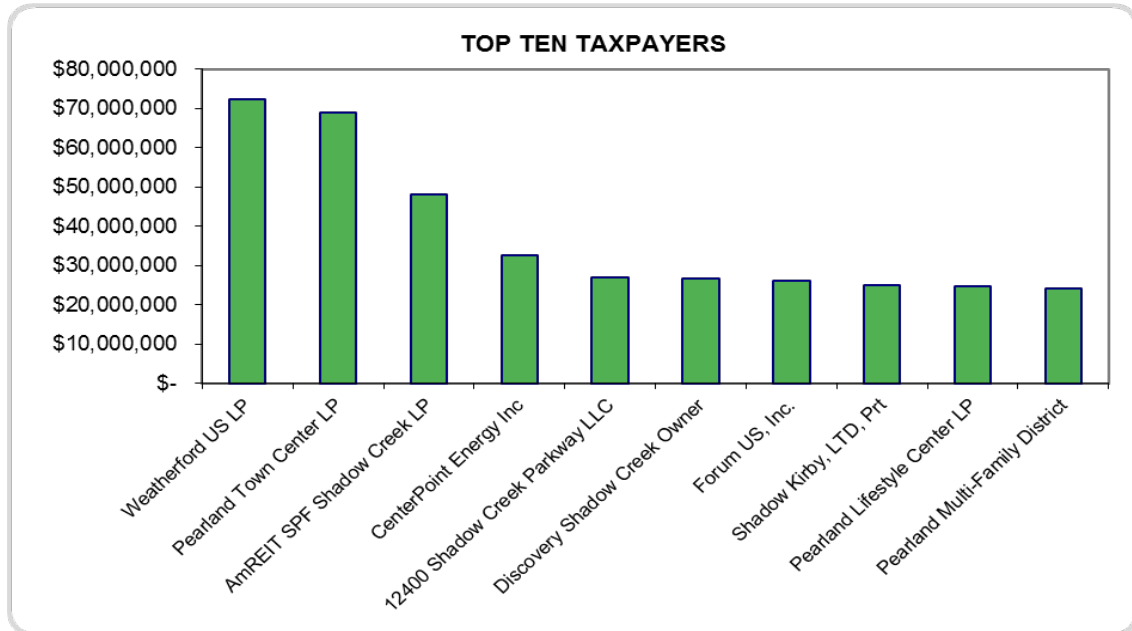
1. The maximum tax rate for the City of Pearland is \$2.50 per \$100 assessed valuation. Within this \$2.50 maximum there is no legal limit upon the amount of taxes, which may be levied for debt.
2. The City does not have legal debt margin as the law does not mandate any debt limit on the City.



PRINCIPAL TAXPAYERS FISCAL YEAR 2014-2015

	<u>TAXPAYERS</u>	<u>BUSINESS</u>	<u>ASSESSED VALUE OF PROPERTY</u>	<u>% OF ASSESSED VALUE</u>
1	Weatherford US LP	Oil Field Service, Rental & Fishing	\$ 72,301,820	0.95%
2	Pearland Town Center LP	Retail Center Management	\$ 69,086,460	0.91%
3	AmREIT SPF Shadow Creek LP	Retail Center Management	\$ 48,187,760	0.63%
4	CenterPoint Energy Inc	Utility Company	\$ 32,581,900	0.43%
5	12400 Shadow Creek Parkway LLC	Multi-Family Residential	\$ 27,100,030	0.36%
6	Discovery Shadow Creek Owner	Multi-Family Residential	\$ 26,780,230	0.35%
7	Forum US, Inc.	Energy Technology Industry	\$ 26,062,030	0.34%
8	Shadow Kirby, LTD, Prt	Multi-Family Residential	\$ 25,000,000	0.33%
9	Pearland Lifestyle Center LP	Retail Center Management	\$ 24,753,841	0.33%
10	Pearland Multi-Family District	Multi-Family Residential	\$ 24,205,950	0.32%
TOTAL PRINCIPAL TAXPAYERS			\$ 376,060,021	4.95%
			ALL OTHERS	\$ 7,224,887,438
			TOTAL	\$ 7,600,947,459

SOURCES: Brazoria and Harris Counties Tax Assessor Collector



DEBT SERVICE FUND SUMMARY FY 2015 ADOPTED BUDGET

OVERVIEW

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

Based on the values used, the budget as adopted assumes a Debt Service tax rate of \$0.4900 per \$100 assessed valuation, an increase of half a cent from the current debt service tax rate of \$0.4900 necessary to meet fiscal year 2015 obligations.

In fiscal year 2014, the City refunded \$24.8 million in existing bonds, comprised of five different issues, to take advantage of lower interest rates in order to achieve interest cost savings. The refunding is estimate to save \$1.6 million in interest over 13 years, which is a net present value savings of \$1.352 million or 5.444%, over the 3% net present value savings as a minimum for refunding in the City's Financial Management Policy Statements.

The tax rate generates \$28,542,037 in current property taxes at a 98.5% collection rate. Revenues include \$763,425 from the University of Houston-Clear Lake System and PEDC for debt service associated with the construction of the University of Houston-Clear Lake Pearland Campus, which they occupy, and \$156,844 from the City for the meeting room space in the facility. Transfers from the Water-Sewer Fund total \$456,567 for some of the debt associated with water/sewer activities.

Expenditures total \$30,194,234 for fiscal year 2015, and include \$24,238,217 in principal and interest payments. Debt (General Obligation and Certificates of Obligation) anticipated to be issued includes \$16.2 million in fiscal year 2014 and \$27.960 million in fiscal year 2015 pursuant to the City's capital improvement program. After the General Obligation issues, there will remain \$66.687 million, out of the \$162.0 million voted, bonds yet to be issued at 9/30/2015. Total principal outstanding at 9/30/2015 is anticipated to be \$316.1 million. Tax rebates to in-city MUD's total \$4,713,417, an increase of \$405,921 from fiscal year 2014 actuals, as newer districts continue to develop.

Fund balance at 9/30/2015 is anticipated to be \$4,312,559, an increase of \$170,766 from the \$4,141,793 projected at 9/30/2014 and is \$1,293,136 over the reserve policy of \$3,019,423, or 10% of expenditures. For fiscal years 2016 through 2018, it is forecasted that the fund will remain above reserve policy guidelines, with additional tax rate increases needed in years 2016 and 2018 (see long-range forecast) due to the continued issuance of voter approved bonds to complete capital projects.



DEBT SERVICE FUND - 20
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
OPERATING REVENUES				
Property Taxes	\$ 25,898,494	\$ 26,652,299	\$ 26,684,495	\$ 28,456,557
Miscellaneous	1,966,269	800,242	811,959	799,476
Transfers	461,726	618,439	618,439	613,411
Bond Proceeds			33,498,000	
TOTAL	28,326,489	28,070,980	61,612,893	29,869,444
OPERATING EXPENDITURES				
Rebates & Misc.	4,084,982	4,465,513	4,336,970	4,747,297
Bond Payment	23,678,436	23,038,963	56,695,691	23,806,317
Short-Term Note	912,730	1,345,824	1,196,208	1,196,245
TOTAL	28,676,148	28,850,300	62,228,869	29,749,859
REVENUES OVER (UNDER) EXPENDITURES	(349,659)	(779,320)	(615,976)	119,585
FUND BALANCE - BEGINNING	4,992,479	4,642,821	4,642,821	4,026,845
FUND BALANCE - ENDING	\$ 4,642,821	\$ 3,863,501	\$ 4,026,845	\$ 4,146,430
Reserve 10% Over Policy	2,867,615 1,775,206	2,885,030 978,471	2,873,087 1,153,758	2,974,986 1,171,444



**DEBT SERVICE FUND - 20
REVENUES
FY 2015 ADOPTED BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
020-0000-350.01-01	CURRENT TAXES	24,770,799	26,251,000	26,286,916	28,046,481
020-0000-350.01-02/06	DELINQUENT TAXES	240,117	215,331	198,166	210,295
020-0000-350.01-03	PENALTY & INTEREST	196,378	185,968	199,413	199,781
020-0000-350.01-05	MUD ANNEXATION CURRENT TAX	685,777			
020-0000-350.01-06	MUD ANNEXATION DELINQUENT TAX	5,424			
*TAXES		25,898,494	26,652,299	26,684,495	28,456,557
020-0000-335-65-00	MISCELLANEOUS				
020-0000-356.00-00	INTEREST INCOME	20,036	24,000	36,561	36,001
020-0000-356.06-00	UNREALIZED CAP GAIN (LOSS)	(740)			
020-0000-358.99-00	MISCELLANEOUS	786,076	776,242	775,398	763,475
020-0000-358.99-01	MUD ANNEXATION	1,160,897			
*MISCELLANEOUS		1,966,269	800,242	811,959	799,476
020-0000-359.09-00	FROM FUND 30	277,127	459,167	459,167	456,567
020-0000-359.43-00	FROM FUND 43	10,443			
020-0000-359.36-00	FROM FUND 203	5,000			
020-0000-359.36-00	FROM FUND 302	7,711			
020-0000-359.99-00	FROM FUND 10	161,445	159,272	159,272	156,844
*GRANT, ISSUANCE, TRANSFER		461,726	618,439	618,439	613,411
020-0000-360.01-00	BOND PROCEEDS			33,498,000	
020-0000-360.04-00	PREMIUM/DISCOUNT ON BONDS				
020-0000-360.07-00	CAPITALIZED INTEREST				
*BOND PROCEEDS		0	0	33,498,000	0
TOTAL		28,326,489	28,070,980	61,612,893	29,869,444



**GOVERNMENTAL DEBT MATURITY SCHEDULE
AS OF 9/30/2014
GENERAL LONG-TERM DEBT***

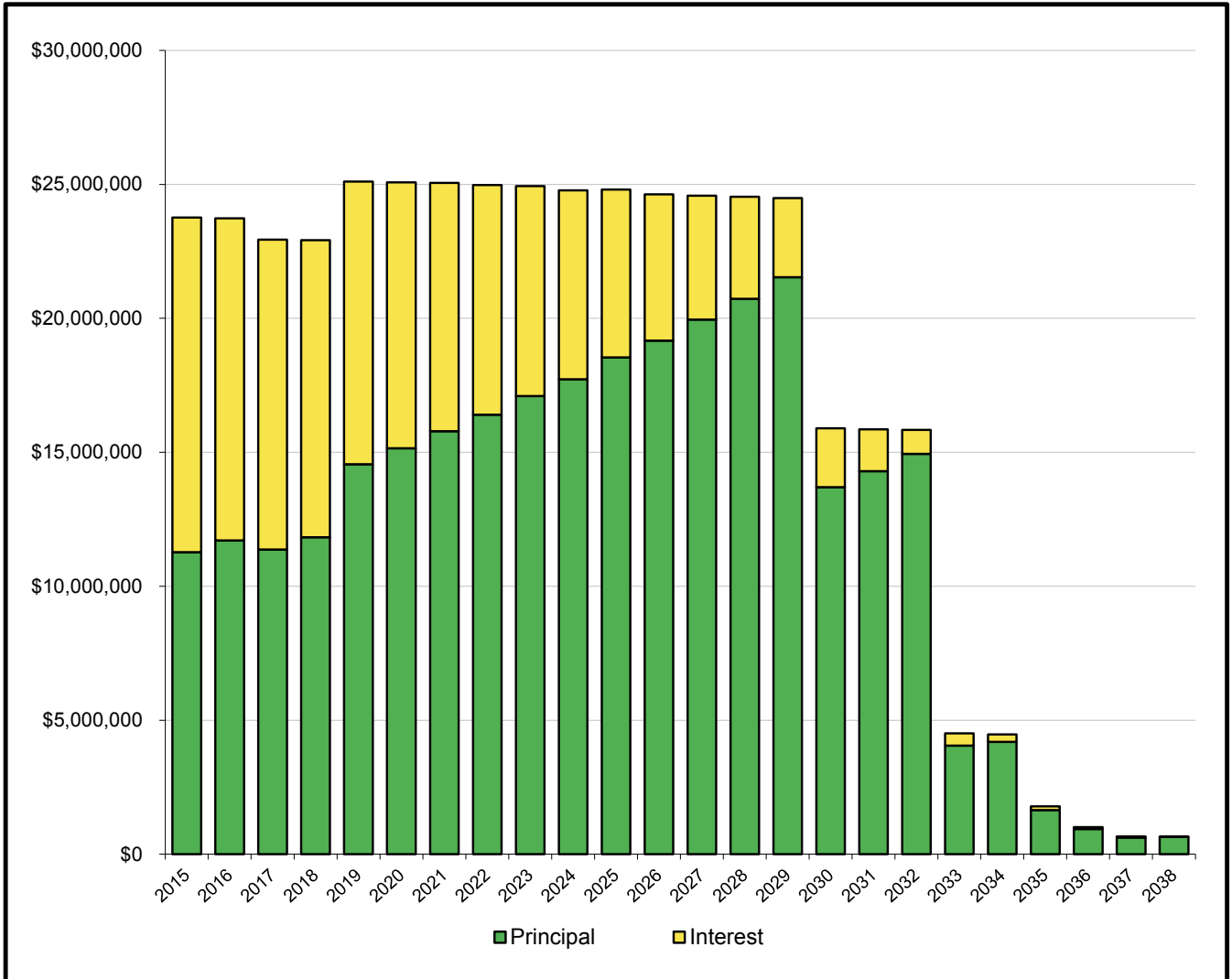
Fiscal Year	Principal	Interest	Total
2014-2015	11,275,000	12,491,796	23,766,796
2015-2016	11,705,000	12,028,896	23,733,896
2016-2017	11,375,000	11,562,722	22,937,722
2017-2018	11,825,000	11,089,871	22,914,871
2018-2019	14,555,000	10,547,475	25,102,475
2019-2020	15,150,000	9,926,235	25,076,235
2020-2021	15,785,000	9,266,618	25,051,618
2021-2022	16,405,000	8,567,467	24,972,467
2022-2023	17,100,000	7,831,483	24,931,483
2023-2024	17,730,000	7,051,309	24,781,309
2024-2025	18,545,000	6,259,556	24,804,556
2025-2026	19,170,000	5,460,715	24,630,715
2026-2027	19,955,000	4,626,694	24,581,694
2027-2028	20,730,000	3,804,131	24,534,131
2028-2029	21,535,000	2,957,746	24,492,746
2029-2030	13,695,000	2,204,328	15,899,328
2030-2031	14,290,000	1,566,114	15,856,114
2031-2032	14,945,000	893,712	15,838,712
2032-2033	4,050,000	459,582	4,509,582
2033-2034	4,195,000	276,997	4,471,997
2034-2035	1,650,000	134,856	1,784,856
2035-2036	935,000	78,772	1,013,772
2036-2037	620,000	43,938	663,938
2037-2038	640,000	14,800	654,800
TOTAL	297,860,000	129,145,811	427,005,811

Series Name	Principal Amount
Certificates of Obligation Series 2004	710,000
Permanent Improvement and Refunding Bonds Series 2005	13,545,000
Certificates of Obligation Series 2006	3,995,000
Permanent Improvement and Refunding Bonds Series 2006	9,955,000
BC MUD 1 Series 2007	535,000
Permanent Improvement and Refunding Bonds Series 2007	64,115,000
Certificates of Obligation Series 2007	22,150,000
Permanent Improvement Bonds Series 2008	21,360,000
Certificates of Obligation Series 2008	8,325,000
Certificates of Obligation Series 2009	7,605,000
Certificates of Obligation Series 2009-A	9,585,000
Permanent Improvement and Refunding 2009*	14,985,000
Permanent Improvement Bonds Series 2010A	10,995,000
Permanent Improvement and Refunding Series 2010B	780,000
General Obligation Bonds Series 2011	5,055,000
Certificates of Obligation Series 2011	1,465,000
Permanent Improvement Refunding Bonds Series 2012*	43,575,000
BC MUD 4 Series 2011	2,380,000
Certificates of Obligation Series 2013	2,670,000
Permanent Improvement Bonds Series 2013	9,040,000
Permanent Improvement Bonds Series 2014	40,410,000
Certificates of Obligation Series 2014	4,625,000
TOTAL	297,860,000

Does not include new debt anticipated to be issued.

* Excludes refunding portion associated with Water/Sewer

**GOVERNMENTAL DEBT TO MATURITY
AS OF 9/30/2014**



**GENERAL DEBT SERVICE SCHEDULE
FY 2015 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/15
3/1/2015	Series 2004 Certificates of	21,000,000	710,000	14,200	724,200	
9/1/2015	Obligation				0	
	Fiscal Year Total		<u>710,000</u>	<u>14,200</u>	<u>724,200</u>	<u>0</u>
3/1/2015	Series 2005 Permanent Improvement	37,015,000	2,010,000	326,839	2,336,839	
9/1/2015	and Refunding Bonds			276,589	276,589	
	Fiscal Year Total		<u>2,010,000</u>	<u>603,428</u>	<u>2,613,428</u>	<u>11,535,000</u>
3/1/2015	Series 2006 Permanent Improvement	32,165,000	430,000	233,678	663,678	
9/1/2015	and Refunding Bonds			225,078	225,078	
	Fiscal Year Total		<u>430,000</u>	<u>458,756</u>	<u>888,756</u>	<u>9,525,000</u>
3/1/2015	Series 2006 Certificates of	9,700,000	370,000	93,008	463,008	
9/1/2015	Obligation			81,677	81,677	
	Fiscal Year Total		<u>370,000</u>	<u>174,685</u>	<u>544,685</u>	<u>3,625,000</u>
3/1/2015	Series 2007 - BCMUD #1	1,940,000		11,479	11,479	
9/1/2015			70,000	11,479	81,479	
	Fiscal Year Total		<u>70,000</u>	<u>22,958</u>	<u>92,958</u>	<u>465,000</u>
3/1/2015	Series 2007 Permanent Improvement	69,640,000	2,685,000	1,498,931	4,183,931	
9/1/2015	and Refunding Bonds			1,425,094	1,425,094	
	Fiscal Year Total		<u>2,685,000</u>	<u>2,924,025</u>	<u>5,609,025</u>	<u>61,430,000</u>
3/1/2015	Series 2007 Certificates of	23,250,000	350,000	499,888	849,888	
9/1/2015	Obligation			490,700	490,700	
	Fiscal Year Total		<u>350,000</u>	<u>990,588</u>	<u>1,340,588</u>	<u>21,800,000</u>
3/1/2015	Series 2008 Permanent Improvement	22,835,000	310,000	516,388	826,388	
9/1/2015	Bonds			508,638	508,638	
	Fiscal Year Total		<u>310,000</u>	<u>1,025,025</u>	<u>1,335,025</u>	<u>21,050,000</u>
3/1/2015	Series 2008 Certificates of	9,000,000	145,000	198,319	343,319	
9/1/2015	Obligation			195,509	195,509	
	Fiscal Year Total		<u>145,000</u>	<u>393,828</u>	<u>538,828</u>	<u>8,180,000</u>
3/1/2015	Series 2009 Certificates of	8,520,000		169,976	169,976	
9/1/2015	Obligation		235,000	169,976	404,976	
	Fiscal Year Total		<u>235,000</u>	<u>339,953</u>	<u>574,953</u>	<u>7,370,000</u>
3/1/2015	Series 2009A Certificates of	12,145,000	640,000	174,883	814,883	
9/1/2015	Obligation			166,883	166,883	
	Fiscal Year Total		<u>640,000</u>	<u>341,765</u>	<u>981,765</u>	<u>8,945,000</u>
3/1/2015	Series 2009 Permanent Improvement	16,735,000	405,000	315,909	720,909	
9/1/2015	Bonds*			310,846	310,846	
	Fiscal Year Total		<u>405,000</u>	<u>626,755</u>	<u>1,031,755</u>	<u>14,580,000</u>
3/1/2015	Series 2010A Permanent Improvement	12,415,000	370,000	203,476	573,476	
9/1/2015	Bonds			196,076	196,076	
	Fiscal Year Total		<u>370,000</u>	<u>399,553</u>	<u>769,553</u>	<u>10,625,000</u>

**GENERAL DEBT SERVICE SCHEDULE
FY 2015 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/15
3/1/2015	Series 2010B Permanent Improvement	1,630,000	225,000	11,700	236,700	
9/1/2015	Refunding Bonds			9,450	9,450	
	Fiscal Year Total		225,000	21,150	246,150	555,000
3/1/2015	Series 2011 General Obligation	5,400,000	150,000	96,566	246,566	
9/1/2015	Bonds			93,566	93,566	
	Fiscal Year Total		150,000	190,131	340,131	4,905,000
3/1/2015	Series 2011 Certificates of	2,095,000	210,000	15,309	225,309	
9/1/2015	Obligation			13,115	13,115	
	Fiscal Year Total		210,000	28,424	238,424	1,255,000
3/1/2015	Series 2011 BC MUD 4	2,640,000	130,000	47,963	177,963	
9/1/2015	Refunding Bonds*			46,338	46,338	
	Fiscal Year Total		130,000	94,300	224,300	2,250,000
3/1/2015	Series 2012 Permanent Improvement	43,575,000	685,000	783,125	1,468,125	
9/1/2015	Refunding Bonds*			769,425	769,425	
	Fiscal Year Total		685,000	1,552,550	2,237,550	42,890,000
3/1/2015	Series 2013 Certificates	2,745,000	85,000	56,944	141,944	
9/1/2015	of Obligation			55,669	55,669	
	Fiscal Year Total		85,000	112,613	197,613	2,585,000
3/1/2015	Series 2013 Permanent	9,315,000	295,000	187,684	482,684	
9/1/2015	Improvement Bonds			183,259	183,259	
			295,000	370,943	665,943	8,745,000
3/1/2015	Series 2014 Permanent	40,410,000	535,000	845,441	1,380,441	
9/1/2015	Improvement Bonds			840,091	840,091	
			535,000	1,685,531	2,220,531	39,875,000
3/1/2015	Series 2014 Certificates	4,625,000	230,000	56,404	286,404	
9/1/2015	of Obligation			64,234	64,234	
			230,000	120,638	350,638	4,395,000
	TOTAL	388,795,000	11,275,000	12,491,796	23,766,796	286,585,000

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

**GENERAL DEBT SERVICE SCHEDULE
FY 2015 ADOPTED BUDGET**

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As of 9/30/15	Annual	Requirements	
General Obligation Series 2004	4%, 4.1%, 4.68%, 4.7%, 4.2%, 4.5%, 4.625%, 4.75%, 5%, 5.25%, 4%	2004 2028	21,000,000	-	3/1/2015 3/1/2015 9/1/2015	710,000 14,200 -	Principal Interest Interest
Permanent Imp. and Refunding Bonds Series 2005	3.25%, 3.5%, 3.625%, 3.75%, 3.875%, 4%, 5%, 4.1%, 4.125%, 4.2%, 4.25%, 4.3%, 4.5%, 4.8%	2005 2029	37,015,000	11,535,000	3/1/2015 3/1/2015 9/1/2015	2,010,000 326,839 276,589	Principal Interest Interest
Permanent Imp. and Refunding Bonds Series 2006	4%, 4.125%, 4.25%, 4.5%, 5%, 4.75%, 4.8%	2006 2029	32,165,000	9,525,000	3/1/2015 3/1/2015 9/1/2015	430,000 233,678 225,078	Principal Interest Interest
Certificates of Obligation Series 2006	6.125%, 5.25%, 4.125%, 4.2%, 4.25%, 4.3%, 4.4%, 4.375%, 4.4%, 4.45%, 4.5%	2006 2029	9,700,000	3,625,000	3/1/2015 3/1/2015 9/1/2015	370,000 93,008 81,677	Principal Interest Interest
Series 2007-BCMUD#1	3.75%, 3.8%, 3.85%, 3.9%, 4%, 4.1%, 4.2%, 4.3%, 4.35%, 4.3%	2007 2030	1,940,000	465,000	3/1/2015 9/1/2015 9/1/2015	11,479 70,000 11,479	Interest Principal Interest
Permanent Imp. and Refunding Bonds Series 2007	4%, 4.375%, 4.5%, 4.75%, 5%, 5.5%, 4.6%	2007 2034	69,640,000	61,430,000	3/1/2015 3/1/2015 9/1/2015	2,685,000 1,498,931 1,425,094	Principal Interest Interest
Certificates of Obligation Series 2007	3.25%, 4.25%, 5%, 5.25%, 4.30%	2007 2034	23,250,000	21,800,000	3/1/2015 3/1/2015 9/1/2015	350,000 499,888 490,700	Principal Interest Interest
Permanent Imp. Bonds Series 2008	4%, 4.5%, 4.625%, 5%, 5.25%, 5.5%, 4.78%	2008 2034	22,835,000	21,050,000	3/1/2015 3/1/2015 9/1/2015	310,000 516,388 508,638	Principal Interest Interest
Certificates of Obligation Series 2008	3.75%, 3.875%, 4%, 4.125%, 4.25%, 4.3%, 4.375%, 4.4%, 4.5%, 5%, 4.9%	2008 2034	9,000,000	8,180,000	3/1/2015 3/1/2015 9/1/2015	145,000 198,319 195,509	Principal Interest Interest
Certificates of Obligation Series 2009	4.5%, 4.65%, 4%, 5%, 5.25%, 5.5%, 2.25%, 2.5%, 3%, 3.5%, 3.75%, 4.1%, 4.25%, 4.4%, 4.75%, 4.625%, 4.66%	2009 2034	8,520,000	7,370,000	3/1/2015 9/1/2015 9/1/2015	169,976 235,000 169,976	Interest Principal Interest



**GENERAL DEBT SERVICE SCHEDULE
FY 2015 ADOPTED BUDGET**

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As of 9/30/15	Annual	Requirements
Certificates of Obligation Series 2009A	4.5%, 4.2%, 4.1%, 4.0%	2009	12,145,000	8,945,000	3/1/2015	640,000 Principal
	3.85%, 3.75%, 3.7%, 3.6%	2029			3/1/2015	174,883 Interest
	3.25%, 3.4%, 2.75%, 2.5%				9/1/2015	166,883 Interest
	2.25%, 2.0%, 3.78%, 4.5%					
Permanent Imp. Bonds 2009*	5.0%, 4.5%, 4.1%, 3.75%	2009	16,735,000	14,580,000	3/1/2015	405,000 Principal
	3.85%, 3.7%, 3.6%, 3.4%	2034			3/1/2015	315,909 Interest
	3.25%, 2.75%, 2.5%, 2.0%				9/1/2015	310,846 Interest
	4.4%, 4.0%					
Permanent Imp. Bonds Series 2010A	2.0%, 3.0%, 3.25%, 3.50%	2011	12,415,000	10,625,000	3/1/2015	370,000 Principal
	3.625%, 3.75%, 3.90%, 4.0%	2035			3/1/2015	203,476 Interest
	4.25%, 3.89%				9/1/2015	196,076 Interest
Permanent Imp. Bonds Refunding Series 2010B	2.0%, 3.0%, 3.25%, 3.50%	2011	1,630,000	555,000	3/1/2015	225,000 Principal
	3.625%, 3.75%, 3.90%, 4.0%	2018			3/1/2015	11,700 Interest
	4.25%, 3.05%				9/1/2015	9,450 Interest
General Obligation Series 2011	2.125%, 3.0%, 3.25%, 3.5%	2011	5,400,000	4,905,000	3/1/2015	150,000 Principal
	4.0%, 4.125%, 3.84%	2036			3/1/2015	96,566 Interest
					9/1/2015	93,566 Interest
Certificates of Obligation Series 2011	2.09%	2011	2,095,000	1,255,000	3/1/2015	210,000 Principal
		2021			3/1/2015	15,309 Interest
					9/1/2015	13,115 Interest
BC MUD 4 Series 2011	2.5%, 2.75%, 3.0%, 3.5%	2011	2,640,000	2,250,000	3/1/2015	130,000 Principal
	4.0%, 4.125%, 4.5%, 4.7%	2032			3/1/2015	47,963 Interest
	4.8%, 5.0%, 4.42%				9/1/2015	46,338 Interest
Permanent Imp. Bonds Refunding Series 2012*	3.0%, 4.0%, 5.0%, 3.44%	2012	43,575,000	42,890,000	3/1/2015	685,000 Principal
		2029			3/1/2015	783,125 Interest
					9/1/2015	769,425 Interest
Certificates of Obligation Series 2013	3.0%, 4.0%, 4.25%, 4.375%	2013	2,745,000	2,585,000	3/1/2015	85,000 Principal
	4.5%, 4.625%, 5.0%, 4.05%	2038			3/1/2015	56,944 Interest
					9/1/2015	55,669 Interest
Permanent Imp. Bonds Series 2013	3.0%, 4.0%, 4.125%, 4.25%	2013	9,315,000	8,745,000	3/1/2015	295,000 Principal
	4.375%, 4.4%, 4.5%, 4.625%	2038			3/1/2015	187,684 Interest
	4.29%				9/1/2015	183,259 Interest
Permanent Imp. Bonds Series 2014	4.36%	2015	40,410,000	39,875,000	3/1/2015	535,000 Principal
		2034			3/1/2015	845,441 Interest
					9/1/2015	840,091 Interest
Certificates of Obligation Series 2014	3.12%	2014	4,625,000	4,395,000	3/1/2015	230,000 Principal
		2038			3/1/2015	56,404 Interest
					9/1/2015	64,234 Interest
TOTAL			388,795,000	286,585,000		23,766,796

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

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GENERAL FUND - 10
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

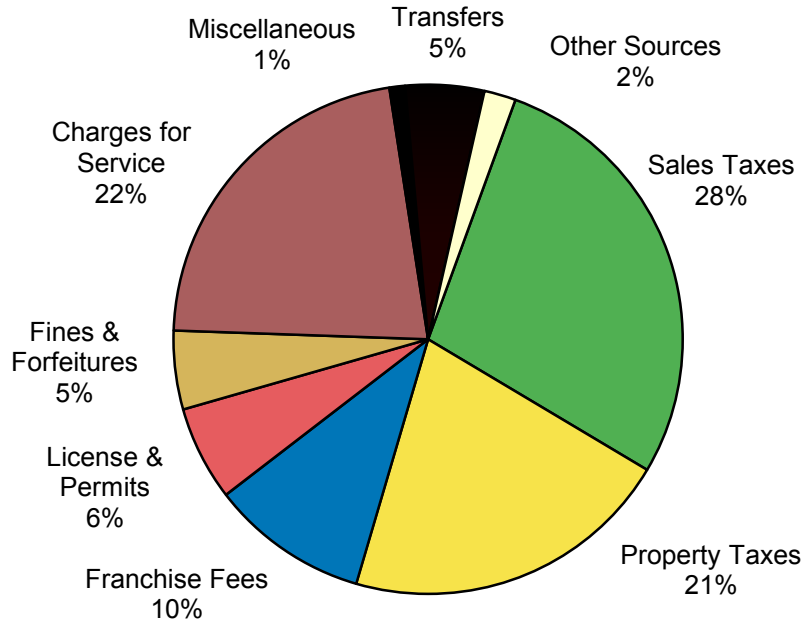
The General Fund provides the financing for all of the City of Pearland's basic services except water, sewer and solid waste, which is accounted for through the Water & Sewer and Solid Waste Funds. The principal sources of revenue include property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures are comprised of five major functional areas: Public Works, Public Safety, General Government, Community Services, and Parks and Recreation. Public Safety provides all emergency services to the citizens of Pearland and accounts for 53% of total operating expenditures (excluding transfers). General Government includes departments such as Mayor and City Council, City Manager, Finance, Legal and Human Resources. Expenditures include all personnel costs for 507.75 full-time employees and 139 part-time employees, utilities, fuel, park and right-of-way maintenance, street lighting, just to name a few.

	FY2013 ACTUAL	FY2014 AMENDED BUDGET	FY2014 YEAR END PROJECTION	FY 2015 ADOPTED BUDGET
REVENUES				
Property Taxes	\$11,178,950	\$11,818,335	\$11,901,823	\$13,104,208
Sales and Use Taxes	15,919,785	17,428,319	17,038,649	18,063,535
Franchise Fees	5,758,776	6,106,615	6,264,559	6,646,438
Licenses & Permits	2,988,859	2,877,117	3,642,823	3,922,331
Fines & Forfeitures	3,333,675	3,568,281	2,945,940	3,105,239
Charges for Service	12,567,692	13,175,835	12,828,870	14,077,727
Miscellaneous	717,581	595,362	2,329,940	611,309
Transfers in	3,764,560	3,709,547	3,865,462	2,975,094
Other Financing Sources	1,179,413	2,754,764	2,426,987	1,187,000
TOTAL REVENUES	57,409,291	62,034,175	63,245,053	63,692,881
EXPENDITURES				
General Government	6,697,743	7,630,655	8,307,116	10,373,879
Public Safety	29,407,660	34,449,353	33,688,276	35,389,548
Community Services	3,312,707	3,953,705	3,936,686	2,949,771
Public Works	7,741,495	10,136,545	9,379,884	10,486,794
Parks & Recreation	7,224,818	8,641,990	8,239,889	6,773,623
Total Operating Expenditures	54,384,423	64,812,248	63,551,851	65,973,615
Transfers Out	1,973,712	1,386,903	2,784,191	1,546,744
TOTAL EXPENDITURES	56,358,135	66,199,151	66,336,042	67,520,359
Revenues Over/(Under) Expenses	1,051,156	(4,164,976)	(3,090,989)	(3,827,478)
Beginning Fund Balance	17,571,961	18,623,117	18,623,117	15,532,128
Ending Fund Balance	\$18,623,117	\$14,458,141	\$15,532,128	\$11,704,650
Policy - 2 months Recurring Operating Fund Balance over Policy		9,660,155 4,797,986	9,450,047 6,082,081	10,438,413 1,266,236

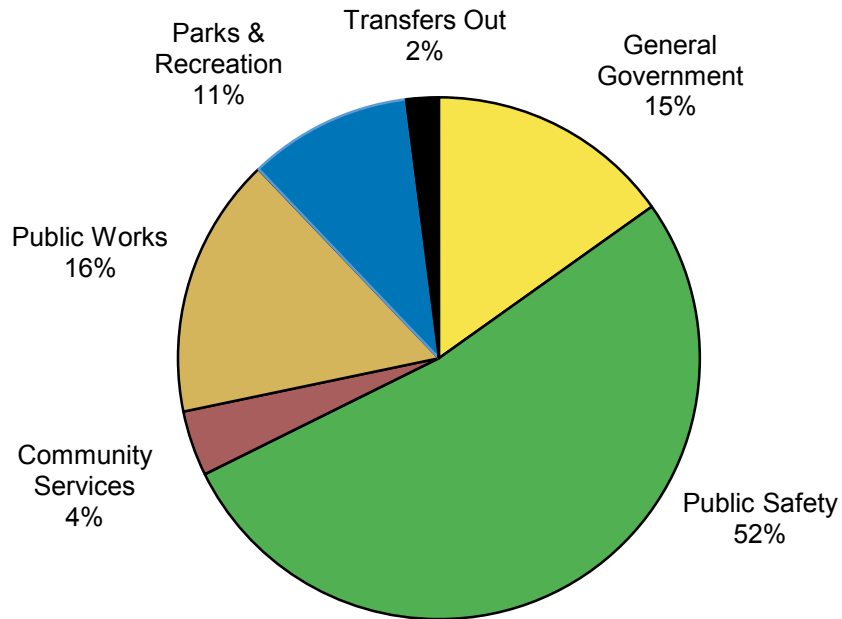


**GENERAL FUND SUMMARY
FY 2015 ADOPTED BUDGET**

TOTAL REVENUES - \$63.7 M



TOTAL EXPENDITURES - \$67.5 M



**GENERAL FUND – 10
REVENUE AND EXPENDITURE SUMMARY
FY 2015 ADOPTED BUDGET**

Fiscal Year 2013-2014

For fiscal year 2014 revenues are expected to be \$63,245,053, \$1,210,878 greater than the amended budget, due to the sale of frontage property on Beltway 8. Excluding this sale of property and other financing sources, revenues total \$59,198,556, \$80,855, below the amended budget and \$2,968,678 over fiscal year 2013 actuals (excluding other financing sources). This is mainly due to lower than budgeted sales tax remittances, fines and forfeitures and charges for services offset by property taxes and licenses and permits. The fiscal year 2014 budget incorporated a 7.8% increase in sales tax receipts, which included increases related to the residential and commercial growth seen over the prior years. However, sales tax remittances' though higher than last year by \$1,090,730 or 6.9%, has shown more moderate growth in economic activity with a projection of \$16,833,524, \$419,795, or 2.4% lower than the amended budget. Franchise Fees of \$6,264,559 is \$157,944 greater than budget due to an increase in gas and sanitation franchise fees, which is likely due the market price improvement of natural gas and CPI rate increases in the sanitation services. License and Permit revenue of \$3,642,823 is higher than budget by \$765,706 and higher than fiscal year 2013 by \$653,964. This is mainly the result of the number and added value related to commercial permits as well as single family permits are keeping pace with 2013. The City permitted \$134 million in new commercial value through September 2014 versus \$33 million through September 2013. Charges for Services total \$12,828,870 and are \$346,965 less than budget due to ambulance service fees that are 11.8% less than budget and 7.9% less than fiscal year 2013 actual due to changes in patient insurance mix. The City will be joining the Ambulance Supplemental Payment Program which is designed to supplement transport cost for Medicaid recipients. Miscellaneous revenues total \$2,329,940 and are expected to be higher than budget by \$ 1,734,578, mainly due to sale of frontage property on Beltway 8.

Fiscal year 2014 operating expenditures total \$63,551,851 and are less than budget by \$1,260,397 (1.9%) mainly due to personnel savings from vacancies.

Transfers out to other funds are projected to be \$2,784,191, \$1,397,288 more than budgeted. This is mainly due to additional funds being transferred to the Medical Fund as claims are expected to exceed contributions and to assist in building a reserve. Total expenditures, including transfers, exceed revenues by \$3,090,989, \$1,073,987 less than the \$4,164,976 planned drawdown of fund balance. Fund balance at 9/30/2014 is anticipated to be \$15,532,128, \$1,073,987, more than budgeted and \$6.3 million over a reserve requirement of 2 months. These funds can be used to fund non-recurring items in the fiscal year 2015 budget.

Fiscal Year 2014-2015

Fiscal year 2015 revenues total \$63,692,881 which is \$447,828, or 0.7% higher than fiscal year 2014 projections and \$1,658,706, or 2.7% higher than the fiscal year 2014 budget. Excluding Other Financing Sources, revenues total \$62,505,881, \$1,687,815, or 2.8%, more than projections. The budget incorporates a 6.0% increase in sales tax receipts, which includes increases related to the residential and commercial growth. Sales tax totals \$17,843,535, up \$1,010,011 over the projected fiscal year 2014 collection of \$16,833,524. Increases expected in property tax collection, at \$12,715,458, 1,176,011, greater than the projected \$11,539,447 in fiscal year 2014, due to higher values and increase in the current property tax rate. The TIRZ administrative fees total 7,804,668, an increase of \$957,319 over the projection for fiscal year 2014 in the TIRZ. This increase is attributable to the adopted property tax rate as well as the continued growth of assessed valuation. In addition, fines and forfeitures increases by \$381,879 over the fiscal year 2014 projection. Miscellaneous revenue decreases by \$1,718,631 due to the sale of property in fiscal year 2014. Franchise Fees are \$381,879 higher than the projected fiscal year 2014 attributable largely to growth.

Operating expenditures total \$65,973,615, a 3.8%, or \$2,421,764, increase from the 2014 projections and \$1,161,367 or 1.8% increase from the 2014 amended budget. The variance to budget is explained below with additional detail:



Analysis of Recurring Budget

	FY 2014 Amended Budget	FY 2015 Adopted Budget	Proposed to Amended (Decrease)/Increase
Total Operating Budget	\$64,812,248	\$65,973,615	\$1,161,367
Non-Recurring Carryover	(2,849,652)		
Non-Recurring Funding	(4,013,253)	(3,355,659)	
Total Recurring	\$57,949,343	\$62,617,956	\$4,668,613
% Increase			8.1%

Recurring Budgeted Expenditures FY2015:

Medical	\$1,082,770
Workers' Compensation / TMRS / Unemployment	\$425,298
Fire Station #3	\$219,030
EMS Consolidation	\$487,773
2% Merit Pool - All Personnel, includes Police	\$750,000
Police Step Pay	\$93,286
Beautification (Base Contract)	\$216,390
CIO/Facilities Superintendent	\$265,554
Supplemental Requests - Recurring	\$888,501
Increase in Replacement Vehicles / Computers	\$172,313

Salaries and Benefits account for the largest portion of the \$4.7 million variance of recurring operating expenditure from the 2014 budget mainly due to the increasing cost of health benefits as well as new positions added in fiscal year 2015. New positions added for fiscal year 2015 result in a net increase of 9 full-time equivalent positions in the General Fund. Of the new positions, 8 are in Public Safety: 7 full-time positions are in Police, 2 Sergeants for Patrol at 12 months, 4 Patrol Officers at 8 months, and 1 Crime Analyst for Investigations at 9 months. In the Fire Department, 1 full-time Housing Enforcement & Rehabilitation Officer is budgeted at 12 months in Health/Code Enforcement, to be reimbursed by CDBG funds (grant). The position in General Government is for 1 Chief Information Officer for 9 months. Community Development includes 1 Permit Clerk. One Parks Maintenance Worker position in the Parks & Recreation Department was eliminated.

General Government totals \$10,373,879, \$2,066,763 greater than fiscal year 2014 projections, and \$2,743,224 greater than the 2014 amended budget. The increase can be attributed mainly to \$1,472,090 needed to implement the first year of a two-year conversion of the City's current financial software to a new system and \$157,050 for the addition of a Chief Information Officer in Information Systems. Other Requirements include a 2% average merit pool of \$750,000 for the entire General Fund to be distributed to each department based on actual merits given.

The budget for Public Safety, which includes Police and Fire totals \$35,389,548, a \$1,701,272 increase from fiscal year 2014 projections and a \$940,195 increase over the 2014 budget, including organizational reassignment of Animal Services and Health/Code Enforcement under Public Safety. Police is increasing \$1,410,749 over 2014 projections and \$1,189,560 over the 2014 budget due to the addition of: \$890,211 for 2 Patrol Sergeants, 4 Patrol Officers, and 2 Vehicles; \$59,792 for a Civilian Crime Analyst starting January 2015; and \$491,945 for increases related to TMRS, workers' compensation, medical and unemployment benefits. Animal Services is increasing \$26,534 mainly due to a scheduled vehicle replacement. Fire includes the integration of Emergency Medical Services and reassignment of Health/Code Enforcement from Community Development to be under the Fire Marshal. Total Fire related services is budgeted at \$12,167,894, with \$1,003,376 for Administration, \$9,919,982 for Fire Operations which includes EMS, and \$1,244,536 for Fire Marshal, Emergency Management and Health Code Enforcement. Excluding the reassignment Health Code Enforcement, Fire decreased by \$1,523,735 from the 2014 budget mainly due to \$372,024 for the replacement of two additional ambulances, \$400,000 for training for the fire/EMS consolidation, \$1,694,134 for the purchase of fire apparatus, and \$500,000 for the migration to the City of Houston radio system. When factoring this in, the Fire Department actually increased by \$1.5 million. Increase in benefits for TMRS, workers' compensation, medical and unemployment benefits accounts for \$500,000. The



remaining increase is due to \$487,783 for the full merger of EMS with Fire, \$275,346 for the opening of Fire Station #3 and \$59,890 for additional FFE for both Station #2 and #3, \$50,000 for training tower structural repairs, \$134,045 for ambulance remount and SUV vehicle replacement, and \$35,408 for a new Part-Time Fire Inspector/Investigator to begin January 2015.

The Community Services budget totals \$2,949,771. This is a decrease of \$986,915 from fiscal year 2014 projections mainly due to organizational restructuring with Health/Code Enforcement and Animal Services assigned to Public Safety. Community Development includes \$41,587 for an additional Permit Clerk, \$50,000 for plan review services in lieu of hiring a planner and \$34,244 to advance the electronic filing process with a document management firm achieved with the assistance of a part-time Intern.

Public Works budget totals \$10,486,794, a \$1,106,910 increase from 2014 projections and \$350,249 from the 2014 budget. The increase can be attributed to the overall organizational restructuring with Facilities Maintenance with a budget of \$1,021,479, Custodial Services with a budget of \$324,589, and Right-of-Way Maintenance with a budget of \$595,875. Right-of-way incorporated the full-year of higher landscaping standards with a contract awarded in the spring of 2014 for a \$30,000 increase over the 2014 budget and to include the outsourcing of FM35 and FM518 medians and additional medians currently maintained in-house for \$65,000 as additions to the contract. The 2014 budget included one-time nonrecurring expenditures of \$300,000 for a right-of-way assessment and \$525,000 for pavement and sidewalk rehabilitations to name a few. For 2015, \$231,712, of the General Fund portion of Geographic Information Systems is under Information Systems as part of the General Government portion of the budget. Public Works budget includes additional equipment and capital improvements budgeted in FY 2015 for Traffic Management, including \$192,000 for traffic span wire upgrades, \$138,186 for a flashing left turn arrow program, \$38,760 for school flasher replacements, and \$101,509 for the replacement of a dump truck and \$134,615 for Pneumatic Roller & Recycler Rental.

The budget for Parks & Recreation totals \$6,773,623, a decrease of \$1,466,266 from fiscal year 2014 projections and a decrease of \$1,868,367 from the budget. The majority of the decrease is related to the department restructuring, transferring \$993,284 for Facilities Maintenance and \$324,589 for Custodial Services to Public Works. A portion of Park Maintenance related to right-of-ways also is transferred to Public Works. Parks & Recreation includes \$106,840 for Shadow Creek Sportsplex operations anticipated for 2 months of 2015, \$39,921 Centennial Park operations for the last 4 months of 2015 and \$67,841 for new recreation software; In addition, \$28,450 has been allocated for replacement, mower and mower decks for parks maintenance.

Transfers out to other funds total \$1,546,744 and include transfers to the Property Insurance Fund towards property insurance premiums of \$1,046,368, \$235,491 to the Water/Sewer Fund, \$156,844 to the Debt Service Fund for the University of Houston Pearland Campus, and \$8,041 for University of Houston Capital Renewal Fund, and \$100,000 to the Capital Fund toward the Fire Station #3 improvements. This is \$1,237,447 lower than 2014 due to a one-time transfer to the self-insurance medical fund for reserves.

Revenues are under expenditures by \$3,827,478. Of this amount, \$1,784,587 is recurring and \$1,568,695 non-recurring. Last year's forecast for 2015 showed the General Fund being structurally unbalanced by \$842,000, before the known effects of the full Fire/EMS merger and unanticipated medical increases. Due to increased operating expenditures for completion of capital projects, such as Fire Station #2, Shadow Creek Ranch, Centennial and Independence Park Improvements, the fund is projected to remain structurally unbalanced in fiscal year 2016, however, still over fund balance policy and back in balance in fiscal year 2017. Ending balance at 9/30/2015 is estimated to be \$11,704,650, which is over the two month reserve policy requirement by \$1,266,236. The dollar amount over policy can be used to fund non-recurring expenditures.



**GENERAL FUND REVENUE DETAIL
FY 2015 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY2013 ACTUAL	FY2014 AMENDED BUDGET	FY2014 YEAR END PROJECTION	FY 2015 ADOPTED BUDGET
010-0000-350.01-01	CURRENT TAXES	\$10,874,381	\$11,523,680	\$11,539,447	\$12,715,458
010-0000-350.01-02	DELINQUENT TAXES	122,012	100,000	83,012	93,000
010-0000-350.01-03	PENALTY & INTEREST	100,009	110,000	110,000	120,000
010-0000-350.01-04	IN LIEU OF PROPERTY TAXES	82,349	84,655	168,170	175,750
010-0000-350.01-06	MUD 5	199		1,194	
*TAXES		11,178,950	11,818,335	11,901,823	13,104,208
010-0000-350.02-01	SALES TAXES	15,742,794	17,253,319	16,833,524	17,843,535
010-0000-350.03-01	MIX DRINK TAXES	176,991	175,000	205,125	220,000
*OTHER TAXES		15,919,785	17,428,319	17,038,649	18,063,535
010-0000-350.04-01	GAS COMPANY	230,038	242,888	285,497	294,062
010-0000-350.04-02	ELECTRIC COMPANY	2,755,125	2,913,727	2,927,365	3,083,733
010-0000-350.04-03	TELEPHONE COMPANY	287,691	295,000	281,155	272,721
010-0000-350.04-04	CABLE TELEVISION	1,204,283	1,310,000	1,329,060	1,404,174
010-0000-350.04-05	SANITATION RESIDENTIAL	1,281,639	1,345,000	1,441,482	1,591,748
*FRANCHISE FEES		5,758,776	6,106,615	6,264,559	6,646,438
010-0000-351.01-01	BUILDING PERMITS	1,238,710	1,304,000	1,675,514	1,835,000
010-0000-351.01-03	PLATTING FEES	107,739	90,000	114,313	177,180
010-0000-351.01-04	BEER PERMITS	19,845	20,000	21,000	24,000
010-0000-351.01-05	MOVING PERMITS	4,100	4,000	3,900	4,100
010-0000-351.01-06	PEDDLERS & SOLICITORS	4,555	3,000	4,355	4,500
010-0000-351.01-07	HEALTH CERTIFICATE FEES	84,282	85,000	80,000	133,250
010-0000-351.01-08	WRECKER PERMITS	4,530	4,500	4,500	4,500
010-0000-351.01-09	BUILDING PLAN CHECK FEE	801,431	626,080	871,267	859,800
010-0000-351.01-10	OCCUPANCY PERMITS	7,900	8,000	7,500	8,000
010-0000-351.01-11	DEMOLITION PERMITS	1,350	1,300	1,300	1,300
010-0000-351.01-12	BLDG. SITE WORK PERMIT	39,209	32,220	90,585	69,516
010-0000-351.01-13	ALARM PERMITS	41,002	40,000	39,209	45,000
010-0000-351.01-14	HEALTH-REGISTRATION 1 YR.	3		500	
010-0000-351.01-15	HEALTH-REGISTRATION 2 YR.	(75)			
010-0000-351.01-32	SIGN PERMITS	12,620	9,500	13,000	13,000
010-0000-351.01-33	AMBULANCE PERMIT	14,250	13,300	18,650	18,650
010-0000-351.01-34	TAXI CAB PERMIT	4,643	4,932	2,463	3,500
010-0000-351.01-35	TEMPORARY STRUCTURES	600	500	1,700	1,200
010-0000-351.01-40	RECORDATION & COURIER FEE	9,199	6,415	9,000	9,000
010-0000-351.01-99	MISCELLANEOUS	275	200	275	275
010-0000-351.02-02	BP PLAN & ZONE ADJUSTMENT	21,600	21,200	23,000	23,000
010-0000-351.02-03	GARAGE SALE PERMITS	36,225	38,000	38,000	38,000
010-0000-351.02-04	CULVERT PERMITS	360	800	500	800
010-0000-351.02-05	ANIMAL LICENSES	33,645	32,000	32,000	32,000
010-0000-351.02-09	FOSTER HOME INSPECTION	1,850	1,950	1,950	1,950
010-0000-351.02-10	MOWING LIEN	(2,254)	3,330		
010-0000-351.03-01	ELECTRICAL PERMITS	115,913	124,400	144,575	153,735
010-0000-351.03-02	PLUMBING & GAS PERMITS	149,024	161,550	185,216	195,725
010-0000-351.03-03	MECHANICAL PERMITS	156,447	166,300	179,400	180,690
010-0000-351.03-05	REINSPECT. FEE/INSPECTION	8,465	7,260	7,260	7,260
010-0000-351.04-01	FIRE ALARM	5,839	6,700	2,678	3,500
010-0000-351.04-03	FIRE PROTECTION	790	950	2,300	2,500
010-0000-351.04-04	FIRE SPRINKLER	9,216	9,500	11,453	10,000
010-0000-351.04-05	FIRE SPRINKLER-ALTERATION	174	250	150	250



**GENERAL FUND REVENUE DETAIL
FY 2015 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY2013 ACTUAL	FY2014 AMENDED BUDGET	FY2014 YEAR END PROJECTION	FY 2015 ADOPTED BUDGET
010-0000-351.04-06	FIREWORKS	50	150	150	150
010-0000-351.04-07	IRRIGATION	18,547	17,000	18,000	18,500
010-0000-351.04-08	SWIMMING POOL	35,300	31,580	35,660	41,000
010-0000-351.04-09	DIRT GRADING PERMIT	1,500	1,250	1,500	1,500
*LICENSES & PERMITS		2,988,859	2,877,117	3,642,823	3,922,331
010-0000-352.00-00	FINES & FORFEITURES	3,126,349	3,327,826	2,755,000	2,904,000
010-0000-352.01-00	CHILD SAFETY	24,109	25,000	24,651	24,800
010-0000-352.01-01	CHILD SAFETY-HARRIS CO.	5,263	5,250	5,350	5,350
010-0000-352.02-00	COMMERCIAL CARRIER FINES	76,978	86,000	70,000	75,000
010-0000-352.05-00	TIME EFFICIENCY	(6,269)	(6,890)	(5,508)	(5,808)
010-0000-352.06-00	ANIMAL CRUELTY	300	350	350	350
010-0000-352.07-00	OMNIBASE	16,696	17,600	16,225	17,325
010-0000-352.08-00	STATE FEES	90,249	113,145	79,872	84,222
*FINES & FORFEITURES		3,333,675	3,568,281	2,945,940	3,105,239
010-0000-353.01-01	AMBULANCE SERVICE FEE	2,832,968	2,960,000	2,610,000	2,757,435
010-0000-353.01-02	MUD/EMS/FIRE COLLECTIONS	77,384	76,766	78,715	78,342
010-0000-353.01-03	STRAT PTR AGRMT/FIRE,EMS	256,834	224,100	271,963	336,000
010-0000-353.01-04	FALSE ALARM FEE	60,750	76,000	62,000	65,000
010-0000-353.01-06	ARREST FEES	3,910	5,500	5,495	5,495
010-0000-353.01-07	CLEAR. LETTER FEE	420	400	475	475
010-0000-353.01-08	SUBPOENA	63	75	150	150
010-0000-353.01-09	OFFENSE REPORT COPIES	84	70	100	100
010-0000-353.01-10	ACCIDENT REPORT COPIES	6,234	5,500	6,410	6,450
010-0000-353.01-11	OTHER COPIES			80	
010-0000-353.01-12	SRO EQUIPMENT	84,545	90,000	88,500	88,500
010-0000-353.01-13	SRO PERSONNEL	644,243	668,876	659,486	703,594
010-0000-353.01-14	NON EMERG AMBULANCE TRANSPORT	2,020			
010-0000-353.01-16	NON EMERG EMS SERVICE	5,600	5,725	7,000	7,000
010-0000-353.01-40	TRAINING TUITION	4,380	3,500	4,000	4,000
010-0000-353.01-41	TRAINING RECYCLING	3,716	1,100	3,000	3,000
010-0000-353.01-99	ANIMAL SHELTER FEES	46,146	47,000	47,000	47,000
010-0000-353.03-01	EVENTS & PROGRAMS	479,240	595,994	477,645	495,591
010-0000-353.03-02	FACILITY RENTALS	117,217	103,033	116,050	105,250
010-0000-353.03-03	SWIMMING POOL FEES	6,889	18,385	24,000	24,000
010-0000-353.03-06	NATATORIUM	99,422	117,225	133,045	39,357
010-0000-353.03-07	RECREATION CTR. RENTALS	61,639	46,470	40,000	134,270
010-0000-353.03-08	REC. CENTER MEMBERSHIPS	1,128,900	1,100,000	1,194,192	1,222,500
010-0000-353.03-09	FACILITY RENTAL - U OF H	2,940	700	900	900
010-0000-353.03-10	SPECIAL EVENT PERMIT FEES	150	300	50	150
010-0000-353.03-30	MISCELLANEOUS	1,250	6,000	3,850	4,500
010-0000-353.05-01	ENGINEERING INSPECT FEE	269,420	111,000	123,515	120,000
010-0000-353.05-05	TIRZ ADMINISTRATION FEES	6,351,358	6,897,616	6,847,349	7,804,668
010-0000-353.05-06	PERMITS INSPECTION FEE	10,220	8,500	13,400	13,500
010-0000-353.05-25	TRAFFIC IMPACT ANALYSIS	9,750	6,000	10,500	10,500
*CHARGES FOR SERVICES		12,567,692	13,175,835	12,828,870	14,077,727
010-0000-356.00-00	INTEREST INCOME UNREALIZED CAPITAL	52,477	60,500	82,974	84,000
010-0000-356.06-00	GAIN(LOSS)	1,586			
*INTEREST		54,063	60,500	82,974	84,000



**GENERAL FUND REVENUE DETAIL
FY 2015 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY2013 ACTUAL	FY2014 AMENDED BUDGET	FY2014 YEAR END PROJECTION	FY 2015 ADOPTED BUDGET
010-0000-357.03-01	COUNTY	2,844			
*INTERGOVERNMENTAL		2,844			
010-0000-358.04-00	BUILDING RENT	17,180	18,095	18,040	18,095
010-0000-358.05-00	OTHER VICTIMS PROGRAM	6,911	7,000	7,000	7,000
010-0000-358.08-00	STREET LIGHT CHARGES	86,129	95,000	63,904	50,000
010-0000-358.10-00	RECYCLE REVENUE	67,667	69,500	59,373	52,953
010-0000-358.12-00	N.S.F. FEES	3,645	4,000	7,000	5,000
010-0000-358.13-00	PLAT COPIES	28	30		
010-0000-358.14-00	REPRODUCTION/ XEROX COPIES	1,244	1,200	1,200	1,200
010-0000-358.15-00	SALE OF PROPERTY	76,655	67,500	1,775,259	28,000
010-0000-358.17-00	WAIVER OF ENCROACHMENT	1,500	1,000	1,000	1,000
010-0000-358.26-00	JAIL PHONE	793	1,000		
010-0000-358.29-00	AMBULANCE PERMIT APP. FEE	4,450	4,125	4,450	4,450
010-0000-358.37-00	SUSPENSE REVENUE	1,095			
010-0000-358.40-00	SIGN REVENUE	27,263	31,412	22,012	22,500
010-0000-358.45-00	INSURANCE REIMBURSEMENTS	43,142	20,000	29,933	
010-0000-358.99-00	MISCELLANEOUS	233,213	215,000	257,795	337,111
010-0000-358.99-01	MUD ANNEXATION	89,759			
*MISCELLANEOUS		660,674	534,862	2,246,966	527,309
010-0000-359.01-00	FROM FUND 15	151,438	115,945	113,792	119,482
010-0000-359.03-00	FROM FUND 18		21,000	21,000	
010-0000-359.09-00	FROM FUND 30	927,817	935,000	935,000	1,190,100
010-0000-359.11-00	FROM FUND 42	150,665	272,032	272,032	146,785
010-0000-359.18-00	FROM FUND 50	109,974		11,274	50,372
010-0000-359.23-00	FROM FUND 67	263,715	132,293	132,293	218,786
010-0000-359.24-00	FROM FUND 68	685,502	278,498	278,498	
010-0000-359.26-00	FROM FUND 70	17,227	21,844	21,844	
010-0000-359.29-00	FROM FUND 101	489,081	236,513	236,513	191,107
010-0000-359.31-00	FROM FUND 301	83,929			93,947
010-0000-359.33-00	FROM FUND 302		19,763	19,763	22,431
010-0000-359.34-00	TRANSFER FROM FUND 202	395,692	1,044,922	1,044,922	
010-0000-359.36-00	TRANSFER FROM FUND 203	406,495	506,398	506,398	834,297
010-0000-359.39-00	TRANSFER FROM FUND 116	7			
010-0000-359.89-00	TRANSFER FROM CDBG FUND	43,663	45,450	45,450	107,787
010-0000-359.55-00	FROM FUND 31			146,794	
010-0000-359.96-00	TRANSFER FROM FUND 200		79,889	79,889	
010-0000-359.97-00	TRANSFER FROM FUND 201	39,355			
*GRANT, ISSUANCE, TRANSFER		3,764,560	3,709,547	3,865,462	2,975,094
010-0000-360-03-00	CAPITAL LEASE PROCEEDS	1,179,413	2,754,764	2,426,987	1,187,000
*OTHER FINANCING SOURCES		1,179,413	2,754,764	2,426,987	1,187,000
TOTAL		\$57,409,291	\$ 62,034,175	\$63,245,053	\$63,692,881



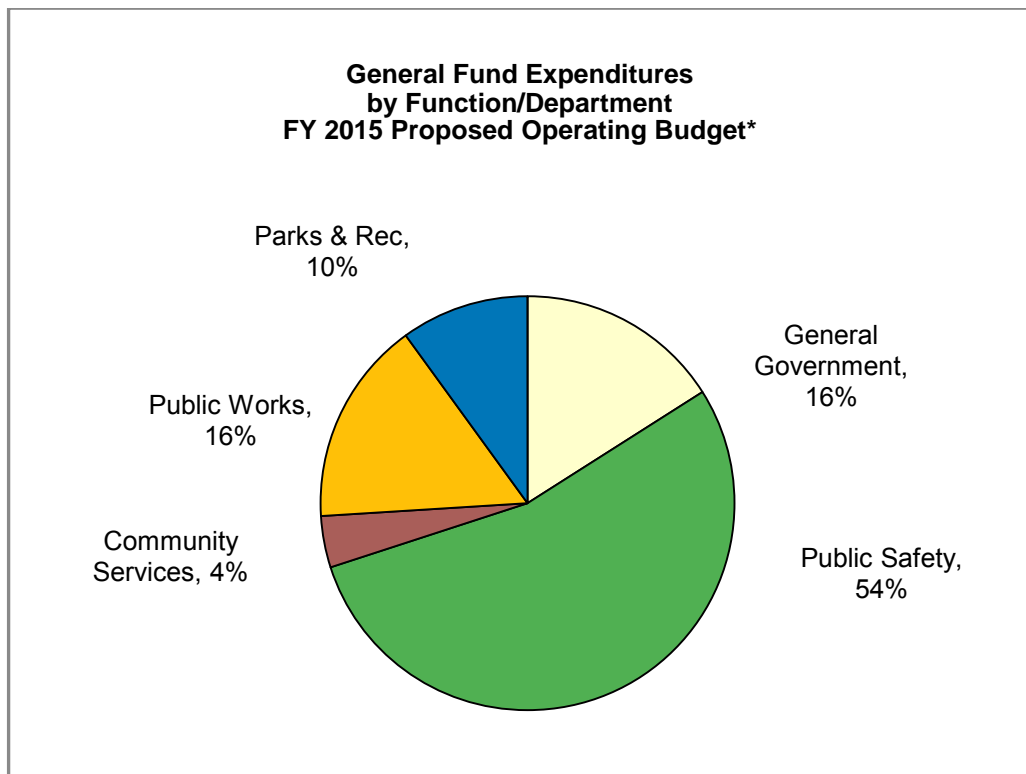
**GENERAL FUND EXPENDITURES
By FUNCTION / DEPARTMENT
FY 2015 ADOPTED BUDGET**

FUNCTION/DEPARTMENT	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
GENERAL GOVERNMENT				
City Council	102,643	116,297	104,632	106,575
City Manager	673,544	781,326	1,051,905	731,787
Human Resources	710,583	873,086	875,312	788,203
City Secretary	293,686	319,477	322,340	334,026
Legal	646,482	683,077	689,447	696,870
Information Systems	1,354,791	1,435,919	1,460,836	2,809,040
Geographic Information Systems				231,712
Finance	1,818,822	1,887,917	1,894,138	1,988,872
Other Requirements*	963,548	1,251,667	1,176,003	2,301,815
Library ¹	133,645	281,889	732,503	384,979
GENERAL GOVERNMENT TOTAL	6,697,743	7,630,655	8,307,116	10,373,879
PUBLIC SAFETY				
Police	18,527,952	21,252,998	21,031,809	22,442,558
Animal Services				779,096
Fire Administration				1,003,376
Fire Operations	6,410,733	7,451,352	7,243,749	9,919,982
Fire Marshal	640,011	686,004	656,179	709,900
Emergency Management	43,059	53,020	47,421	39,362
Health/Code Enforcement				495,274
Emergency Medical Services	3,785,906	5,005,979	4,709,118	
PUBLIC SAFETY TOTAL	29,407,660	34,449,353	33,688,276	35,389,548
COMMUNITY SERVICES				
Community Development				
Community Development Administration	268,175	456,122	446,542	310,676
Planning	263,747	364,504	346,657	415,862
Permits & Inspections	809,206	988,873	995,115	1,111,829
Health/Code Enforcement	392,863	408,636	403,562	
Animal Services	636,652	756,484	752,572	
Communications	327,896	332,922	336,984	434,718
Municipal Court	614,169	646,164	655,254	676,686
COMMUNITY SERVICES TOTAL	3,312,707	3,953,705	3,936,686	2,949,771
PUBLIC WORKS				
Public Works and Engineering Administration	266,032	279,768	277,611	309,363
Public Works Operations Administration	159,418	493,101	483,758	153,178
Facilities Maintenance			21,781	985,347
Custodial Services				317,089
Fleet	390,524	432,870	423,276	484,998
Streets & Drainage	4,204,505	5,291,117	4,872,224	4,215,851
Right-of-Way Maintenance				731,463
Service Center	201,109	143,993	133,044	174,911
Traffic Operations and Maintenance				1,137,980
Engineering & Capital Projects :				
Capital Projects	720,618	805,956	824,337	841,635
Geographic Information Systems	168,931	248,455	247,800	
Traffic Operations and Maintenance	637,909	1,290,118	945,875	
Engineering	992,448	1,151,167	1,150,178	1,134,979
PUBLIC WORKS TOTAL	7,741,495	10,136,545	9,379,884	10,486,794

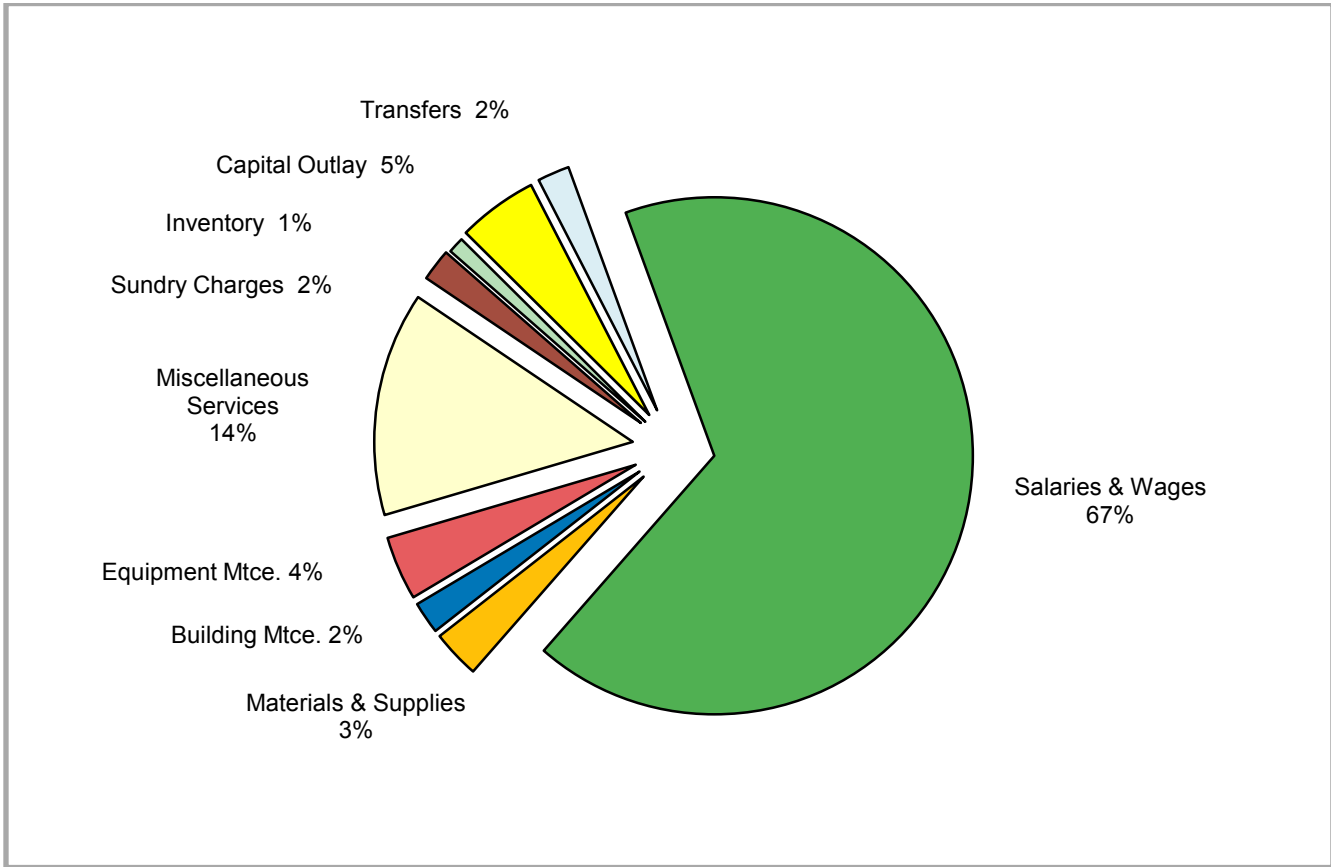


**GENERAL FUND EXPENDITURES
By FUNCTION / DEPARTMENT
FY 2015 ADOPTED BUDGET**

FUNCTION/DEPARTMENT	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
PARKS & RECREATION				
Administration	945,743	965,390	1,179,704	629,096
Resource Development		198,789	197,630	129,494
Recreation Center/Natatorium	1,566,720	1,881,456	1,813,781	2,220,330
Westside Events Center	190,158	220,586	205,799	219,762
Parks Maintenance West	917,297	1,034,791	950,358	
Parks Maintenance	1,170,830	1,457,221	1,259,662	2,381,229
Facilities Maintenance	861,083	993,284	859,889	
Custodial Services	337,155	415,182	357,028	
Athletics	260,443	354,898	333,879	335,591
Special Events	251,756	283,649	274,359	280,034
Senior Program	201,137	250,418	231,160	209,128
Youth Development	167,521	220,474	217,877	
Aquatics	155,586	128,091	142,052	141,223
Recycling	199,390	237,761	216,711	227,736
PARKS & RECREATION TOTAL	7,224,818	8,641,990	8,239,889	6,773,623
SUBTOTAL	54,384,423	64,812,248	63,551,851	65,973,615
TRANSFERS	1,973,712	1,386,903	2,784,191	1,546,744
GENERAL FUND TOTAL	56,358,135	66,199,151	66,336,042	67,520,359



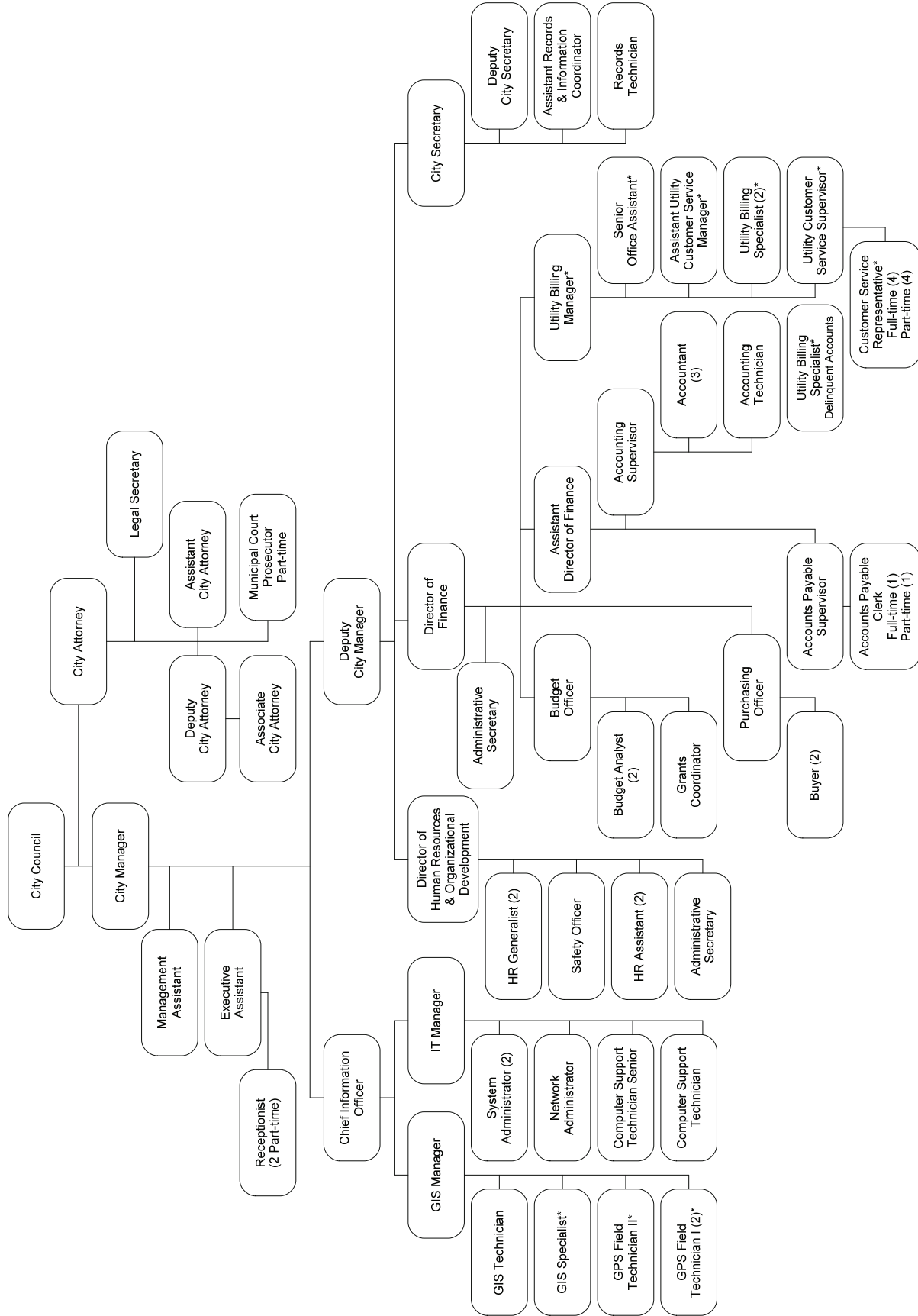
**GENERAL FUND EXPENDITURE SUMMARY
(All Departments)
FY 2015 ADOPTED BUDGET**



BY CATEGORY	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Salaries & Wages	\$36,394,657	\$41,818,723	\$41,130,853	\$45,352,296
Materials & Supplies	\$1,746,187	\$2,339,565	\$2,048,067	\$2,276,581
Building Maintenance	\$1,343,411	\$1,663,918	\$1,458,214	\$1,349,593
Equipment Maintenance	\$2,574,551	\$2,876,995	\$2,823,276	\$2,682,791
Miscellaneous Services	\$7,098,766	\$9,584,310	\$9,327,377	\$9,187,220
Sundry Charges	\$530,817	\$695,619	\$637,912	\$1,388,338
Inventory	\$334,475	\$579,702	\$546,957	\$344,590
Capital Outlay	\$4,361,558	\$5,253,416	\$5,579,195	\$3,392,206
SUB-TOTAL	54,384,423	64,812,248	63,551,851	65,973,615
Transfers	1,973,712	1,386,903	2,784,191	1,546,744
TOTAL	\$56,358,135	\$66,199,151	\$66,336,042	\$67,520,359



GENERAL GOVERNMENT



* Positions are budgeted in the Water & Sewer Fund.

**GENERAL GOVERNMENT
EXPENDITURE AND STAFFING SUMMARY
FY 2015 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
City Council	102,643	116,297	104,632	106,575
City Manager	673,544	781,326	1,051,905	731,787
Human Resources	710,583	873,086	875,312	788,203
City Secretary	293,686	319,477	322,340	334,026
Legal	646,482	683,077	689,447	696,870
Information Systems	1,354,791	1,435,919	1,460,836	2,809,040
Geographical Information Systems				231,712
Finance	1,818,822	1,887,917	1,894,138	1,988,872
Other Requirements*	963,548	1,251,667	1,176,003	2,301,815
Library	133,645	281,889	732,503	384,979
GENERAL GOVERNMENT TOTAL	6,697,743	7,630,655	8,307,116	10,373,879

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

EXPENDITURES BY CATEGORY

Salaries & Wages	3,667,489	4,063,066	4,229,300	4,906,497
Materials & Supplies	64,919	68,460	66,488	76,789
Building Maintenance	400	652	350	
Equipment Maintenance	493,900	673,006	660,577	614,233
Miscellaneous Services	1,498,292	1,903,126	2,019,027	1,834,189
Sundry Charges	476,078	572,620	521,674	1,239,195
Inventory	136,604	224,225	222,200	150,593
Capital Outlay	360,059	125,500	587,500	1,552,383
GENERAL GOVERNMENT TOTAL	6,697,743	7,630,655	8,307,116	10,373,879

STAFFING BY DEPT/DIVISION

City Council	6	6	6	6
City Manager*	4	4	4	6
Human Resources*	9	9	9	7
City Secretary	4	4	4	4
Legal**	5	6	6	6
Information Systems****	5	6	6	7
Geographical Information Systems****				2
Finance	17	18	18	18
Other Requirements				
Library***				
GENERAL GOVERNMENT TOTAL	50	53	53	56

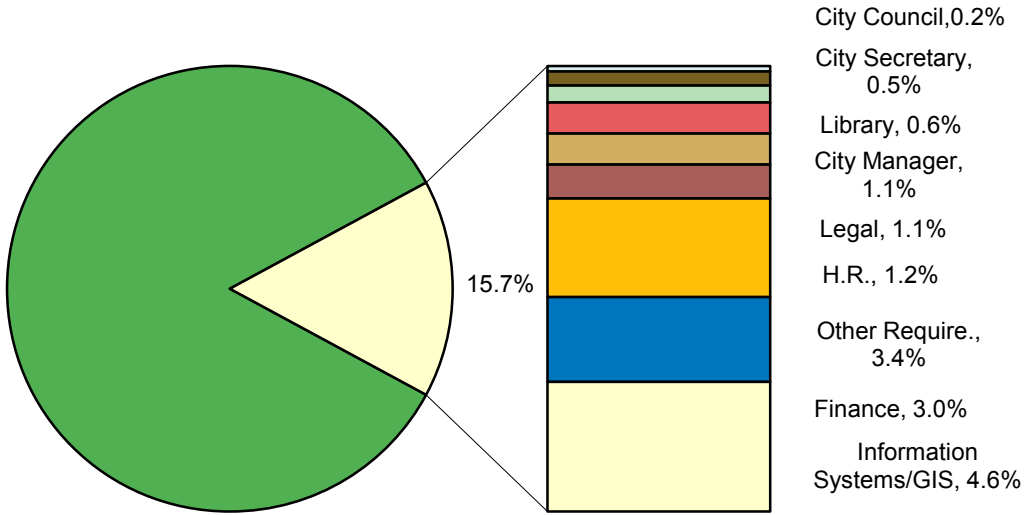
*Two part-time Receptionists were moved from HR to City Manager.

**A part-time Litigator was approved mid-year FY14.

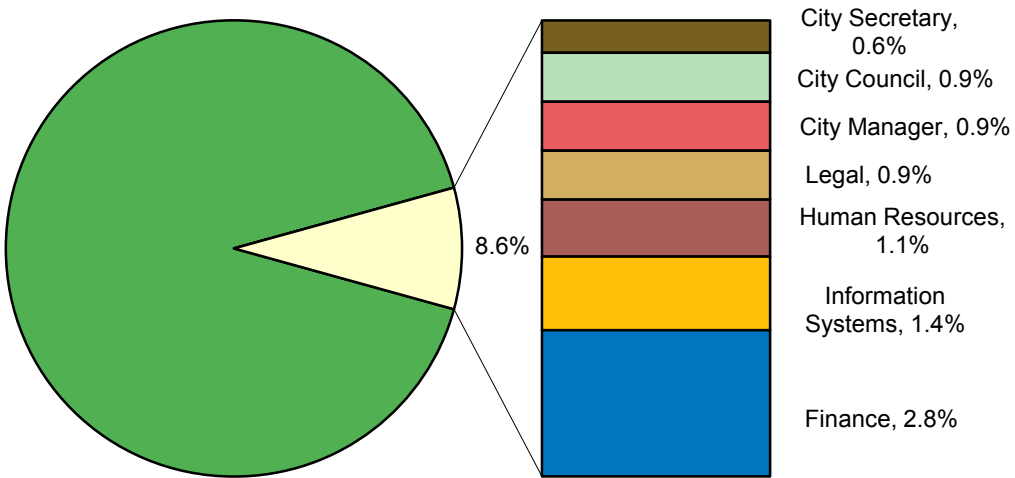
***Library staffing funded by County.

****General Fund positions only; GPS personnel in Enterprise Fund; GIS and GPS moved to General Fund and reports to Information Systems Department; Information Systems reports to the City Manager.

**General Government
as % of General Operating Expenditures
FY 2015**



**General Government
as % of General Fund Personnel
FY 2015**



CITY COUNCIL - 1010

OVERVIEW

The City Council is the legislative and policy-making body of the City. The Mayor and each Council member are elected at-large, and the Mayor and all other Council members hold office for a period of three years and until a successor is elected and qualified. Council members shall be limited to two full consecutive terms of office and there is no limitation on the office of the Mayor. The Council appoints the City Manager, City Attorney, and Municipal Court Judge.

The Mayor and City Council also provide community leadership, develop policies to guide the City in delivering services and achieving community goals, and encourage citizen awareness and involvement. The policies established by the City Council are implemented by the City Manager and his staff. Council salaries and business expenditures are charged to this department's budget.

Key Budget Items for FY 2015 Include:

- ◆ No significant changes.

GOALS

- ◆ Maintain strong relationships with TxDOT and H-GAC in support of the City's current and future financial needs involving transportation, facilities, and major capital improvement priorities.
- ◆ Determine priorities of projects and the impact of operations and maintenance of projects.
- ◆ Pursue and increase the number of businesses in accordance with the PEDC Strategic Plan.
- ◆ Take a pro-active role in regional water supply issues, projects, and strategies.

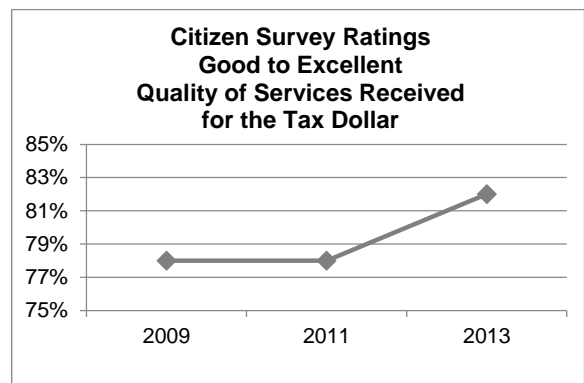
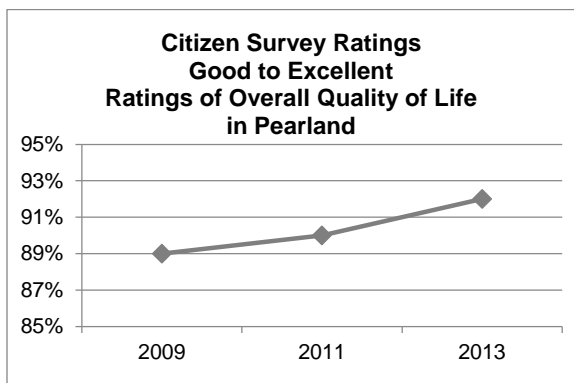
FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Continued exploration of the feasibility of a Westside Animal Control facility.
- ◆ Completed objectives within Council's Strategic Priorities.
- ◆ Appointed new City Manager following the retirement of former top executive.
- ◆ Held Quarterly HOA meetings to disseminate information and hear from citizens.
- ◆ Held election on Charter Amendments.
- ◆ Implemented Economic Strategic Plan.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Provide governance over the issuance and awards of contracts for professional services and construction for all capital projects.
- ◆ Complete objectives within Council's Strategic Priorities.

PERFORMANCE MEASURES



CITY MANAGER - 1020

OVERVIEW

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

The Deputy City Manager and an Assistant City Manager assist the City Manager. The Deputy City Manager supervises the General Government departments that include human resources, financial management, public safety, water billing and city services functions of government, while the Assistant City Manager supervises capital improvement activities and community development departments; such as: Parks & Recreation, Engineering, Public Works, Capital Projects, and Traffic Management.

Key Budget Items for FY 2015 Include:

- ◆ Two part-time Receptionist positions moved from Human Resources.
- ◆ Revision of an Assistant City Manager position to a Management Analyst position.

GOALS

- ◆ Keep City Council informed on the day-to-day business of the City.
- ◆ Provide monthly financial and capital project progress reports to City Council.
- ◆ Develop an annual operating budget that meets the needs of a growing City.
- ◆ Continue successful implementation of the 2007 bond program.
- ◆ Expand cooperative relationships with Pearland ISD, Alvin ISD, Brazoria County, and respective Brazoria County Drainage Districts.
- ◆ Continue to advocate for added traffic/transportation capacity city-wide.

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Completed objectives within the Council's strategic priorities.
- ◆ Completed consolidation of Fire and EMS departments.
- ◆ Transitioned the role of City Manager.
- ◆ Re-organized the City's government structure.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Continue completion of objectives within the Council's strategic priorities.
- ◆ Oversee the City's transition into a new Enterprise Management System
- ◆ Oversee the City's transition into multi-year financial planning and management practices.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Number of authorized FTE ¹ employees per 1,000 population ²	6.52	6.28	6.44	5.25
GF Operating Budget \$ per capita	\$511.79	\$587.26	\$619.26	\$599.76

¹The number of authorized FTE employees is based on the budgeted amount of full-time equivalent positions, in the general operating fund including approved changes. The General Operating Fund excludes transfers.

²The population estimates are: 97,200 for FY2012, 103,800 for FY2013, 106,900 for FY2014, and 110,000 for FY2015.



HUMAN RESOURCES – 1040

OVERVIEW

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

Key Budget Items for FY 2015 Include:

- ◆ LEAD Program funded for \$20,000.
- ◆ Moved two part-time Receptionist positions to the City Manager Office.

GOALS

- ◆ Recruit and retain top talent.
- ◆ Support talent with professional development.

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Introduced on-line benefit enrollment process.
- ◆ Continued Wellness Initiatives including the Core Program, Stairwell to Health, Maintain No Gain, 5 A Day 5 A Week, Biggest Loser, Step into Health, and lectures.
- ◆ Conducted HIPPA compliance audit and new policies and procedures were developed and disseminated.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Develop and reinforce the need for competitive compensation to attract and retain top talent.
- ◆ Research and invest in professional development programs to improve job skills, leadership and productivity.
- ◆ Assist Managers and Supervisors with recruiting and hiring newly-created positions

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Number of vacated or new positions posted ¹	160	147	155	100
Number of employment applications received ¹	4,936	7,293	8,507	7,500
Annualized Citywide turnover rate (FT employees) ²	16.1%	14.7%	15.6%	10.0%
% of workers' comp claims where time is lost ¹ (% of current full-time employees)	1.9%	0.9%	0.1%	0.1%



CITY SECRETARY - 1050

OVERVIEW

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

Key Budget Items for FY 2015 Include:

- ◆ No significant changes.

GOALS

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

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Assist Departments with the update of the City's Code of Ordinances Books.
- ◆ Redesign the database for the Boards and Commissions Board.
- ◆ Streamlined a fully indexed agenda and supporting materials hyperlinked to the Council meeting Agenda Packet.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Update City Ordinances for Codification of amendments and transcribe minutes of City Council meetings.
- ◆ Respond to requests for public records in accordance with the Public Information Act (PIA) daily and maintain and produce documents that enable transparency of local government for the public.
- ◆ Coordinate departmental preparation of electronic Council packets.
- ◆ Post and publish notices of meetings, public hearings, zoning map amendments and adopted ordinances in accordance with the Open Meetings Act.
- ◆ Record, transcribe and maintain all Council, Board and local Commission meetings.
- ◆ Issue peddler permits, and process liquor license applications, ordinance amendments and resolutions adopted by City Council.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
PUBLIC RECORDS				
Open Records Requests processed (<i>Freedom of Information Act</i>)	979	1,010	1,004	997
ELECTIONS				
Number of registered voters (average)	51,024	55,741	59,085	51,024
Number of votes cast (average)	2,352	3,214	3,535	3,214
Average % of voter turnout	4.6%	5.8%	6.0%	5.8%



LEGAL DEPARTMENT – 1080

OVERVIEW

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

Key Budget Items for FY 2015 Include:

- ◆ No significant changes.

GOALS

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

FISCAL YEAR 2014 ACCOMPLISHMENTS

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

FISCAL YEAR 2015 OBJECTIVES

- ◆ Provide legal representation at all meetings of the City Council, Planning and Zoning Commission and the Zoning Board of Adjustments.
- ◆ Provide each department legal services in a quality, yet efficient and cost-effective manner; such service to include specific training for each City department.
- ◆ Coordinate, with outside counsel, on multiple property acquisitions associated with the various City projects.
- ◆ Review and revise the City's Code of Ordinances.
- ◆ Provide competent and efficient prosecutorial services for the City's Municipal Court.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Number of FOIA requests reviewed	260	289	346	350
Number of contracts prepared or reviewed	190	205	291	300



INFORMATION SYSTEMS/GIS/GPS – 1085-1086

OVERVIEW

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

Key Budget Items for FY 2015 include:

- ◆ New Chief Information Officer Position, beginning January 1, 2015.
- ◆ Consolidation, the departments of Information Technology, GIS and GPS (GPS is funded in Water/Sewer Fund) into the new Information Systems Department, reporting to the City Manager.
- ◆ Year 1 of 2 of ERP replacement.
- ◆ Five replacement desktops, 3 replacement laptops and 4 dispatch computers - \$20,550.
- ◆ Replacement of 19 Police Panasonic Toughbooks - \$98,800.
- ◆ MS Office update for 28 desktop computers
- ◆ Public Safety IT systems equipment replacement - \$75,000.
- ◆ Edge router replacement.
- ◆ Network Management System hardware.

GOALS

- ◆ Provide City-wide innovation and leadership in the utilization and deployment of information technology services and applications.
- ◆ Ensure high-quality, effective and efficient production and support services for our employees.
- ◆ Maintain a secure information technology environment, ensuring the confidentiality, integrity and availability of critical information and systems.
- ◆ Continue to educate City staff as to what options and resources are available to them in order to allow all City services to flourish, while utilizing the minimal level of resources.
- ◆ Promote the use of Geographic Information System (GIS) and related technologies to more effectively and efficiently address problems, develop plans, and manage the natural, cultural, economic, and infrastructure resources of the City of Pearland.

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Replaced Domino Lotus Notes email system with Microsoft Exchange Outlook system.
- ◆ Hired Consultant to help with Enterprise Resource Planning (ERP) Conversion.
- ◆ Installed redundant Internet service at PSB.
- ◆ Assisted with setup/installation of devices at new Fire/EMS Station #3.
- ◆ Assisted with new Municipal Court hardware and software deployment.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Support technological configurations associated with pending Enterprise Resource Planning (ERP) Conversion.
- ◆ Support departmental reorganization to coincide with hiring of Chief Information Officer (CIO).
- ◆ Integrate organizational principles needed for incorporation of GIS into Information Technology Department.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Number of PC's supported ²	448	455	575	578
Percent of time LAN available	99.97%	99.98%	99.98%	99.99%
Average Number of GIS layers maintained	98	101	106	105



FINANCE DEPARTMENT – 1260

OVERVIEW

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

Key Budget Items for FY 2015 Include:

- ◆ Funds for a Citizens' Survey and Post Employment Benefit Actuarial update, each conducted every other year.

GOALS

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

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Presented and Council concurred on a new strategy of issuing 20-year level debt for all new General Obligation and Certificates of Obligation bonds, anticipated to save \$38 million in future interest costs based on 5-year CIP and accelerated principal pay-off from 56% to 89% over 20 years.
- ◆ Prepared ERP Consultant RFP, awarded and acted as liaison to consultant through software demonstrations of proposers.
- ◆ Received Platinum Award for Financial Transparency from the Office of the Texas Comptroller.
- ◆ Refunded \$31.4 million in existing debt, saving \$3.5 over 15 years, for a net present value savings of 7.59%.
- ◆ Finalized Safe Routes to School Plan; presented to City Council and School Boards for adoption.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Award contract and prepare for implementation of new enterprise financial management system.
- ◆ Conduct and present 20-year level debt analysis on the City's water-sewer revenue bonds.



FINANCE DEPARTMENT – 1260

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Investments in compliance with policy and PFIA	100%	100%	100%	100%
Unqualified audit opinion	YES	YES	YES	YES
Audit Deficiencies Identified	0	3	7	0
GFOA Awards:				
Budget	YES	YES	YES	YES
CAFR	YES	YES	YES	YES
City's GO/CO bond ratings:				
Moody's	Aa2	Aa2	Aa2	Aa2
S&P	AA-	AA-	AA	AA
Fitch	AA	AA	AA	AA
City's Water/Sewer bond ratings:				
Moody's	Aa3	Aa3	Aa3	Aa3
S&P	AA-	AA-	AA-	AA-
Fitch	AA-	AA-	AA-	AA-



OTHER REQUIREMENTS – 1270

OVERVIEW

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

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

Key Budget Items for FY 2015 include:

- ◆ Compensation Plan adjustments – 2% merit increase for all personnel (\$750,000) and a 3% step pay increase (\$93,286) for Certified (Police) personnel.
- ◆ Salary savings of \$300,000 for anticipated vacant positions.



LIBRARY – 1380

OVERVIEW

Library services are provided through a cooperative effort of the City of Pearland and Brazoria County that support two facilities – the Tom Reid Library on the east side of the City, and the Business Center Drive Library on the west. The City provides the buildings and takes responsibility for their maintenance and other operating expenses. Brazoria County supplies the materials, provides the computers and network, and employs the library staff.

The Pearland Business Center Drive (Westside) Library celebrated its grand opening on May 15, 2013. The new facility replaced a limited-service library substation at the City of Pearland's Westside Event Center. The Pearland Business Center Drive Library is located in a busy retail area in a leased storefront location. The Pearland Main Library is housed in the Tom Reid Building on Liberty Drive across from City Hall. As part of the voter-approved bond referendum in 2007, funding was approved to expand the current building, in 2015. As a result of a successful year of performance and continued growth in Pearland, the Business Center Drive Library will be the subject of additional expansion as well, with a plan to improve and increase the space by 65 percent.

Pearland's libraries are the two busiest branches of the Brazoria County Library System (BCLS). They serve the educational, informational, and recreational needs of the Pearland community, and offer a wide variety of materials and services in response to community needs, including an extensive collection of books, audio-books, magazines, DVDs, and other electronic resources for all ages. The libraries offer book clubs and craft programs for adults, as well as classes on accessing the Brazoria County Library System's eBooks on standard eReaders. Free programs for children include baby, toddler, and preschool story times, and a teen advisory council.

Key Budget Items for FY 2014 Include:

- ◆ Expansion of Business Center Drive Library and renovation of Tom Reid Library.

GOALS

- ◆ Provide the Pearland community with traditional and progressive library services that support citizens' access to educational, informative, leisurely, and scholarly books and periodicals, in addition to small spaces for meetings, public Internet access, educational programs for children, and some assistive services for the elderly.

FISCAL YEAR 2013 ACCOMPLISHMENTS

- ◆ Completed a full-year of operation of the Business Center Drive Library (West Side).
- ◆ Initiated plans for expansion and renovation of both local library facilities based on local growth and use.

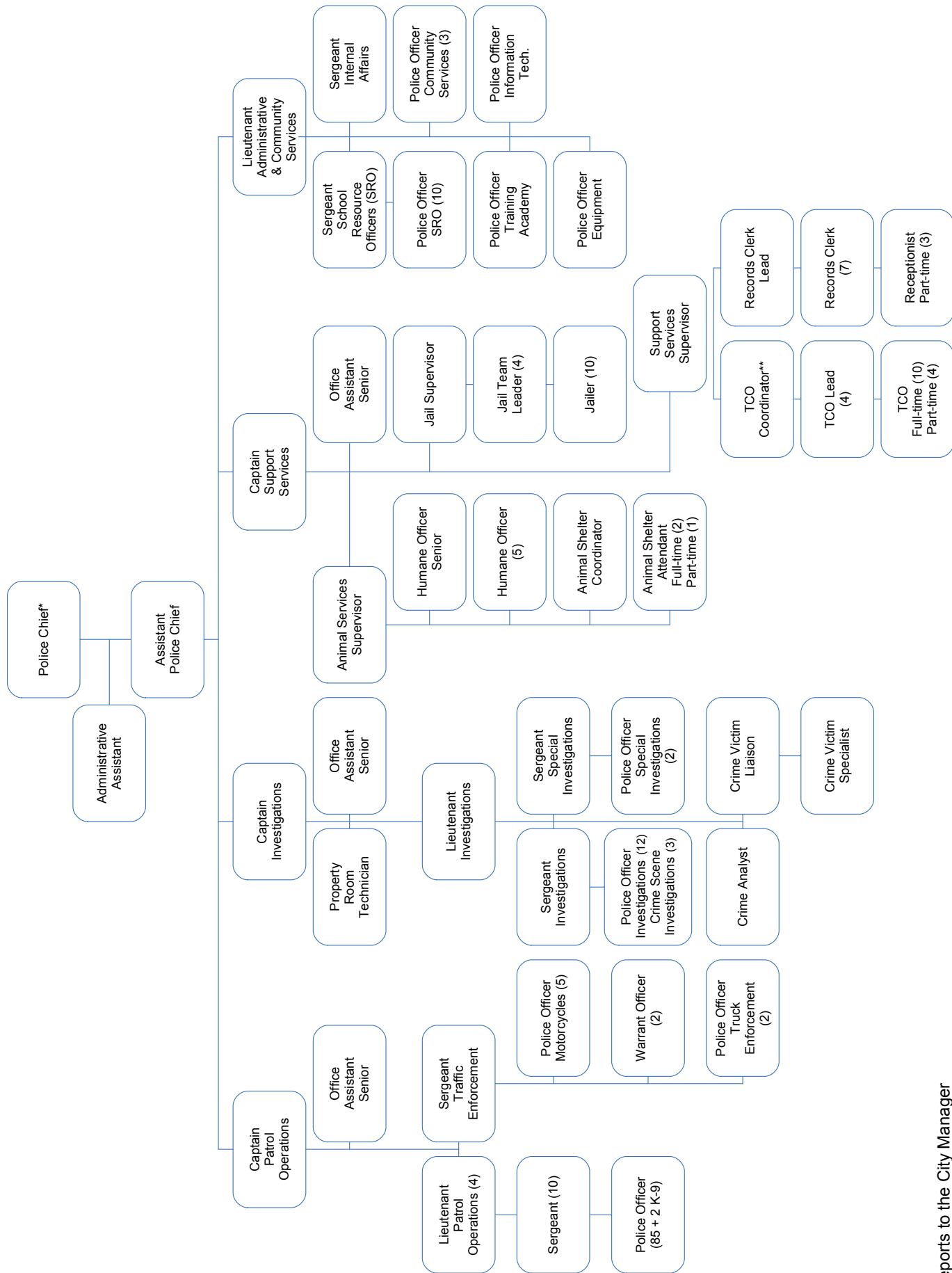
FISCAL YEAR 2014 OBJECTIVES

- ◆ Complete the physical expansion of the Business Center Drive Library to accommodate a 65% increase in space and use, based on increased demand and population growth.
- ◆ Begin renovation of the Tom Reid Library due to age of the facility, increased demand and population growth.

PERFORMANCE MEASURES

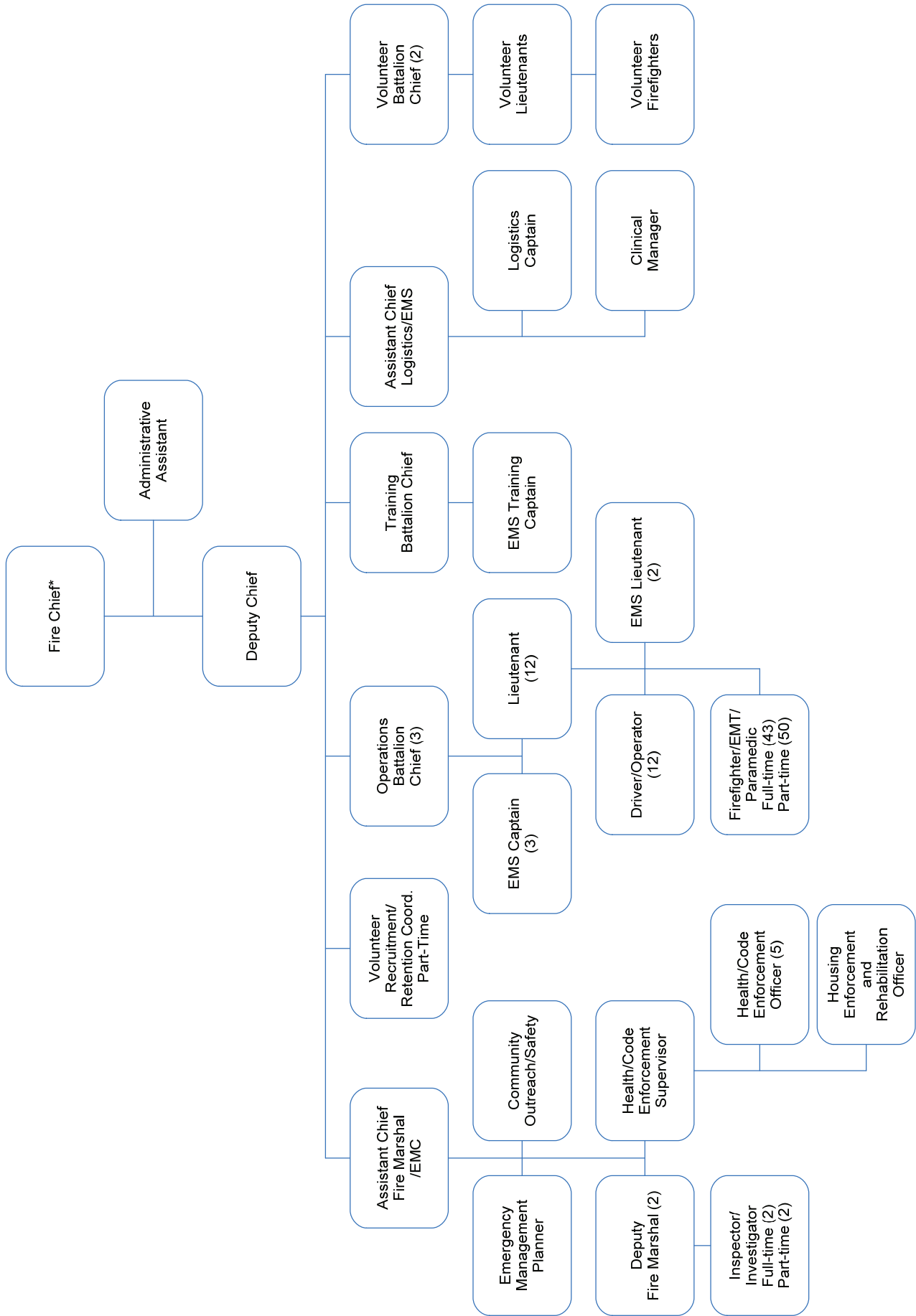
	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
<u>Tom Reid Library</u>				
Number of volumes	123,180	113,000	110,555	120,000
Number of items checked out - circulation	498,326	418,000	340,293	350,000
<u>Business Center Drive Library</u>				
number of volumes	N/A	34,000	25,569	36,000
number of checkouts	N/A	153,000	322,600	335,000

PUBLIC SAFETY—POLICE DEPARTMENT



Reports to the City Manager
 TCO – Telecommunications Operator

PUBLIC SAFETY—FIRE DEPARTMENT



*Reports to City Manager

**PUBLIC SAFETY
EXPENDITURE AND STAFFING SUMMARY
FY 2015 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Police - Administration	1,169,332	1,266,979	1,233,475	1,316,220
Police - Patrol Operations	9,723,103	10,639,340	10,704,643	12,054,265
Police - Investigations	1,675,342	2,281,972	2,267,411	2,296,597
Police - Community Services	756,933	1,002,634	985,142	849,774
Police - Support Services	1,614,495	1,986,396	1,899,446	1,972,524
Police - Jail	899,852	1,143,789	1,052,890	1,141,957
Police - Commercial Vehicle Enforcement	208,284	233,232	219,649	230,605
Police - School Resource Officer	1,090,677	1,137,350	1,146,159	1,175,948
Police - Traffic Enforcement/Motorcycles	795,567	1,066,481	1,009,512	913,934
Police - Special Investigations	517,522	389,416	408,588	384,176
Police - Training	76,847	105,409	104,894	106,558
POLICE TOTAL	18,527,952	21,252,998	21,031,809	22,442,558
Animal Services				779,096
Fire Administration				1,003,376
Fire Operations	6,410,733	7,451,352	7,243,749	9,919,982
Fire Marshal	640,011	686,004	656,179	709,900
Emergency Management	43,059	53,020	47,421	39,362
Health/Code Enforcement				495,274
FIRE TOTAL	7,093,803	8,190,376	7,947,349	12,167,894
Emergency Medical Services	3,785,906	5,005,979	4,709,118	
EMS TOTAL	3,785,906	5,005,979	4,709,118	
PUBLIC SAFETY TOTAL	\$29,407,660	\$34,449,353	\$33,688,276	\$35,389,548

EXPENDITURES BY CATEGORY	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Salaries & Wages	22,661,557	26,431,527	25,621,732	29,481,887
Materials & Supplies	738,912	1,065,417	974,782	1,156,442
Building Maintenance	3,715	13,026	12,851	70,800
Equipment Maintenance	1,344,547	1,473,563	1,533,003	1,539,572
Miscellaneous Services	1,180,801	1,650,486	1,625,787	1,736,359
Sundry Charges	31,987	109,699	98,804	130,843
Inventory	120,663	138,669	144,522	78,757
Capital Outlay	3,325,478	3,566,966	3,676,795	1,194,888
PUBLIC SAFETY TOTAL	29,407,660	34,449,353	33,688,276	35,389,548



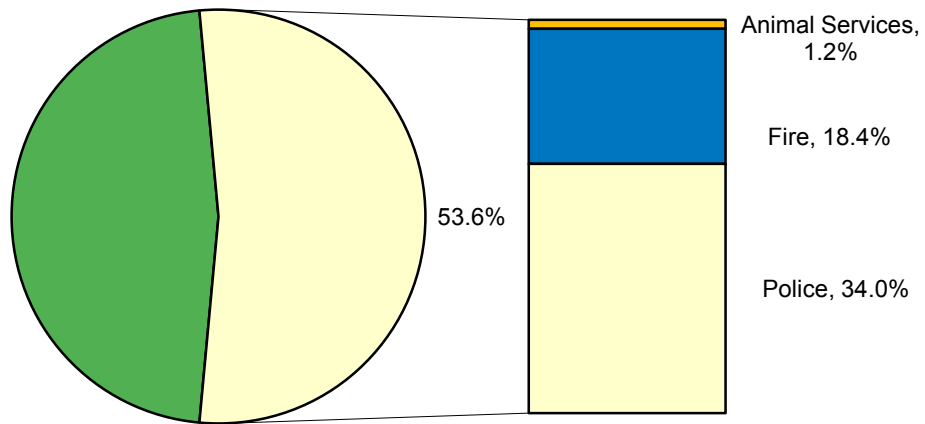
**PUBLIC SAFETY
EXPENDITURE AND STAFFING SUMMARY
FY 2015 ADOPTED BUDGET**

STAFFING BY DEPT/DIVISION	FY 2013 Actual	FY 2014 Amended Budget*	FY 2014 Year End Projection	FY 2015 Adopted Budget
Police - Administration	6	6	6	6
Police - Patrol Operations	95	98	96	102
Police - Investigations	18	18	21	22
Police - Community Services	7	7	8	8
Police - Support Services	32	32	32	32
Police - Jail	14	15	15	15
Police - Commercial Vehicle Enforcement	2	2	2	2
Police - School Resource Officer	11	11	11	11
Police - Traffic Enforcement/Motorcycles	8	8	8	8
Police - Special Investigations	5	5	3	3
Police - Training				
POLICE TOTAL	198	202	202	209
Animal Services				11
Fire Administration				10
Fire Operations	52	62	73	125
Fire Marshal	8	8	8	8
Emergency Management				
Health/Code Enforcement				7
FIRE TOTAL	60	70	81	150
Emergency Medical Services	63	67	62	
EMS TOTAL	63	67	62	
PUBLIC SAFETY TOTAL	321	339	345	370

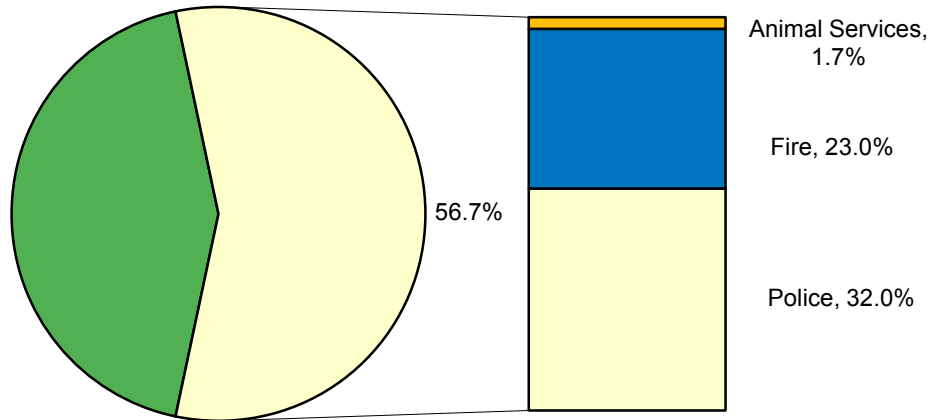
*Same as adopted budget, unless where noted.



**Public Safety
as % of General Operating Expenditures
FY 2015**



**Public Safety
as % of General Fund Personnel
FY 2015**



POLICE DEPARTMENT – 2211-2225

OVERVIEW

The Pearland Police Department is responsible for enforcement of all local, state and federal laws within its jurisdiction. The goal of the department is to prevent crime and disorder and maintain the quality of life by providing a safe and peaceful environment within the City of Pearland for all its residents. The department provides 24-hour protection to the citizens of Pearland and answers and responds to over 42,000 calls per year.

The Police Department is very active in the community and is involved in various community programs aimed at reducing crime. These programs include National Night Out, Gang Awareness Task Force, the Citizens' Police Academy, Homeowners Association meetings, Neighborhood Watch Programs, Security Surveys and Home Safety Inspections, Christmas Toys for Tots, as well as other programs. The department operates out of the Public Safety Building on Cullen Blvd. For FY 2015, the Police Department consists of 202 full-time and 7 part-time employees.

155 Civil Service personnel (2 K-9 Officers and 2 Warrant Officers)
130 Police vehicles (marked, incl. 9 motorcycles, 35 unmarked)
33,376 estimated 911 calls for service
25.44 estimated City Annualized Index Crime Rate per 1,000 current population
3 minutes 17 seconds average response time

The Animal Services Department was moved from Community Services to the Police Department effective fiscal year 2014-2015. This department provides protection to public health by establishing uniform rules for the control and eradication of rabies in accordance with the Texas Health and Safety Code, and enforces applicable rules, regulations, and ordinances. While protecting the public from problems with animals, the Animal Services Department also protects the animals. In addition to the responsibility for impoundment of stray animals within the city limits of Pearland, the Humane Officers trap wildlife, provide for adoption of animals, respond to citizen calls of concern or emergencies, provide speakers for educational events for school and local groups, enforce state and local ordinances, remove animal carcasses from roadways, investigate animal cruelty cases, investigate animal bite cases, provide maintenance and care of the shelter facility, as well as care of all impounded animals, and seek grant funding to promote operations.

The Animal Services Department is on call 24/7 for animal related emergencies, and the shelter is open 7 days a week, except holidays. In FY 2014, the department responded to approximately 6,114 calls for service and received over 2,175 animals per year at the shelter.

Key Budget Items for FY 2015 include:

- ◆ Two Patrol Sergeant positions and 1 vehicle
- ◆ Four Patrol Officer positions beginning February 1, 2015 and 1 vehicle
- ◆ 1 Crime Analyst beginning January 1, 2015
- ◆ Funding for 12 replacement vehicles - \$604,060
- ◆ 3% civil service step increase for Police Officers in all divisions
- ◆ Replacement of 51 vests - \$14,663
- ◆ Replacement of 14 SWAT Ballistic Helmets - \$15,000
- ◆ Replacement of 20 gas masks - \$8,080
- ◆ Department applied for a grant to receive a K-9 from the State; kennel and vehicle cage are budgeted in State Seizure Fund 060 for \$3,330
- ◆ Replacement of Citizens' Police Academy van
- ◆ Replacement of 5 handheld radar units - \$15,970
- ◆ Angle measurement equipment for crash reconstruction and 2 Motolights for motorcycles funded in Justice Assistance Grant Fund 101
- ◆ Replacement vehicle for Animal Services Department



POLICE DEPARTMENT – 2211-2225

GOALS

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

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Conducted a cocaine reversal netting over \$175,000 during a lengthy investigation.
- ◆ Secured 67 felony arrests stemming from numerous operations throughout the year.
- ◆ Special Investigations completed the full time move into the Brazoria County Narcotics Task Force building, located on the grounds of the BC Sheriff's Office. The building serves as the secure hub for operations of the task force including the storage of specialized equipment, seized items, and evidence stored for court presentation.
- ◆ Trained PISD principals/assistant principals in active incident response and proper lockdown procedures.
- ◆ Presented and promoted anti-bullying program to students.
- ◆ Continued to coordinate with Brazoria County Tactical Officer's Association and helped gain TCOLE certification for the firearms range that is utilized as a primary training site for PPD.
- ◆ Increased department-mandated training to six times per year from four to reduce overtime usage and decrease class size for an optimal training environment. The cycle is based on a standard schedule to promote advance scheduling.
- ◆ Completed the training and graduation of the 38th Citizen Police Academy class
- ◆ Police detectives investigated two major homicides, including a capital murder which gained worldwide media attention.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Increase Supervisory staff with the addition of two Sergeants, squad staffing and related minimums to provide rapid, effective police services that maximize response times and safety for officers and citizens.
- ◆ Expand the involvement of unit personnel in the investigation of gang related activity where it pertains to narcotics activity and organized crime.
- ◆ Schedule department-wide mandatory training to ensure that all officers would meet State-mandated training requirements for Training Cycle 2013-2015.
- ◆ Continue to explore grants and other funding options for a mobile command post that can be utilized for SWAT operations and high-profile events where a command center for police operations is necessary.
- ◆ Implement an online reporting program and the proper guidelines for its use.



POLICE DEPARTMENT– 2211-2225

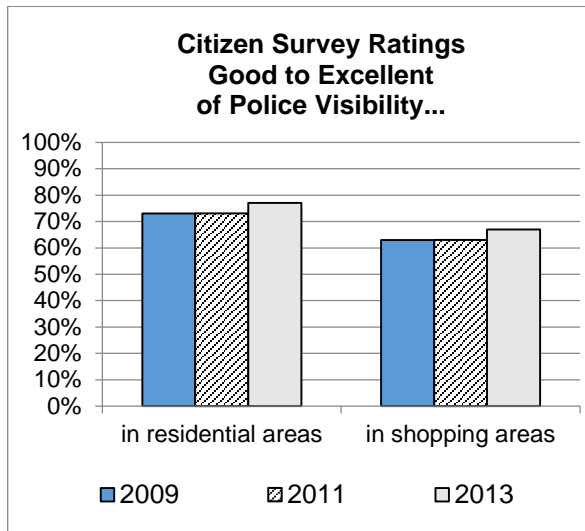
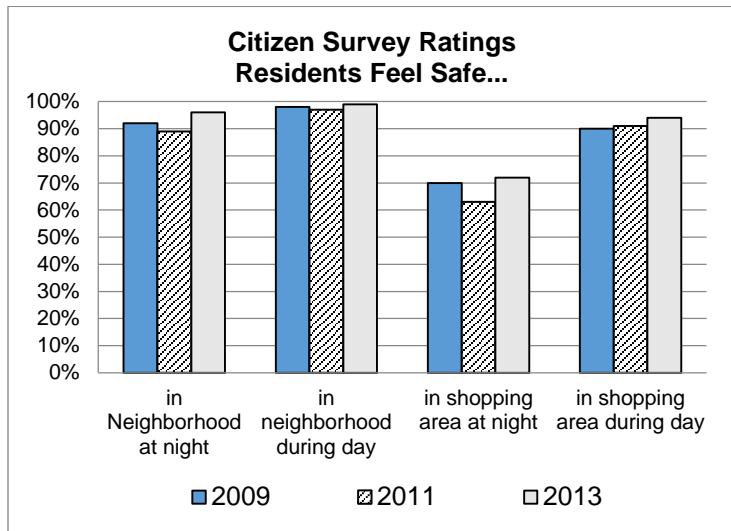
FISCAL YEAR 2015 OBJECTIVES

- ◆ Continue to expand the use of social media to educate the community on timely and relevant criminal incidents and crime prevention topics.
- ◆ Expand recruiting efforts via active advertising in addition to recruiting visits to police academies, job fairs, and colleges/universities to promote employment opportunities with the department.
- ◆ Certify the remaining Community Services Officer and a Level II Crime Prevention Inspector to better serve the needs of the community.
- ◆ Increase the number of local commercial vehicle safety training sessions at operating facilities.
- ◆ Recruit, identify and hire personnel to serve as the department's first full-time Crime Analyst.
- ◆ Perfect and implement a euthanasia rate-reduction plan.
- ◆ Expand quarterly evening adoption events in the community.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
FBI's Annualized DPS Index Crime Rate (Incident-based rate per 1,000 population) ¹	43.66	32.68	27.29	27.03
% of cases cleared	47%	44%	43%	45%
Average response time per car	4 min 5 sec	4 min 34 sec	5 min	4 min 15 sec
Animal Services:				
% of Animals returned to owners	21%	29%	42%	46%
% of Animals adopted	40%	43%	48%	52%

¹The FBI's DPS Index crime is used nationwide and is calculated by the FBI using the U.S. Census population for 2010 and U.S. Census Department estimates thereafter.



FIRE DEPARTMENT – 2315-2360

OVERVIEW

The Fire Department provides fire suppression, rescue, fire prevention and public fire education services to the City and surrounding areas, an area of approximately 72.7 sq. miles with a population of approximately 137,300, including the extraterritorial jurisdiction (ETJ). In fiscal year 2007, the Fire Department became a combined paid and volunteer department under the direction of a full-time Fire Chief, and in fiscal year 2011, added paid part-time firefighters. The volunteer firefighters have served Pearland since 1946. There are approximately 55 Volunteer Firefighters planned for fiscal year 2015. Fire Services in the City includes the Fire Department, the Fire Marshal's Office, Emergency Management, and Emergency Medical Services (EMS) and, in FY 2015, the Health/Code Enforcement Department moved from Community Services to Fire Services. Emergency Management and Health/Code Enforcement are coordinated by the Fire Marshal's Office. The community has an ISO Public Protection Classification rating of 3/10, which puts Pearland in the top 5% of communities in the nation.

There are a total of seven fire stations. In fiscal year 2011, the City began staffing three fire stations 24 hours per day using full-time, volunteer and part-time staff. With the addition of a fire pumper 2014, 26 vehicles will be available for firefighting efforts. In FY 2014, the department responded to over 7,600 calls for service, and with an average response time of 7 minutes 57 seconds. Emergency Medical Services responded to over 7,445 calls for service in FY 2014 and transported 4,500 patients. The unit provides 24 hours of service to all calls in the Pearland area, regardless of the ability to pay. EMS has 9 emergency vehicles.

The Fire Marshal's Office conducts annual fire inspections throughout the City to identify fire and life safety hazards in an effort to save lives and protect property. They also conduct local public fire education activities in an effort to prevent fires. In addition, the Office investigates hazard complaints, environmental crimes, and fires to determine origin and cause, enabling the identification of criminal intent and arson, pursuit of those responsible, and eliminate hazards to the public. The Fire Marshal is also the Emergency Management Coordinator for the City and maintains an Advanced Level Emergency Management Program through routine review, updating, and exercising of the Emergency Management Plan in order to increase the effectiveness of the City's response to an emergency or disaster. The City's Emergency Operations Center (EOC) is located in the new Public Safety Building on Cullen Blvd. The division provides 75 hours of public education each year. The Health/Code Enforcement Department inspects food establishments, schools and group homes for compliance to City ordinances.

Key Budget Items for FY 2015 include:

- ◆ Fire and EMS Departments began consolidation during FY 2014; EMS personnel and operations moved to Fire Department for FY 15, adopting to the 48/96 Fire Schedule
- ◆ Opening of Fire Station #3 in FY 2015 - \$305,291
- ◆ FFE not included in CIP for Stations 2 and 3 - \$59,890
- ◆ An ambulance remount - \$83,100
- ◆ Replacement of one vehicle - \$50,945
- ◆ Fire Training Tower Structural Repairs - \$50,000
- ◆ In the Citywide Donation Fund, \$15,800 is budgeted for replacement of racks for gear storage with lockers and a rehab refrigerator
- ◆ One Housing Enforcement and Rehabilitation Officer, with vehicle, was funded by CDBG, a HUD grant, to assist with single family rehab grants.

GOALS

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



FIRE DEPARTMENT – 2315-2320

FISCAL YEAR 2014 ACCOMPLISHMENTS

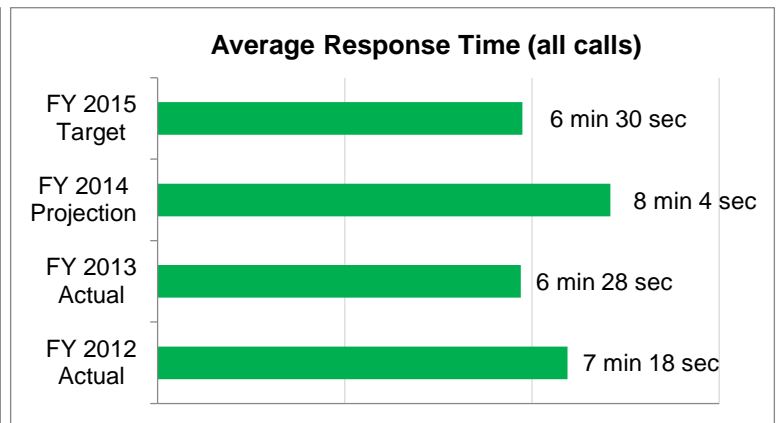
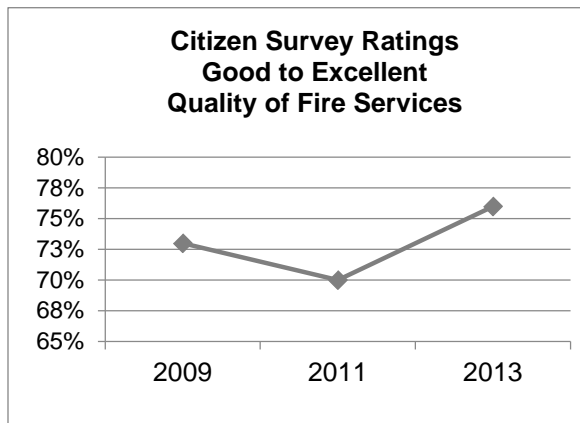
- ◆ Placed 2 new fire engine pumpers into service.
- ◆ Placed 1 new aerial ladder truck into service.
- ◆ Replaced Shift Commander's vehicle.
- ◆ Placed 1 new fire engine pumper into service.
- ◆ Gained 16 new Volunteer Fire Fighters.
- ◆ Hired New Fire Fighters for Station 3.
- ◆ Began construction of Fire & EMS Station #3.
- ◆ Completed design of Fire & EMS Station #2.
- ◆ Determined origins and causes of 95 percent of fires investigated.
- ◆ Replaced communication equipment in the EOC

FISCAL YEAR 2015 OBJECTIVES

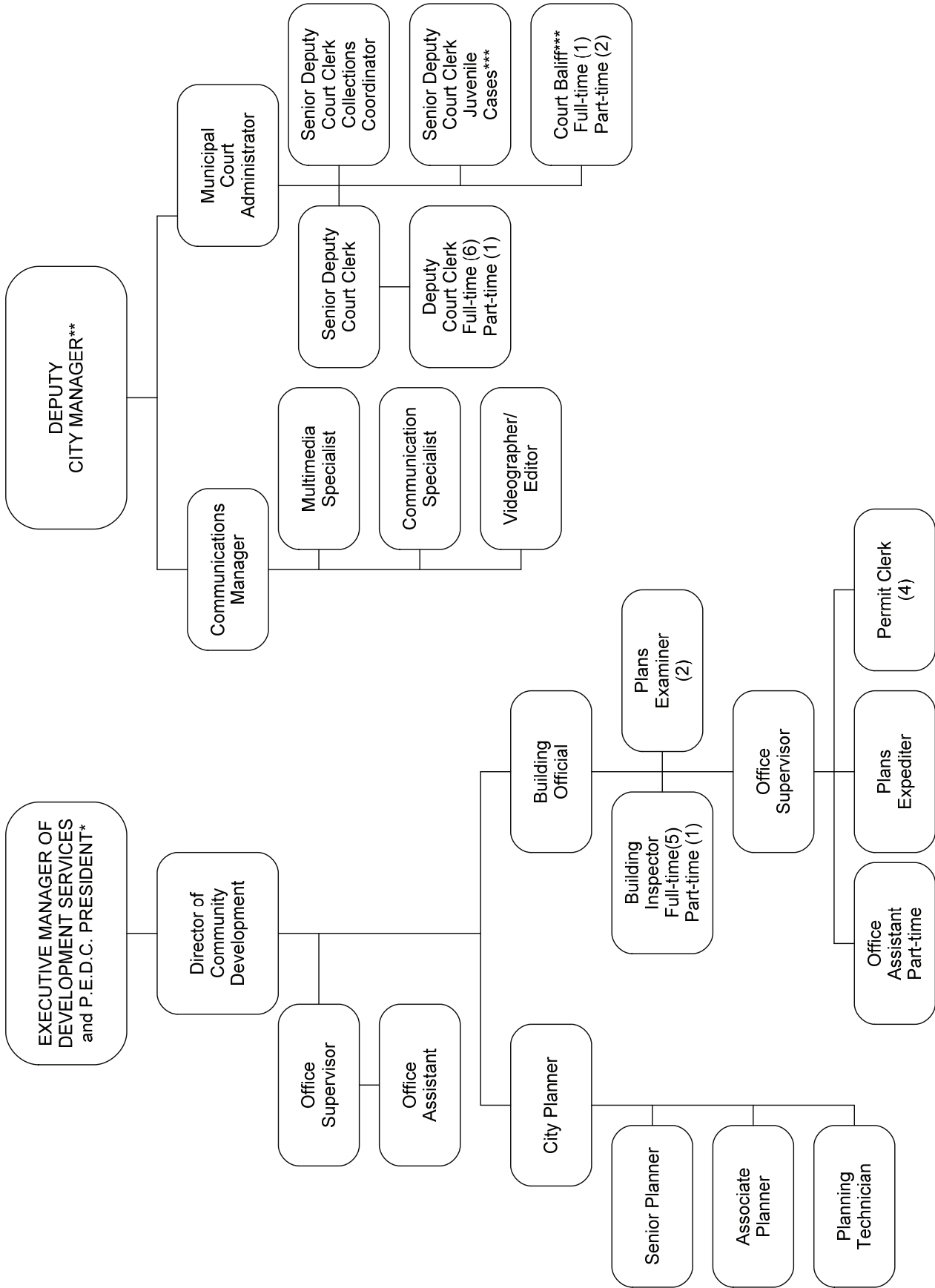
- ◆ Consolidation of all EMS, Fire, Fire Marshal, and Health/Environmental Inspections operations.
- ◆ Place 5th staffed ambulance into service.
- ◆ Implement revised QA/QI program.
- ◆ Increase revenue recovery through participation in Texas Ambulance Supplemental Payment Program.
- ◆ Increase unsafe structures identified and abated by 75 percent.
- ◆ Continue working with the National Weather Service to receive Storm Ready Designation.
- ◆ Rehabilitate 10 single family residential homes with Community Development Block Grant funds.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Average Response Time (all calls)	7 min 18 sec	6 min 28 sec	8 min 4 sec	6 min 30 sec
Percent response 5 minutes or less	47%	37%	20%	45%
Percent of businesses inspected (Fire Marshal)	44%	32%	44%	45%
Percent of patients (service calls) transported	63%	63%	60%	60%
Percent of patients (service calls) treated	85%	90%	93%	90%
Number of code/health inspections	686	2,049	1,516	1,550
Percent of inspections passing on 1st inspection	2%	33%	62%	75%
Total estimated fire loss	\$2,406,454	\$1,326,337	\$1,800,000	\$2,000,000



COMMUNITY SERVICES



* Reports to the P.E.D.C. Board and the City Manager.

**Reports to the City Manager.

***These positions are funded in Special Revenue Funds. Municipal Court also includes a full-time Judge.

**COMMUNITY SERVICES
EXPENDITURE AND STAFFING SUMMARY
FY 2015 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Community Development				
Community Development Administration	268,175	456,122	446,542	310,676
Permits & Inspections	809,206	988,873	995,115	1,111,829
Planning	263,747	364,504	346,657	415,862
Health/Code Enforcement	392,863	408,636	403,562	
Animal Services	636,652	756,484	752,572	
Communications	327,896	332,922	336,984	434,718
Municipal Court	614,169	646,164	655,254	676,686
COMMUNITY SERVICES TOTAL	3,312,707	3,953,705	3,936,686	2,949,771

EXPENDITURES BY CATEGORY

Salaries & Wages	2,557,239	3,029,024	3,084,282	2,462,623
Materials & Supplies	170,388	191,883	179,277	135,392
Building Maintenance	1,529	1,200	1,021	
Equipment Maintenance	91,257	83,220	88,940	30,280
Miscellaneous Services	431,059	574,325	518,925	299,167
Sundry Charges	4,838	5,000	5,000	5,000
Inventory	6,833	23,110	17,581	1,500
Capital Outlay	49,563	45,943	41,660	15,809
COMMUNITY SERVICES TOTAL	3,312,707	3,953,705	3,936,686	2,949,771

STAFFING BY DEPT/DIVISION

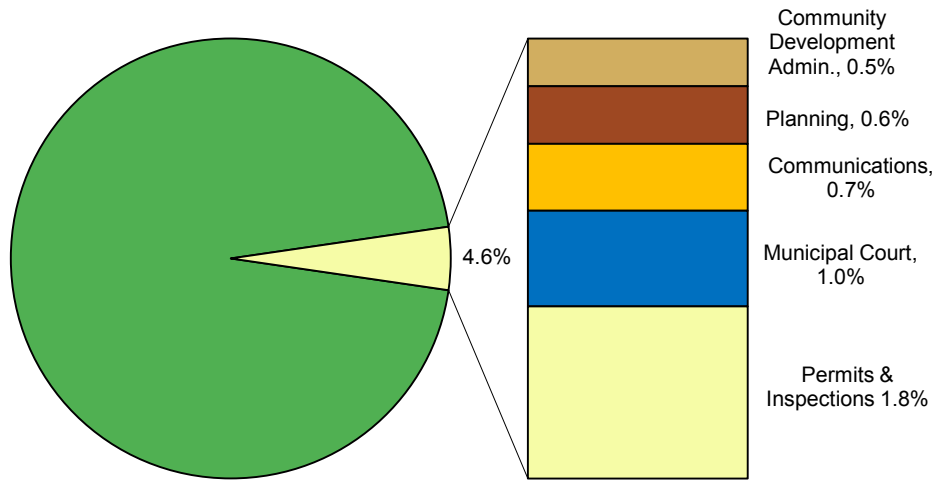
Community Development				
Community Development Administration	3	3	3	3
Permits & Inspections	15	15	15	16
Health/Code Enforcement	4	6	6	
Planning	4	4	4	4
Animal Services	10	11	11	
Communications	2	3	3	4
Municipal Court**	13	14	14	15
COMMUNITY SERVICES TOTAL	51	56	56	42

*Same as adopted budget, unless where noted.

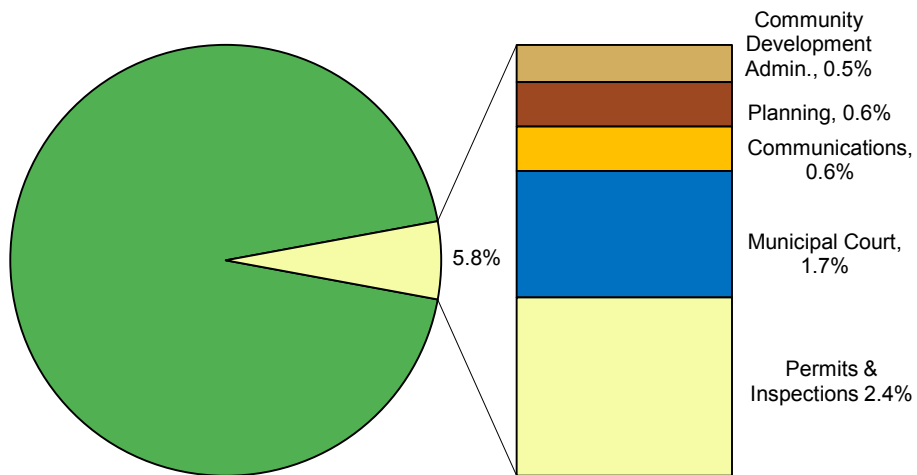
**Municipal Court - Four positions are funded in Special Revenue Funds.



**Community Services
as % of General Operating Expenditure
FY 2015**



**Community Services
as % of General Fund Personnel
FY 2015**



COMMUNITY DEVELOPMENT – 1605-1650

OVERVIEW

The Community Development Department is a part of the Community Services area and consists of Community Development Administration, Planning and Permits & Inspections.

The Community Development Administration Division oversees, assists and guides the divisions within the department.

The Planning Division is responsible for all long range and short term plans for the growth of the City, in order to create and maintain a desirable land use pattern for an enhanced quality of life for our citizens. This division administers the City's Unified Development Code and the Comprehensive Plan, and it processes all the zone changes, variance request and subdivision plats.

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

Key Budget Items for FY 2015 Include:

- ◆ Iron Mountain - scan, shred and archive files.
- ◆ Intern for 3 months.
- ◆ Purchase new scanner.
- ◆ Lease new plotter.
- ◆ Full-year funding for permit clerk added in 2015.
- ◆ Purchase new scanner.
- ◆ Plan review service in lieu of additional person \$50,000.

GOALS

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

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Worked towards applying for Scenic City Platinum Award to upgrade current certification of Gold Award.
- ◆ Continued professional training for staff, Planning and Zoning Commission, and Zoning Board of Adjustment.
- ◆ Continued to represent Pearland in regional committees, such as Pedestrian Bicycle Subcommittee and Transportation Subcommittees of the Houston-Galveston Area Council.
- ◆ Provided population updates and work with Census Bureau to re-evaluate population estimates for Pearland.
- ◆ Processed T-17 Annual Unified Development Code update.
- ◆ Created Harris County and Fort Bend County FAQ informational document for development in those jurisdictions.



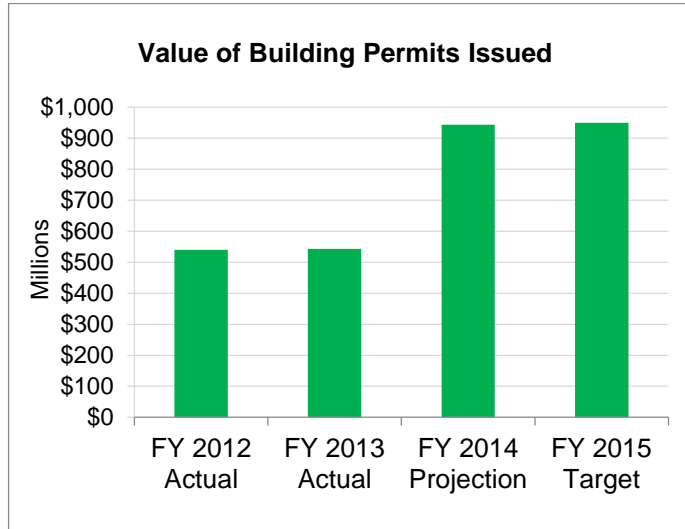
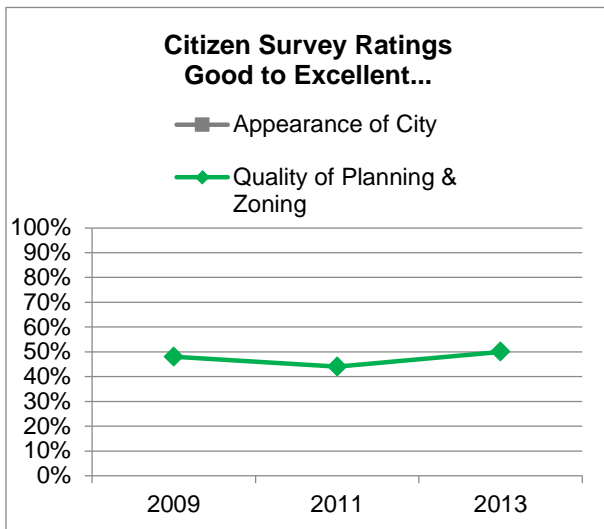
COMMUNITY DEVELOPMENT – 1605-1650

FISCAL YEAR 2015 OBJECTIVES

- ◆ Conduct Annual Planning Day.
- ◆ Continue professional training for staff, Planning and Zoning Commission, and Zoning Board of Adjustment.
- ◆ Continue to represent Pearland in regional committees, such as Pedestrian Bicycle Subcommittee and Transportation Subcommittees of the Houston-Galveston Area Council.
- ◆ Provide population updates and work with Census Bureau to re-evaluate population estimates for Pearland.
- ◆ Continue to provide population updates and special studies.
- ◆ Continue to publish Community Development newsletter.
- ◆ Evaluate and restructure subdivision platting procedures, administratively.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Zone change cases	9	18	20	25
Building inspections	22,416	26,274	28,434	28,500
Value of building permits issued (in millions) (commercial and residential)	540	543	943	950



COMMUNICATIONS – 1530

OVERVIEW

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

Key Budget Items for FY 2014 include:

- ◆ Full year funding for year-round intern.

GOALS

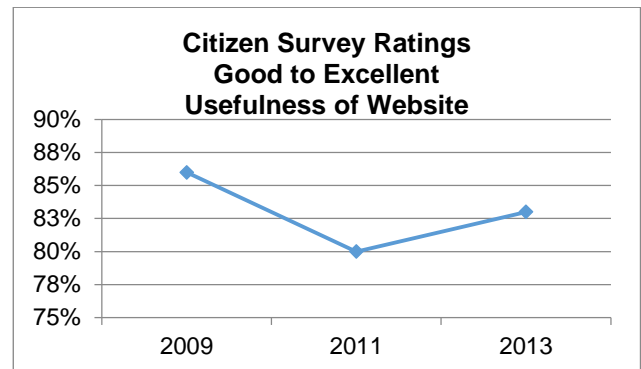
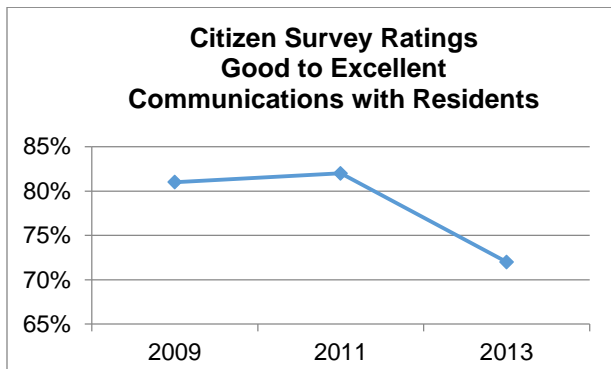
- ◆ Increase awareness, interest and participation of Pearland residents in City government goals and activities.
- ◆ Build community pride among residents and positive identification with their home City.
- ◆ Build corporate pride among employees and positive identification with the City government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

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Launched a redesigned City Web site (*pearlandtx.gov*) and a City of Pearland employee intranet (*Pearnet*).
- ◆ Garnered more than 5,500 Facebook Fans, and more than 24,700 YouTube video views.
- ◆ Produced (15) City News Updates, (2) "I Remember" segments, (23) Pet Features and covered more than 47 community or special events.
- ◆ Implemented a "brand unification" process on collateral for all City departments.
- ◆ Successfully implemented a strategic hurricane preparedness communications & marketing plan which included video, a moving PTV slide, social media promotions and public relations components.
- ◆ Began live streaming Planning & Zoning Meetings on the Pearland TV (Comcast Ch. 16 and U-verse Ch. 99).
- ◆ Produced videos to highlight department offerings.
- ◆ Produced communications tools promoting the deployment of recycle bins citywide.
- ◆ Received seven (7) awards in municipal communications excellence from various city/county marketing associations, associations of business communicators, and Texas-based municipal information associations.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Increase Pearland TV offerings through the production of news and event feature videos focusing on Transportation and Capital Projects, health and fitness.
- ◆ Provide communications coverage for groundbreaking, building openings, and other City highlights with videos, press releases, flyers, marketing collateral, brochures, pamphlets, etc.
- ◆ Work to provide departmental support to ensure consistent use of brand elements.
- ◆ Identify marketing opportunities and strategies to promote City programs and services.
- ◆ Develop and implement a plan to increase social media followers/fans to YouTube (250), Twitter (2,500), Facebook (7,600) and Instagram (1,000).



MUNICIPAL COURT – 1540

OVERVIEW

The Municipal Court has original jurisdiction over Class C misdemeanors and City Code violations which occur within the corporate city limits of Pearland and are punishable by fine only. It is the function of the Municipal Court to provide accessible, efficient and well-reasoned resolution of all the court's cases. The staff maintains a modern computerized record and money management system for approximately 25,000 charges processed by the Court each year. The Court office maintains standing judicial orders that may allow disposal of a case without appearing at an official arraignment. Additionally, the court is responsible for collecting fines, as well as numerous other court costs, that must be accounted for and sent to the Texas Comptroller's Office on a quarterly basis.

Key Budget Items for FY 2015 include:

- ◆ No significant changes.

GOALS

- ◆ Uphold the Constitution, laws and legal regulations of the United States, the State of Texas and all applicable governments therein.
- ◆ Set high standards to maintain and preserve the integrity of all cases filed in the Pearland Municipal Court of Record.
- ◆ Abide by the standards set out in the Texas Code of Judicial Conduct.
- ◆ Protect the confidentiality of all records filed.
- ◆ Remain cognizant of the needs of customers and citizens of the Pearland Municipal Court to reinforce the positive perception of the judiciary.
- ◆ Provide access and encourage education of staff to increase the level of expertise and proficiency in the affairs of the Municipal Court.

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Procured a full-time Presiding Judge, allowing the court to have more dockets throughout the week to lessen the volume on heavy dockets.
- ◆ Re-organized records retention system, either scanned or filed by alpha order for easy retrieval.
- ◆ Acquired new data management and reporting software program for courts with substantial conversion.

FISCAL YEAR 2015 OBJECTIVES

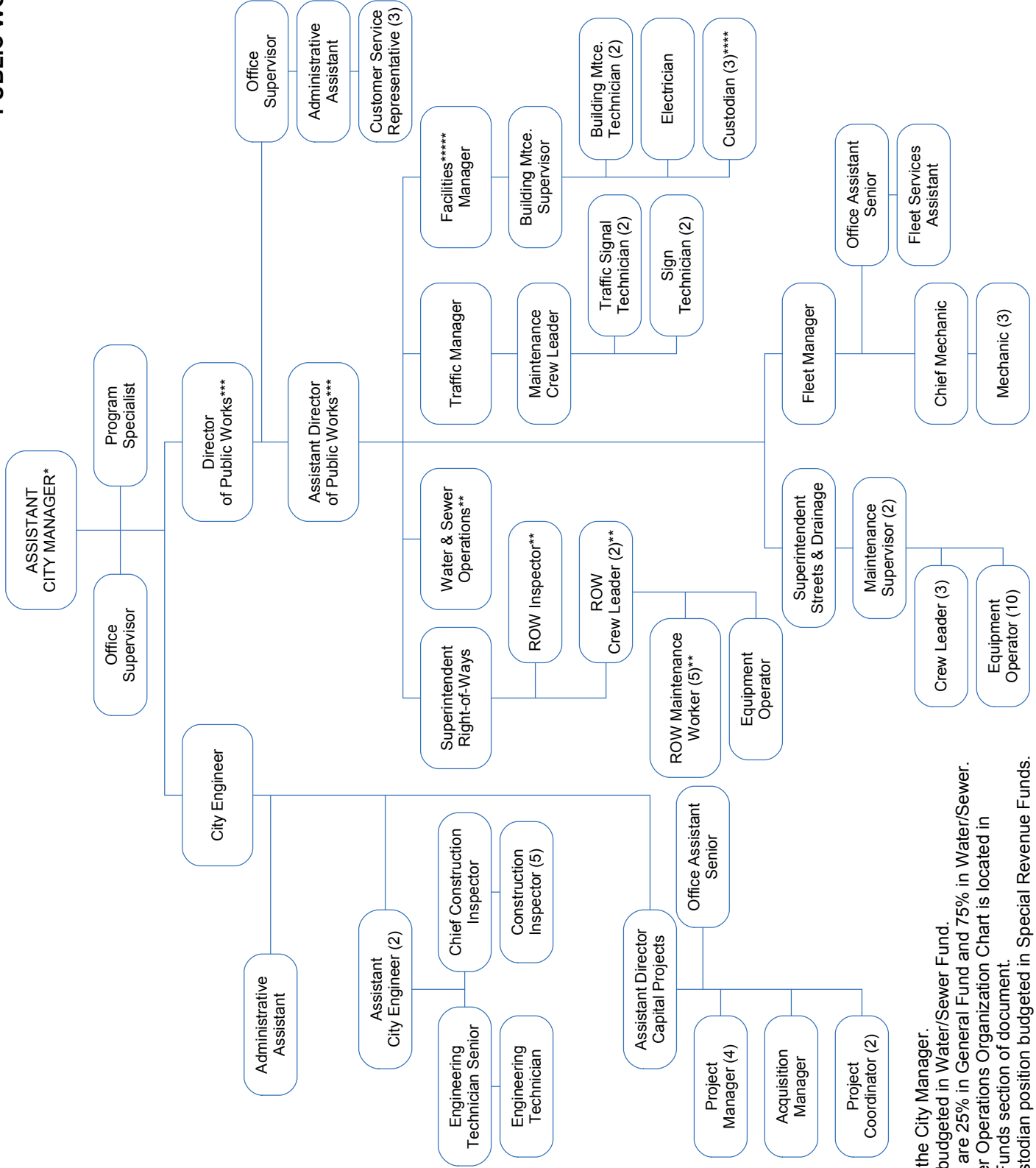
- ◆ Hire and implement the use of a new part-time bailiff.
- ◆ Complete full conversion into new data management and reporting software program for courts.
- ◆ Continue the prosecution and adjudication of court cases in accordance with the Constitution, laws and legal regulations of the United States, the State of Texas, and all applicable governments therein.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Number of Judge trials prepared	375	275	217	325
Number of Jury trials prepared	741	620	622	700
Number of warrants issued	9,820	11,200	9,438	11,500
Total number of charges brought in	30,187	28,200	23,182	25,000
Percent Guilty Charge	53%	68%	68%	68%
Percent Charges Dismissed	8%	7%	12%	7%
Percent in Compliance ¹	20%	25%	29%	25%
Outstanding warrants	16,300	16,500	17,644	16,500
Value of outstanding warrants	\$5,542,206	\$5,900,000	\$8,395,229	\$8,500,000



PUBLIC WORKS



*Reports to the City Manager.
 **Positions budgeted in Water/Sewer Fund.
 ***Positions are 25% in General Fund and 75% in Water/Sewer.
 Water/Sewer Operations Organization Chart is located in Enterprise Funds section of document.
 ****One Custodian position budgeted in Special Revenue Funds.
 *****Position is 33.3% in Water/Sewer, 66.7% in General Fund.

**PUBLIC WORKS
EXPENDITURE AND STAFFING SUMMARY
FY 2015 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Public Works Operations Administration	159,418	493,101	483,758	153,178
Facilities Maintenance			21,781	985,347
Custodial Services*				317,089
Fleet Maintenance	390,524	432,870	423,276	484,998
Streets & Drainage	4,204,505	5,291,117	4,872,224	4,215,851
ROW Mowing				731,463
Service Center	201,109	143,993	133,044	174,911
Public Works and Engineering Administration	266,032	279,768	277,611	309,363
Capital Projects	720,618	805,956	824,337	841,635
Geographic Information Systems	168,931	248,455	247,800	
Traffic Operations & Management	637,909	1,290,118	945,875	1,137,980
Engineering	992,448	1,151,167	1,150,178	1,134,979
PUBLIC WORKS TOTAL	7,741,495	10,136,545	9,379,884	10,486,794

EXPENDITURES BY CATEGORY

Salaries & Wages	3,456,338	3,792,424	3,858,108	4,403,099
Materials & Supplies	280,299	445,637	297,617	445,211
Building Maintenance	725,338	834,147	761,500	901,400
Equipment Maintenance	442,542	426,308	349,938	350,623
Miscellaneous Services	2,240,821	3,199,073	2,887,709	3,676,445
Sundry	65,594	182,898	150,000	113,740
Inventory	17,914	7,500	11,634	12,500
Capital Outlay	512,649	1,248,558	1,063,378	583,776
PUBLIC WORKS TOTAL	7,741,495	10,136,545	9,379,884	10,486,794

STAFFING BY DEPT/DIVISION

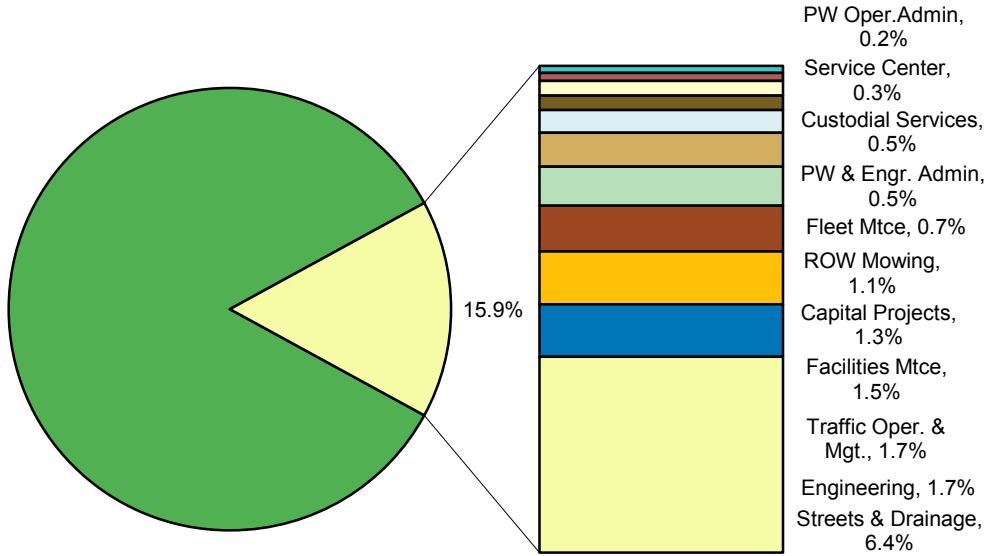
Public Works and Engineering Administration	3	3	3	3
Public Works Operations Administration	1.75	1.75	1.75	1.75
Facilities Maintenance				4.67
Custodial Services*				3
Fleet Maintenance	7	7	7	7
Streets & Drainage	17	17	17	16
ROW Mowing				3
Service Center				
Engineering	12	12	12	12
Capital Projects	8	9	9	9
Traffic Operations and Maintenance	6	6	6	6
Geographic Information Systems	2	2	2	
PUBLIC WORKS TOTAL	53.75	54.75	54.75	65.42

*One Custodian in Custodial Services is funded in UofH Fund.

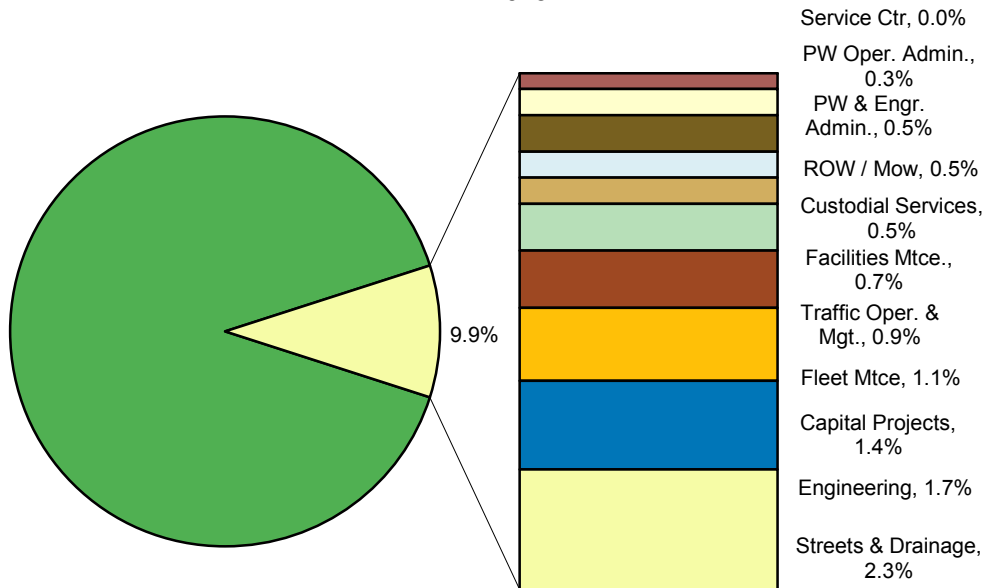
Note: Public Works Geographic Information Systems has been moved to the General Government area, reporting to Information Systems Department.



**Public Works
as % of General Operating Expenditures
FY 2015**



**Public Works
as % of General Fund Personnel
FY 2015**



PUBLIC WORKS – 3520-3590/1405-1440

OVERVIEW

The Public Works Administration Department is responsible for maintaining the City's infrastructure and mobility and deliver quality drinking water. The Administration department oversees Facilities Maintenance, Custodial Services, Fleet Maintenance, Traffic Operations and Maintenance, Streets & Drainage, Right of Way Mowing and the Service Center within the General Fund.

The Public Works Administration Department provides maintenance and custodial services to all City facilities, manages City vehicles and motorized equipment, including preventive maintenance and repairs; maintains and manages the City's streets, signals, sidewalks, ditches and drainage channels including but not limited to: street sweeping, pothole patching, culvert setting, and cleaning storm drains, inlets and lines for approximately 380.8 centerline miles or 847.4 lane miles of streets and roadways and over 188 miles of existing storm sewer system throughout the City.

Engineering & Capital Projects is also included in the Public Works function beginning FY 2013. Divisions reporting to Engineering and Capital Projects Administration include Capital Projects and Engineering.

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

Key Budget Items for FY 2015 in Departments under Public Works Administration include:

- ◆ Intersection Flashing and Left Turn Signal Program (year 1 of 3) - \$138,186.
- ◆ Intersection Upgrades - Span Wire, Signals, and Controller Cabinets - \$192,000.
- ◆ The purchase of a dump truck at \$101,509.
- ◆ Includes \$135,588 for enhancement of ROW mowing contract and \$95 thousand for FM 518, Hwy 35 and other medians to the contract.

GOALS

- ◆ Provide reliable, safe, and aesthetically pleasing roadways through systematic inspection and maintenance.
- ◆ Enhance the appearance of City streets through sweeping and appropriate maintenance.
- ◆ Reduce flooding and minimize the chance of property damage, injury or loss of life through a program of drainage facility maintenance and construction.
- ◆ Provide distinguished customer service by quickly and courteously responding to citizen complaints or requests, including requests from City departments.

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Provided a high quality of customer service in a timely manner.
- ◆ Installed approximately 313' culverts
- ◆ Milled 190,427 sf of asphalt roads (approximately 1.8 mi of 20' wide)
- ◆ Overlaid 1.0 mi of asphalt roads with County's assistance



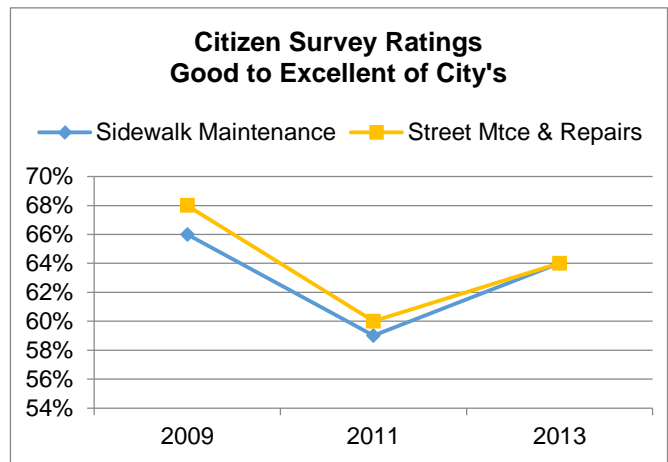
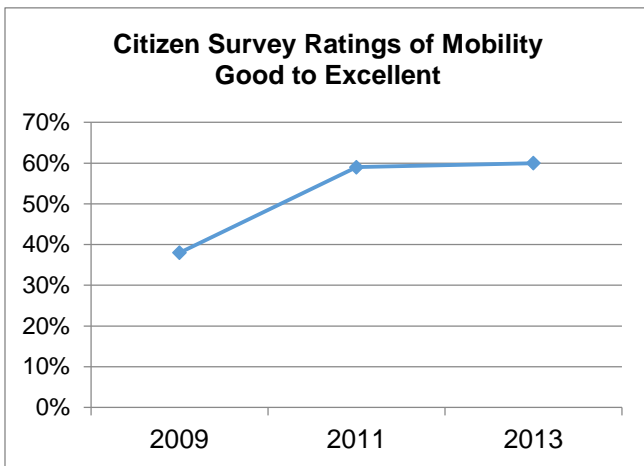
PUBLIC WORKS – 3520-3590/1405-1440

FISCAL YEAR 2015 OBJECTIVES

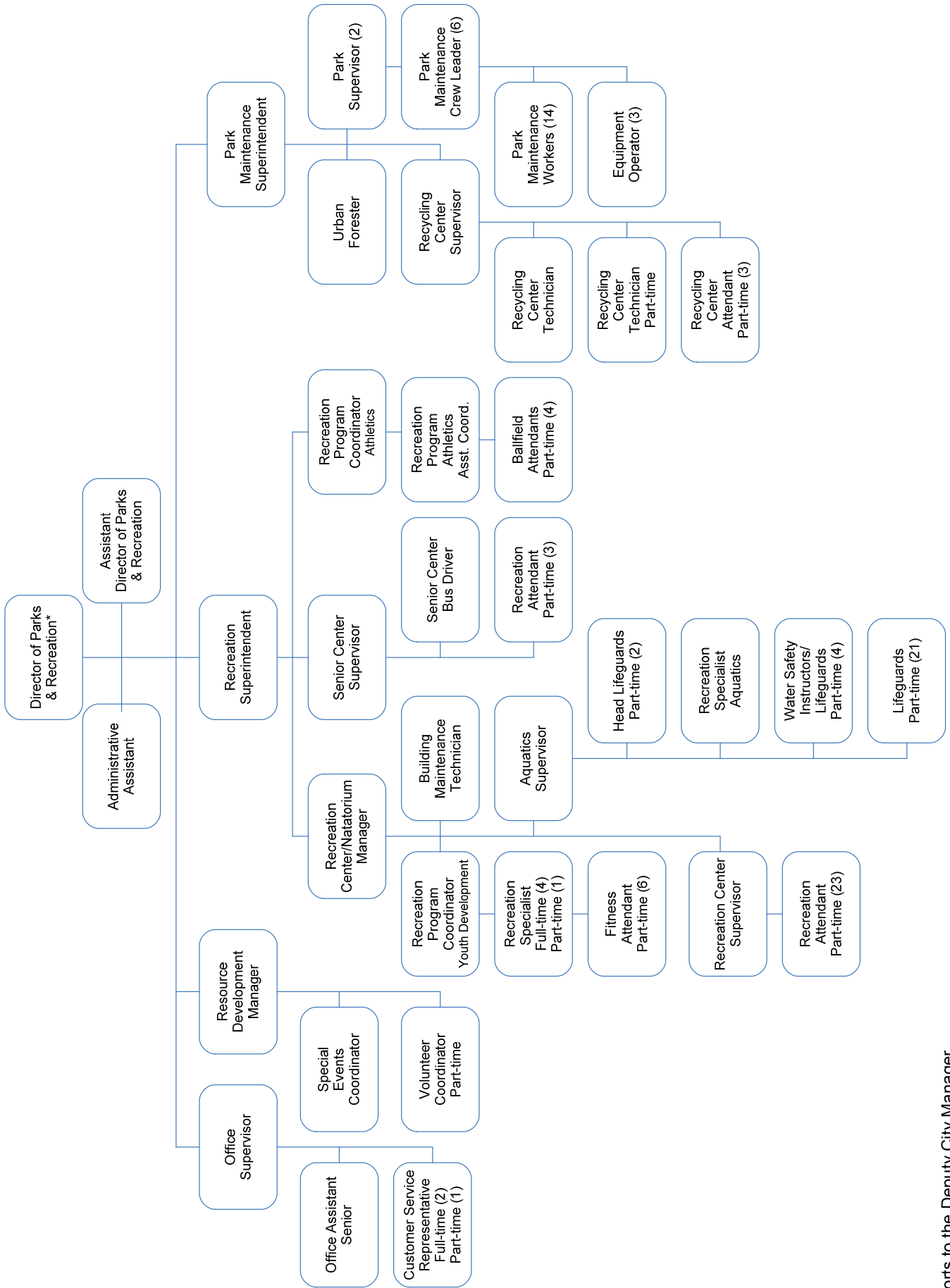
- ◆ Update the City's Storm and Centerline and Lane Mile inventory as of September 25, 2015.
- ◆ Update the Street Lights in the City as of September 25, 2015.
- ◆ Zip (milling using City asphalt zipper) & overlay 2 miles of asphalt streets.
- ◆ Install/replace 1,000 linear feet of culvert pipe via City crews and contractor.
- ◆ Install/replace 10,000 linear feet of sidewalk via sidewalk contract.
- ◆ Swab 35,000 linear feet of ditches via City crews and contractor.
- ◆ Flush 15,000 linear feet of culvert pipe.
- ◆ Fill 1,500 potholes in asphalt pavement streets.
- ◆ Integrate the Facility Maintenance, Custodial Services, Traffic Operations and newly created Right of Way divisions into the Public Works department so as to provide improved service to city residents and city staff.
- ◆ Assessment of rights-of-ways maintenance needs and responsibilities.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Sq. Ft. of zip and cap (overlay) asphalt pavement repairs completed	306,670	314,345	190,427	200,000
Linear sq. ft. of sidewalk installed	25,697	4,476	14,565	10,000
Percent of (asphalt) street repairs completed within 3 days of notice	87%	97%	96%	97%



PARKS & RECREATION DEPARTMENT



ports to the Deputy City Manager.

**PARKS & RECREATION
EXPENDITURE AND STAFFING SUMMARY
FY 2015 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Administration	945,743	965,390	1,179,704	629,096
Resource Development		198,789	197,630	129,494
Recreation Center/Natatorium	1,566,720	1,881,456	1,813,781	2,220,330
Westside Events Center	190,158	220,586	205,799	219,762
Parks Maintenance West (ROW Mowing)	917,297	1,034,791	950,358	
Parks Maintenance (former Parks Mtce East)	1,170,830	1,457,221	1,259,662	2,381,229
Facilities Maintenance	861,083	993,284	859,889	
Custodial Services	337,155	415,182	357,028	
Athletics	260,443	354,898	333,879	335,591
Special Events	251,756	283,649	274,359	280,034
Senior Program	201,137	250,418	231,160	209,128
Youth Development	167,521	220,474	217,877	
Aquatics	155,586	128,091	142,052	141,223
Recycling	199,390	237,761	216,711	227,736
PARKS & RECREATION TOTAL	7,224,818	8,641,990	8,239,889	6,773,623

EXPENDITURES BY CATEGORY

Salaries & Wages	4,052,034	4,502,682	4,337,431	4,098,190
Materials & Supplies	491,669	568,168	529,903	462,747
Building Maintenance	612,429	814,893	682,492	377,393
Equipment Maintenance	202,303	220,898	190,818	148,083
Miscellaneous Services	1,747,794	2,257,300	2,275,929	1,641,060
Sundry Charges		800	800	800
Inventory	4,780	10,800	12,654	
Capital Outlay	113,809	266,449	209,862	45,350
PARKS & RECREATION TOTAL	7,224,818	8,641,990	8,239,889	6,773,623



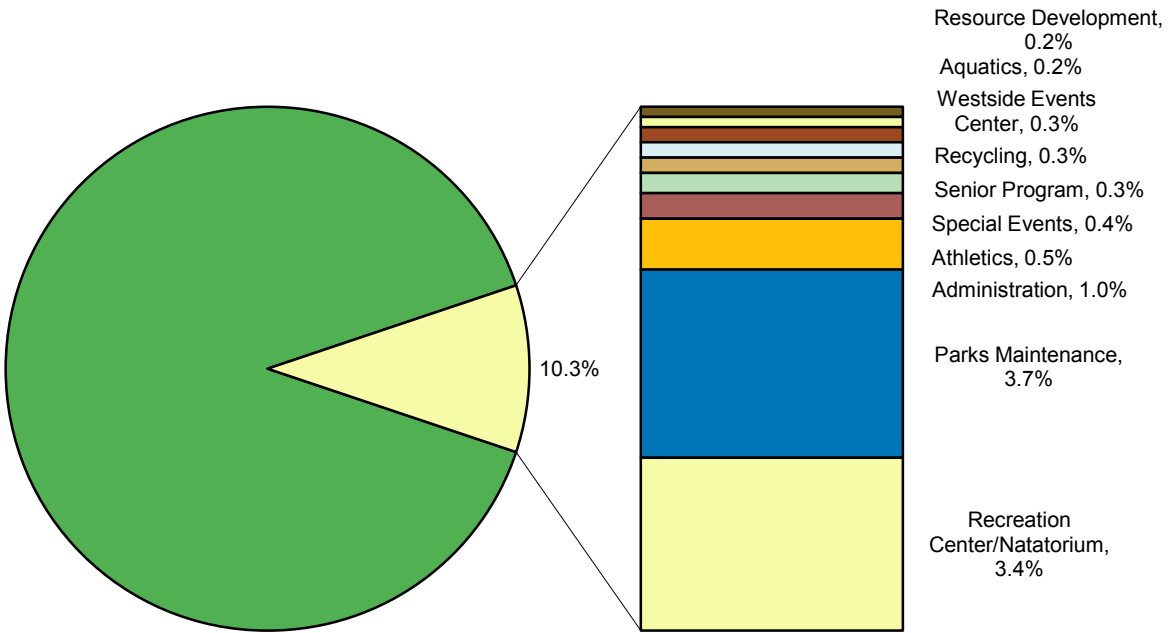
**PARKS & RECREATION
EXPENDITURE AND STAFFING SUMMARY
FY 2015 ADOPTED BUDGET**

STAFFING BY DEPT/DIVISION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Administration	9	7	7	7
Resource Development				2
Recreation Center/Natatorium (RC/N)	55	55	63	63
Westside Events Center (WEC)	3	3	3	3
Parks Maintenance West	15	15	15	
Parks Maintenance (former Parks Mtce East)	16	16	15	27
Custodial Services*	4	3	3	
Facilities Maintenance	6	6	4	
Athletics	6	6	6	6
Special Events	1	1	1	1
Senior Program	5	5	5	5
Youth Development	5	5		
Aquatics	5	5	4	4
Recycling	6	6	6	6
PARKS & RECREATION TOTAL	136	133	132	124

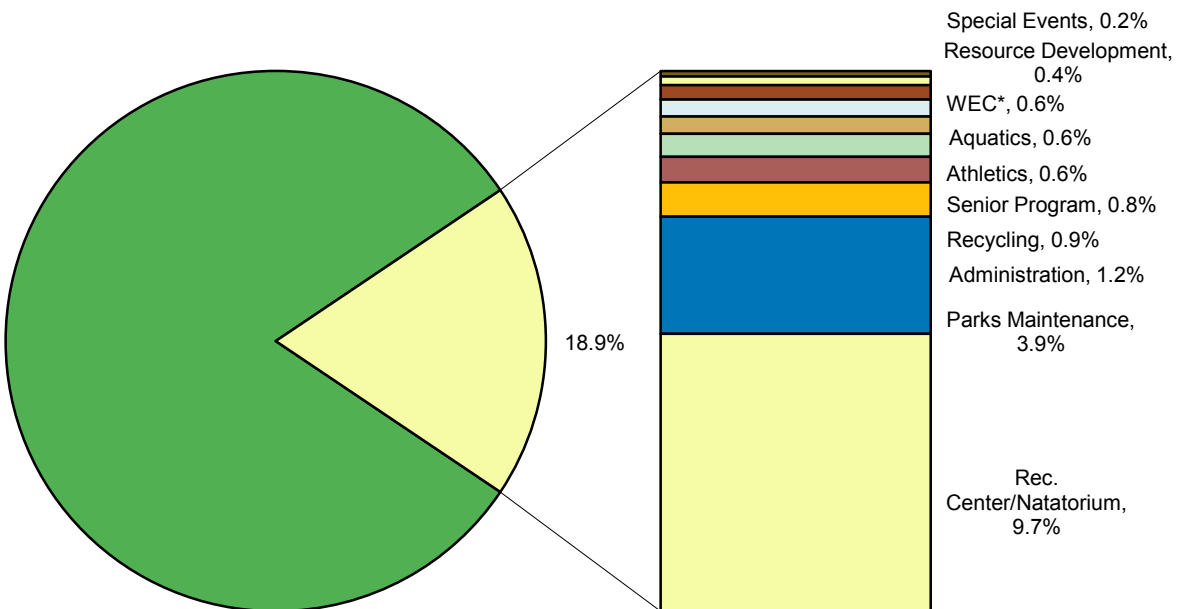
*In FY14, Youth Development personnel and a Building Technician were moved to the Recreation/Natatorium (RC/N) department, 3340; in addition, two Building Maintenance positions were reduced to one Building Technician position and the Aquatics Manager position was increased to two positions in the RC/N. One Parks Maintenance position has been eliminated for FY 2015 and the Facilities and Custodial Services and Parks Maintenance West/ROW/Mowing departments moved to Public Works, along with two Parks Maintenance Workers. The remaining personnel in Parks Maintenance West were moved to Parks Maintenance to accommodate the new Parks.



**Parks & Recreation
as % of General Operating Expenditures
FY 2015**



**Parks & Recreation
as % of General Fund Personnel
FY 2015**



PARKS & RECREATION – 3340-3397

OVERVIEW

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

Key Budget Items for FY 2015 include:

- ◆ Funding to replace the weight room floor in the Recreation Center - \$34,047
- ◆ Funding for Capital Projects O&M for Shadow Creek Sportsplex and Centennial Park - \$146,761
- ◆ New recreation software - \$30,735
- ◆ Replacement of hazardous waste lockers at the Recycling Center - \$4,000
- ◆ In the Park Development Fund, \$100,000 is budgeted for Centennial Park, \$18,532 for other improvements in Parks, \$38,000 and \$31,100 for a wood-chipper and trees for Shadow Creek Ranch Park.

GOALS

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

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Created a Playground Management Plan
- ◆ Began the 5 year update to the Parks & Recreation Master Plan
- ◆ Worked with citizens to create Forever Parks Foundation of Pearland
- ◆ Replaced transportation bus for Senior program
- ◆ Added shade structures and/or site amenities at 4 different parks
- ◆ Reestablished the walking trail in Woody Park
- ◆ Acquired a glass crusher at the Recycling Center

FISCAL YEAR 2015 OBJECTIVES

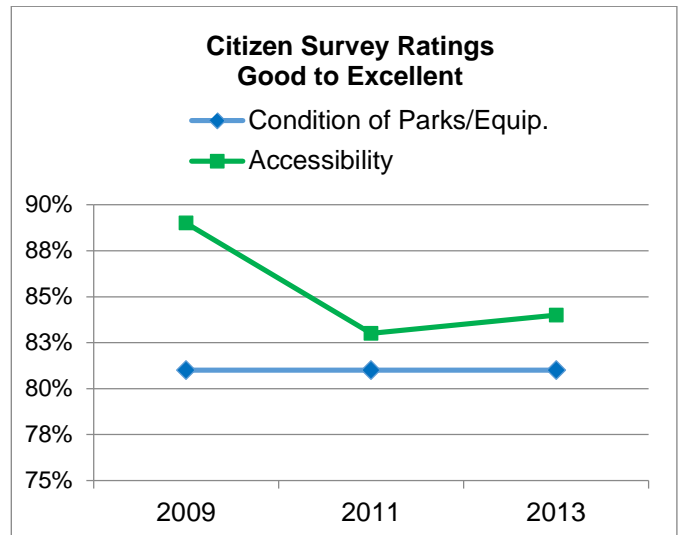
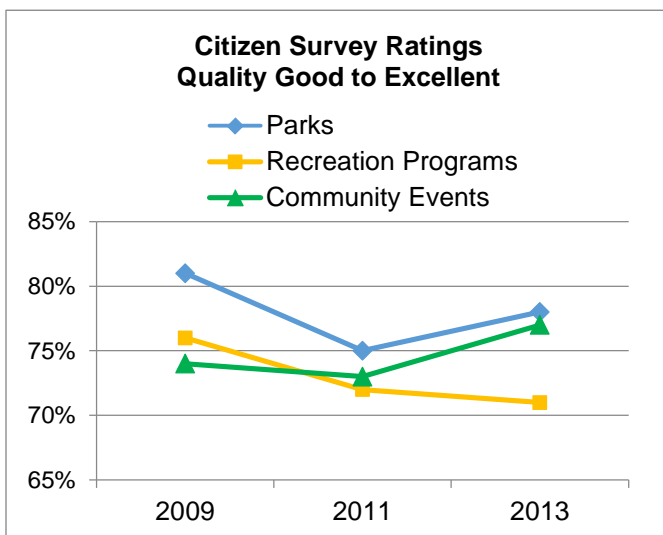
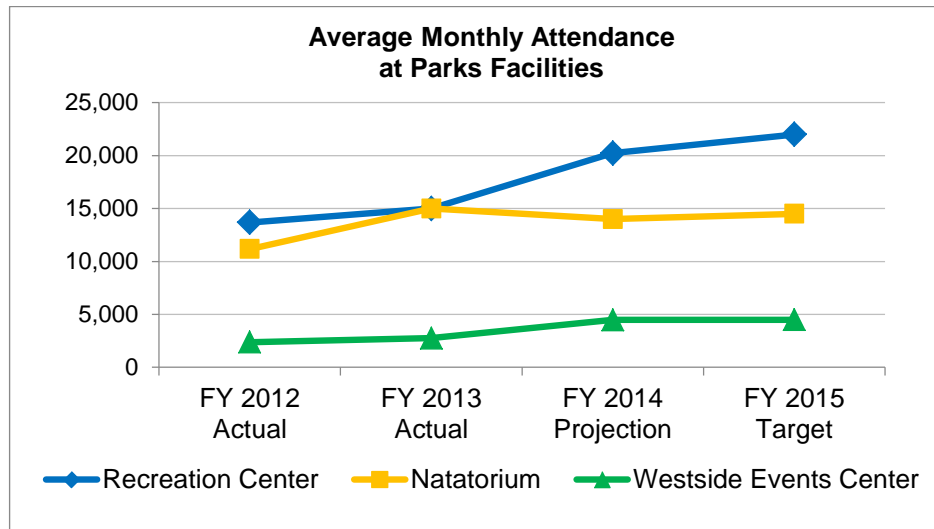
- ◆ Complete construction and begin operations of additional park facilities
- ◆ Begin design of additional parks and facilities
- ◆ Review and suggest updates to the UDC on tree related issues and ordinances
- ◆ Research and review Park Dedication Ordinance and make recommendations for changes
- ◆ Develop a service development and delivery model for recreation programs
- ◆ Complete Parks & Recreation Master Plan and incorporate into 5-year CIP



PARKS & RECREATION – 3340-3397

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Average Monthly Visitors:				
Recreation Center	13,687	15,000	20,224	22,000
Natatorium	11,177	15,000	14,000	14,500
Westside Events Center	2,378	2,750	4,472	4,500
Tons of material recycled (at Recycling Center)	682	711	777	800



**WATER AND SEWER FUND - 30
FY 2015 ADOPTED BUDGET**

OVERVIEW

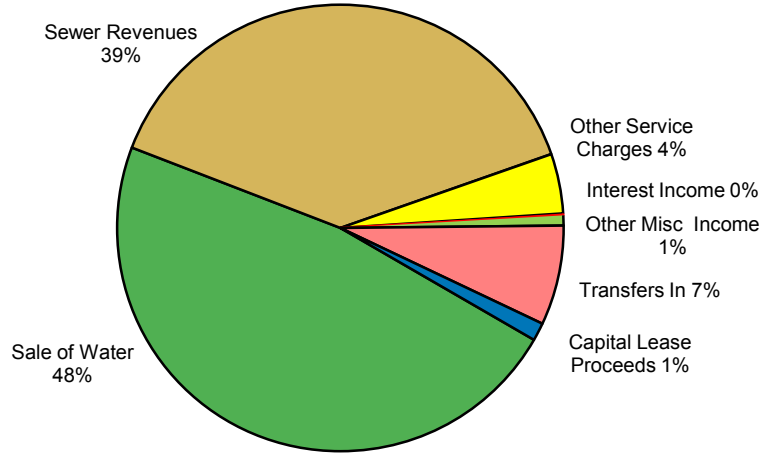
The Water & Sewer Fund is an enterprise fund that includes water and sewer system operations. The fund is operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The City provides water and sewer service to approximately 34,500 residential and commercial customers. Water & Sewer revenues provide 86% of the total revenue generated in the Water & Sewer Fund. As such, the City of Pearland continually monitors and evaluates the need to adjust water and sewer rates in order to ensure that the fund is self-supporting, that infrastructure rehabilitation is adequate, and that all bond covenants are in compliance. For fiscal year 2015, a water or sewer revenue increase of 4.63% is required to meet the needs of the system.

	FY 2013 ACTUAL	FY 2014 AMENDED BUDGET	FY 2014 YEAR END PROJECTION	FY 2015 ADOPTED BUDGET
REVENUES				
SALE OF WATER	15,530,374	15,863,713	15,550,759	16,909,444
SEWER REVENUES	11,987,587	12,450,772	12,611,309	13,801,224
OTHER SERVICE CHARGES	1,489,515	1,361,586	1,447,980	1,539,728
INTEREST INCOME	37,354	41,150	80,960	48,700
OTHER MISCELLANEOUS INCOME	672,107	235,828	313,521	257,800
TRANSFERS IN	2,509,500	2,428,835	2,483,836	2,568,222
CAPITAL LEASE PROCEEDS				458,000
TOTAL	32,226,438	32,381,884	32,488,364	35,583,118
EXPENSES				
PUBLIC WORKS				
ADMINISTRATION				487,849
LIFT STATIONS	901,210	1,038,427	1,055,744	1,645,383
WASTEWATER TREATMENT	3,795,774	4,342,681	4,929,313	4,445,055
WATER PRODUCTION	6,334,431	8,236,300	8,202,045	8,496,521
DISTRIBUTION & COLLECTION	2,169,471	2,223,746	2,228,510	2,759,088
CONSTRUCTION	1,054,607	1,051,884	1,034,829	1,058,769
IT - GIS	244,451	248,134	247,952	243,121
WATER METER SERVICES				1,456,022
ROW MOWING				428,666
UTILITY BILLING & COLLECTIONS	2,712,671	2,538,277	2,054,519	1,342,418
OTHER REQUIREMENTS	13,543,857	12,193,480	12,061,801	14,654,216
TOTAL	30,756,471	31,872,929	31,814,713	37,017,108
REVENUES OVER/(UNDER) EXPENSES	1,469,967	508,955	673,651	(1,433,990)
Beginning Cash Equivalents	11,931,087	13,401,054	13,401,054	14,074,705
Reserve for Debt Service	1,568,545	1,332,548	1,929,503	2,278,256
Ending Cash Equivalents	\$11,832,509	\$12,577,461	\$12,145,202	\$10,362,459
Bond Coverage - 1.4			1.43	1.56
Cash Reserve Ratio - 25%			38%	28%



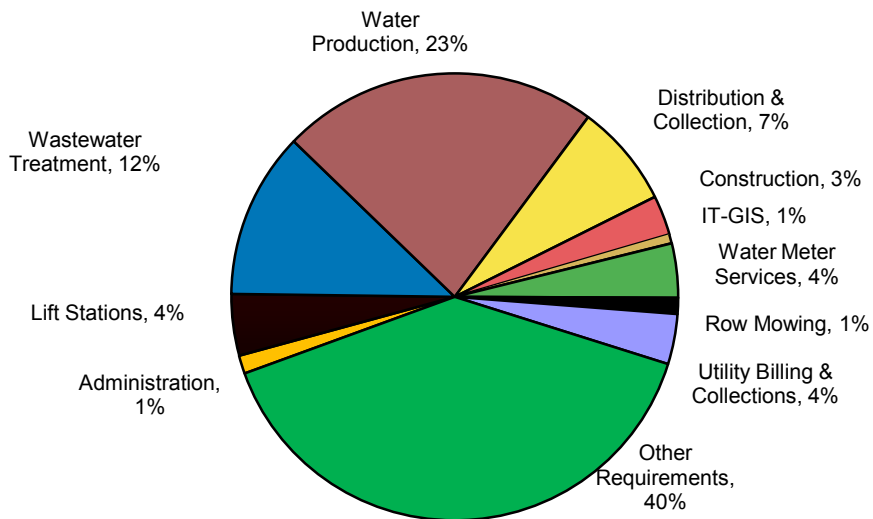
**WATER & SEWER FUND SUMMARY
FY 2015 ADOPTED BUDGET**

TOTAL REVENUES - \$35.6M



**WATER & SEWER FUND SUMMARY
FY 2015 ADOPTED BUDGET**

TOTAL EXPENSES - \$37.0



**WATER & SEWER FUND
REVENUE & EXPENSE SUMMARY
FY 2015 ADOPTED BUDGET**

FISCAL YEAR 2013-2014

Projected revenues of \$32,488,364 are \$106,480, or 0.33%, more than planned and \$261,927, or 0.81%, greater than the fiscal year 2013 actual of \$32,226,438. Sale of water is projected to be slightly less than the amended budget by \$313 thousand due to more frequent rainfall and lower consumption of irrigation use, which is billed at a higher rate per thousand, offset by higher than budgeted sewer revenues by \$160 thousand. Water tap fees for new development is higher by \$110 thousand, miscellaneous revenue by \$31 thousand, sale of property from old pipe and equipment \$45 thousand, interest income \$39 thousand, and transfer-in from fund 67 for warranty on UV system at Far Northwest WWTP \$55 thousand.

Fiscal Year 2014 expenses are anticipated to be \$31,814,713. This is \$58,216 less than the amended budget of \$31,872,929, and is \$1,058,242 higher than the fiscal year 2013 actual. Projected expenditures, though less than the amended budget, saw a significant increase in Wastewater Treatment due to problems with the dewatering equipment at the Far Northwest WWTP resulting in additional volume in sludge hauling. This was mostly offset by a decrease in Billing and Collections for the water meter replacement program. Ending balance at 9/30/14 is estimated to be \$12,145,202; with a 38% cash reserve ratio and a bond coverage of 1.43.

FISCAL YEAR 2014-2015

Fiscal Year 2015 revenues total \$35,583,118, a \$3,094,754 increase from the fiscal year 2014 projections and a \$3,201,234 increase from fiscal year 2014 amended budget. Water and sewer charges increased by \$2,548,601, or 9.05%, over the 2014 projections. This is mainly due to an anticipated revenue increase of 4.63% which generates an additional \$1,358,432 in revenues and an increase in customers.

Fiscal year 2015 expenses total \$37,017,108 and include annual debt service payments of \$10.69 million. Expenses are \$5,202,395 or 16.35%, higher than the fiscal year 2014 projections and are \$5,144,179, or 16.14%, higher than the amended budget.

Enhancements to the budget total \$4.8 million, \$1.3 million recurring and \$3.5 million non-recurring, an increase of \$678 thousand over fiscal year 2014. Enhancements include funding for one Wastewater Treatment Utility Inspector with vehicle (\$79,784), auto dialer alarm system (\$231,000), automatic priming centrifugal pump (\$40,000), lift station rehabilitation (\$500,000), sludge dewatering/hauling (\$525,000), interior lining for three ground storage tanks (\$400,000), pigging of water lines (\$300,000), analyze and improve SCADA System (\$100,000), painting of exterior piping at water facilities (\$59,000), replacement of two Ford F350's with F450's (\$120,470), Vactor Truck (\$459,026), Romac Quick Valve insertion machine (\$65,422), Model DC 100M Pump on trailer (\$42,072), TopCon X62 2D Laser Excavator System (\$45,770), two Trail King TK40LP Trailer (\$58,332), Longwood Street Manhole Rehabilitation (\$159,600), backbone to wireless read system (\$304,790), and pro-rata share of replacement ERP (\$802,797).

The budget anticipates a water/sewer bond sale of \$2.14 million to fund infrastructure improvements. Annual debt service on these bonds would not occur until fiscal year 2016.

Available ending balance at 9/30/2015 is expected to be \$10,362,459 after a drawdown of \$1,433,990. Bond coverage is 1.56 and cash reserves are 28%.



**WATER & SEWER FUND
REVENUE
FY 2015 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY 2013 ACTUAL	FY 2014 AMENDED BUDGET	FY 2014 YEAR END PROJECTION	FY 2015 ADOPTED BUDGET
030-0000-353.04-02	Water Sales	15,530,374	15,863,713	15,550,759	16,909,444
030-0000-353.04-03	Sewer Charges	11,987,587	12,450,772	12,611,309	13,801,224
030-0000-353.04-04	Sanitation Billing Fee	352,482	368,316	366,594	376,752
030-0000-353.04-07	Connection Fee	165,288	158,000	158,000	162,740
030-0000-353.04-09	Water Tap Fee	408,237	301,760	412,000	475,965
030-0000-353.04-10	Sewer Tap Fee	7,712	7,700	14,500	14,500
030-0000-353.04-11	Late Payment Fee	464,253	455,000	430,000	443,000
030-0000-353.04-12	Meter Set Fee	2,400	1,800	5,025	3,600
030-0000-353.04-13	Curb Stop Replacement Fee	161	160	161	161
030-0000-353.04-14	Reconnect Fee	55,925	36,000	27,000	27,810
030-0000-353.04-15	Grease Trap Fee	32,500	32,750	34,500	35,000
030-0000-353.04-99	Miscellaneous	557	100	200	200
*CHARGES FOR SERVICE		29,007,477	29,676,071	29,610,047	32,250,396
030-0000-356.00-00	Interest Income	39,639	41,150	80,960	48,700
030-0000-356.06-00	Unrealized Capital Gain	(2,285)			
*INTEREST		37,354	41,150	80,960	48,700
030-0000-358.10-00	Recycle	141,038	132,000	135,000	135,000
030-0000-358.12-00	NSF Fees	10,175	9,600	7,800	8,300
030-0000-358.15-00	Sale of Property	20,103	9,150	54,122	9,000
030-0000-358.98-00	Reimbursements	43,674		413	
030-0000-358.99-00	Miscellaneous	290,994	85,078	116,186	105,500
030-0000-358.99-01	MUD Annexation	166,122			
*MISCELLANEOUS		672,107	235,828	313,521	257,800
030-0000-359.11-00	From Fund 42	1,554,226	1,568,732	1,568,733	1,709,713
030-0000-359.12-00	From Fund 44	736,313	624,612	624,612	623,018
030-0000-359.23-00	From Fund 67			55,000	
030-0000-359.99-00	From Fund 10	218,961	235,491	235,491	235,491
*INTERFUND TRANSFERS		2,509,500	2,428,835	2,483,836	2,568,222
030-0000-360-03-00	Capital Lease Proceeds				458,000
*CAPITAL PROCEEDS					458,000
TOTAL		32,226,438	32,381,884	32,488,364	35,583,118



**ENTERPRISE (WATER & SEWER) FUND - 30
EXPENSE AND STAFFING SUMMARY
FY 2015 ADOPTED BUDGET**

EXPENSES BY DEPT/DIVISION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Public Works Operations Administration				487,849
Lift Stations	901,210	1,038,427	1,055,744	1,645,383
Wastewater Treatment	3,795,774	4,342,681	4,929,313	4,445,055
Water Production	6,334,431	8,236,300	8,202,045	8,496,521
Distribution & Collection	2,169,471	2,223,746	2,228,510	2,759,088
Construction	1,054,607	1,051,884	1,034,829	1,058,769
GIS	244,451	248,134	247,952	
Water Meter Services				1,456,022
ROW Mowing				428,666
Sub-Total Public Works	14,499,943	17,141,172	17,698,393	20,777,353
IT - GIS				243,121
Utility Billing & Collections	2,712,671	2,538,277	2,054,519	1,342,418
Other Requirements	13,543,857	12,193,480	12,061,801	14,654,216
WATER & SEWER FUND TOTAL	30,756,471	31,872,929	31,814,713	37,017,108

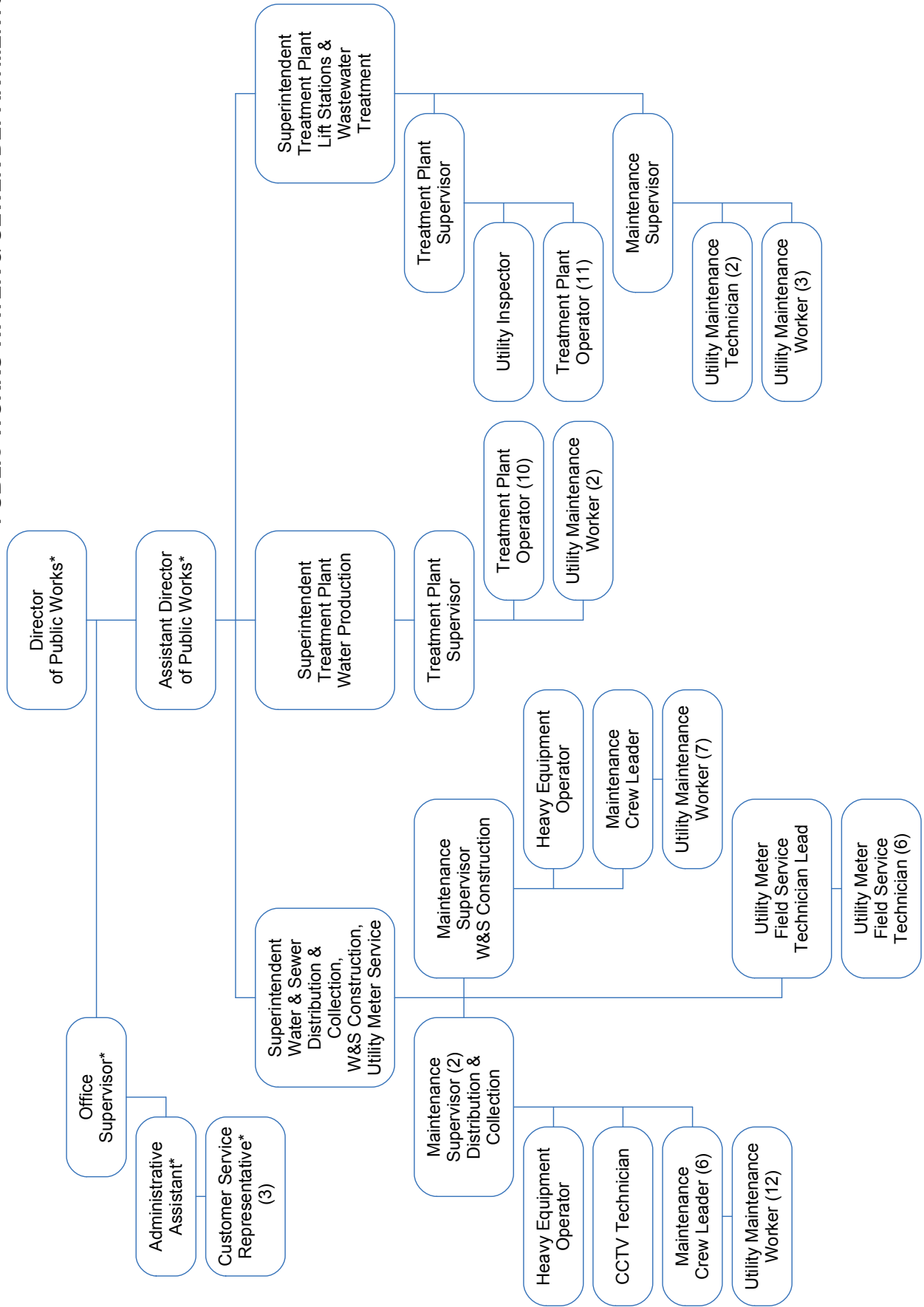
EXPENSES BY CATEGORY	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Salaries & Wages	5,042,612	5,720,323	5,617,509	6,241,177
Materials & Supplies	6,208,080	6,356,402	6,159,950	6,573,500
Building Maintenance	35,766	143,662	143,662	81,350
Equipment Maintenance	1,629,928	1,972,309	2,021,068	1,880,356
Miscellaneous Services	4,008,935	4,760,177	5,096,059	5,699,313
Inventory	27,774	123,561	119,363	64,395
Transfers/Other Charges	13,214,082	11,877,442	11,808,180	13,705,706
Capital Outlay	589,293	919,053	848,922	2,771,311
WATER & SEWER FUND TOTAL	30,756,471	31,872,929	31,814,713	37,017,108

STAFFING BY DEPT/DIVISION	FY 2013 Actual	FY 2014 Amended Budget*	FY 2014 Year End Projection	FY 2015 Adopted Budget
Public Works Operations Administration				5.58
Lift Stations	9.0	10.0	10.0	7.0
Wastewater Treatment	14.75	14.75	14.75	15.0
Water Production	12.0	15.0	15.0	15.0
Distribution & Collection	27.5	27.5	27.5	23.0
Construction	13.0	13.0	13.0	10.0
GIS	3.0	4.0	4.0	
Water Meter Services				7.0
ROW Mowing				6.0
Sub-Total Public Works	79.3	84.3	84.3	88.6
IT - GIS				4.0
Utility Billing & Collections	21.0	23.0	22.0	15.0
WATER & SEWER FUND TOTAL	100.25	107.25	106.25	107.58

*Same as adopted budget, unless where noted.



PUBLIC WORKS WATER & SEWER DEPARTMENTS



*Director of Public Works reports to the Assistant City Manager
Positions are budgeted at 75% in the Water & Sewer Fund.

**PUBLIC WORKS
WATER & SEWER OPERATIONS – 4020-4080**

OVERVIEW

Within the Water and Sewer Fund, the Public Works Administration Department oversees Lift Stations, Wastewater Treatment, Water Production, Distribution and Collection, Construction, Water Meter Services and Public Works Water and Sewer Right of Way Mowing. The divisions funded in the Water and Sewer Fund manage the following:

Water

16 ground storage water tanks	6 elevated water towers and 11 wells
487 miles of water main	34,696 water connections
6.7 million gallons avg. produced daily	2.1 billion gallons purchased annually
35.7 million gallons maximum daily	2.3 billion gallons produced annually

Wastewater Treatment/Sewer

5 treatment plants	75 lift stations
7.6 million avg. gallons treated daily	12.6 million gallons capacity
400 miles sewer mains	

In addition to managing the above, the Lift Station division oversees the odor control operation and provides troubleshooting and programming to the SCADA system for this division. The Wastewater Treatment division provides sludge disposal services, laboratory testing, compliance documentation and reporting to maintain compliance with TCEQ regulations, and general plant maintenance and repairs. Water Production provides laboratory testing of water, collects water samples and submits reports to maintain compliance with TCEQ regulations, responds to residents' calls for services, and maintains water plant operations and maintenance. W&S Distribution and Collection conducts water and sewer repairs, sewer line inspections and preventive maintenance, as well as meter and ROW inspections, locates lines and responds to emergencies and residents' calls. The W&S Construction division repairs concrete after water and sewer repairs, repairs concrete for trip hazards and ADA compliance, installs water and sewer lines, manages sidewalk installation and provides assistance on City projects as needed. The Water Meter Services department field staff read and repair meters, turn on and off customer services, and provide replacement meters as needed. In FY 2010, the department implemented a Meter Change-Out and Testing Program which includes regularly scheduled testing of the meters and replacement of aging (10 years or older) and/or high-use meters to ensure that the meters function within accuracy limits according to AWWA Standards.

Key Budget Items for FY 2015 Include:

- ◆ Auto Dialer Alarm System (44) - \$231,000
- ◆ Lift Station Rehabilitation - \$500,000
- ◆ Utility Inspector w/Vehicle (grease traps & Pre-treatment) - \$79,784
- ◆ Sludge dewatering/hauling (Far Northwest WWTP) - \$525,000
- ◆ 25 Auto Flushers - \$107,400
- ◆ Interior Lining of GST's & EST's & HPT's Program - \$400,000
- ◆ Pigging of Water Lines (South East) - \$300,000
- ◆ Analyze and Improve SCADA System - \$100,000
- ◆ 2 Ford F350 Replacements with F450's - \$120,470
- ◆ Vacuum Truck - \$459,026
- ◆ Longwood Street Manhole Rehab - \$159,600

GOALS

- ◆ Provide efficient operation of the sanitary infrastructure by minimizing surcharges, overflows, and inflow and infiltration in the sanitary sewer system.
- ◆ Maintain the water distribution system in order to minimize the cost of water loss while maintaining a high standard of service.
- ◆ Identify water and sanitary lines that have outlived their expected life or are likely to fail, and replace or repair those lines as resources allow.



PUBLIC WORKS
WATER & SEWER OPERATIONS – 4020-4080

- ◆ Monitor the water distribution system to minimize water quality concerns while maintaining a high standard of service.
- ◆ Maintain water wells and pumping stations to reduce unplanned shutdowns and minimize maintenance costs.
- ◆ Protect the health of the public and the environment through proper treatment of wastewater, while maintaining compliance with state and federal agencies.
- ◆ Maintain all wastewater treatment facilities in order to reduce unplanned outages and minimize the cost of maintenance.
- ◆ Provide distinguished customer service by quickly and courteously responding to citizen complaints or requests, including requests from City departments.

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Installed 25 new water sampling stations for Water Production.
- ◆ Installed 20 new automatic water flushers to improve water quality for Water Production.
- ◆ Managed the Sewer Manhole Rehabilitation of 75 sewer manholes by a contract service.
- ◆ Water line maintenance was performed in Villages of Mary's Creek to improve water quality.
- ◆ Operated and maintained the water production system in accordance with TCEQ and EPA standards.
- ◆ Maintained awareness of all new state and federal law pertaining to potable water.
- ◆ Provided a high quality of customer service in a timely manner.
- ◆ Continued with a preventative maintenance program at water production facilities to ensure cost efficient operations.
- ◆ Revised the TWDB and TCEQ 5 year conservation and contingency plan.
- ◆ All accomplishments of this division were previously included in the summaries of divisions such as Streets and Drainage, Water and Sewer Construction and Lift Stations.
- ◆ Replaced 8" Lift Pump's at Barry Rose WWTP.
- ◆ Resealed 108 sewer manholes eliminating future I&I issues.
- ◆ Installed 550 feet of force main on Sterling Drive for a new residential property.
- ◆ Began work on installing approximately 3,500 feet of new 6 inch main water line in the Linwood Oaks Subdivision. This work also includes new water services for 74 residential homes.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Provide efficient operation of the sanitary infrastructure by minimizing surcharges, overflows, and inflow and infiltration in the sanitary sewer system.
- ◆ Maintain the water distribution system in order to minimize the cost of water loss while maintaining a high standard of service.
- ◆ Update the City's Water, Sanitary, Storm and Centerline and Lane Mile inventory as of September 25, 2015.
- ◆ Update the water meter(s) in the City as of September 25, 2015.
- ◆ Update the Street Lights in the City as of September 25, 2015.
- ◆ Rehabilitate 3 Ground Storage Tanks internally from FY14 and 2 Elevated and 1 Ground Storage Tank.
- ◆ Complete SCADA updates at all of our production facilities.
- ◆ Decommission the Old City Hall well and storage facility.
- ◆ Integrate the Facility Maintenance, Custodial Services, Water Meter Services, Traffic Operations and newly created Right of Way divisions into the Public Works department so as to provide improved service to city residents and city staff.
- ◆ Work with the Projects Department during construction of a regional sanitary lift station to replace the Walnut lift station and decommission existing station.
- ◆ Assist in the construction of the new Walnut Regional lift station and demolition of existing lift station.
- ◆ Somersetshire lift station to be decommissioned and gravity flow to South Hampton lift station.
- ◆ Abandon West Oaks lift station and gravity flow to Harkey Rd., SWEC service area.
- ◆ Work with projects to eliminate up to four sanitary sewer lift stations in the Green Tee Subdivision and flow to the new Riverstone Ranch Lift Station.



**PUBLIC WORKS
WATER & SEWER OPERATIONS – 4020-4080**

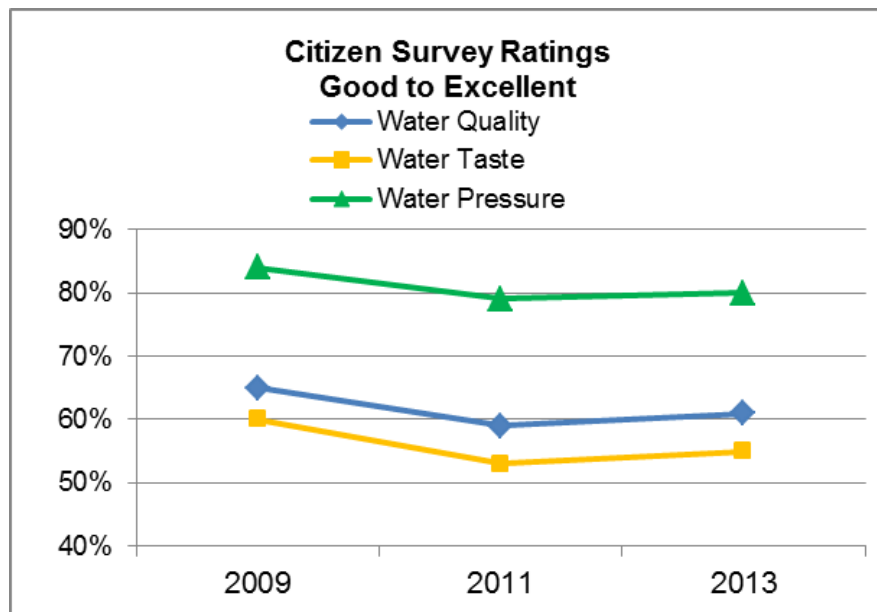
FISCAL YEAR 2015 OBJECTIVES (continued)

- ◆ Work with projects on the Longwood Wastewater sewer project to reroute lift stations (Mary's Creek, Parkview, Liberty, and Pirate's Alley) force main to Pearland Parkway and Magnolia.
- ◆ Install auto flushers to improve water quality.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Number of fire hydrants per sq. mile in City limits	99	103	107	107
Water produced	2,916	2,859	2,470	2,500
Water purchased	1,321	1,816	2,133	2,100
Average water flows	194	207	230	230
Percent of time Wastewater plants (2 of 5 plants) over 75% of capacity*	5%	23%	27%	27%

*Plants are included as projects in the 5-year Capital Improvement Plan.



INFORMATION SYSTEMS WATER & SEWER IT-GIS – 4186

OVERVIEW

Water and Sewer GIS is a division of the Information Systems Department and is responsible for providing, managing, maintaining, and effectively utilize accurate, reliable and consistent geospatial data of the City's infrastructure.

- ◆ **Key Budget Items for FY 2015 include:**
- ◆ No significant changes

GOALS

- ◆ Use GIS/GPS technologies wherever possible to continuously improve efficiency and increase productivity across the City.
- ◆ Maintain, update and expand the digital mapping systems of the City's infrastructure.
- ◆ Provide timely, accurate, and meaningful GIS/GPS data.
- ◆ Convert and integrate available data into a standard format to import into a centralized database.
- ◆ Produce informative maps, reports, and digital graphics, and assist with presentation of geographic information.
- ◆ Utilize GPS equipment for data acquisition and analysis.
- ◆ Maintain Public Works as-built/record drawing library.

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Completed the Evacuation Plans for the City's facilities, in coordination with the Fire Marshal's Office.
- ◆ Completed the update for the Mapping Grade GPS data.
- ◆ Completed the City's Storm System, into GIS. (Existing as of 8/14)
- ◆ Initiated and completed the City's walking trails into GIS data collection. Completed
- ◆ Research 3D software for use with GPS data. (Reviewing various 3D software for practical use.)
- ◆ Completed the City Parks Amenity Study
- ◆ Compiled GIS/GPS points for the National Sign Plaza Kiosk Booklet Data
- ◆ Compiled GIS Booklet for the Right of Way Mowing Areas maintained by Contractors

FISCAL YEAR 2015 OBJECTIVES

- ◆ Update the City's Water, Sanitary, Storm and Centerline and Lane Mile inventory as off September 25, 2015
- ◆ Initiate a track able management program for field and office
- ◆ Update the water meter(s) in the City as off September 25, 2015
- ◆ Update the Street Lights in the City as off September 25, 2015
- ◆ Train Field personnel to perform basic data entry into ArcMap.
- ◆ Provide more advance training for GPS Specialist on interpreting Engineering Plans
- ◆ GPS Specialist to perform more on-site training for GPS Field Personnel

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
GPS points acquired*	44,738	62,000	44,054**	52,500
Number of as-built drawings incorporated into system	553	557	564	568

*GPS points represent items/miles updated on GIS maps, such as miles of water & sewer lines, items such as fire hydrants, manholes, storm/sewer inlets, etc.

**Staff shortage during this year.



FINANCE
UTILITY CUSTOMER SERVICE - 4145

OVERVIEW

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

Key Budget Items for FY 2015 Include:

- ◆ Wireless Read System (Backbone only) - \$304,790
- ◆ Field Service personnel and associated expenses related to meter reading, sales, testing and change-out moved to new division under Public Works

GOALS

- ◆ Timely and accurate meter reads, for billing and financial integrity.
- ◆ Ensure accurate accounting of all revenues from the billing generated.
- ◆ Maintain high collection rate and continue to lower the delinquency rate by service discontinuation collection policies.
- ◆ Provide excellent customer service to internal and external customers.
- ◆ Update and maintain COP Utility Billing web information.
- ◆ Identify Missing Accounts and Monitor delinquent accounts and place liens as appropriate.

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ Identified over 800 zero read MIUs or meters throughout the City to be verified for replacement.
- ◆ Tested 201 large meter ranging from 2 -10 inches.
- ◆ Online bill payments or bank draft increased by 5% percent.
- ◆ Lowered number of service disconnections for delinquent accounts.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Continue timely termination of water service due to account delinquency.
- ◆ New meter read backbone system change out to wireless ready.
- ◆ Continue to increase customer service rating as shown on City Survey.
- ◆ Continue to review policies and procedures for improvement to ensure clean information in Customer Information System for billing and information

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
2013 Citizen Survey respondents were satisfied or very satisfied with service received from Utility Services office		90%		
Annual meter reads	364,424	370,755	392,000	393,000
Customer complaints received (by City only)	322	406	330	300
Percent of payments processed on-line	49.5%	46.4%	50.1%	50.3%
Number of cut-offs	3,878	1,979	1,730	1,700
Percent of accounts cut-off	6.7%	6.0%	3.3%	3.0%



**ENTERPRISE FUND DEBT MATURITY SCHEDULE
2014-2015**

**ENTERPRISE FUND DEBT
REVENUE BONDS**

Year	Principal	Interest	Total
2014-2015	3,725,000	4,739,786	8,464,786
2015-2016	3,920,000	4,626,828	8,546,828
2016-2017	4,090,000	4,470,633	8,560,633
2017-2018	4,250,000	4,313,430	8,563,430
2018-2019	4,425,000	4,147,309	8,572,309
2019-2020	4,610,000	3,973,587	8,583,587
2020-2021	4,870,000	3,784,577	8,654,577
2021-2022	5,080,000	3,576,639	8,656,639
2022-2023	5,305,000	3,360,039	8,665,039
2023-2024	4,485,000	3,132,788	7,617,788
2024-2025	4,750,000	2,926,093	7,676,093
2025-2026	6,485,000	2,702,368	9,187,368
2026-2027	6,795,000	2,392,905	9,187,905
2027-2028	7,130,000	2,068,194	9,198,194
2028-2029	7,465,000	1,742,732	9,207,732
2029-2030	7,780,000	1,435,194	9,215,194
2030-2031	8,105,000	1,112,813	9,217,813
2031-2032	4,155,000	776,163	4,931,163
2032-2033	4,365,000	580,469	4,945,469
2033-2034	4,570,000	384,331	4,954,331
2034-2035	1,700,000	178,431	1,878,431
2035-2036	895,000	110,062	1,005,062
2036-2037	935,000	78,306	1,013,306
2037-2038	605,000	45,131	650,131
2038-2039	640,000	23,200	663,200
TOTAL	111,135,000	56,682,006	167,827,081

**GENERAL OBLIGATION
& REFUNDING SERIES**

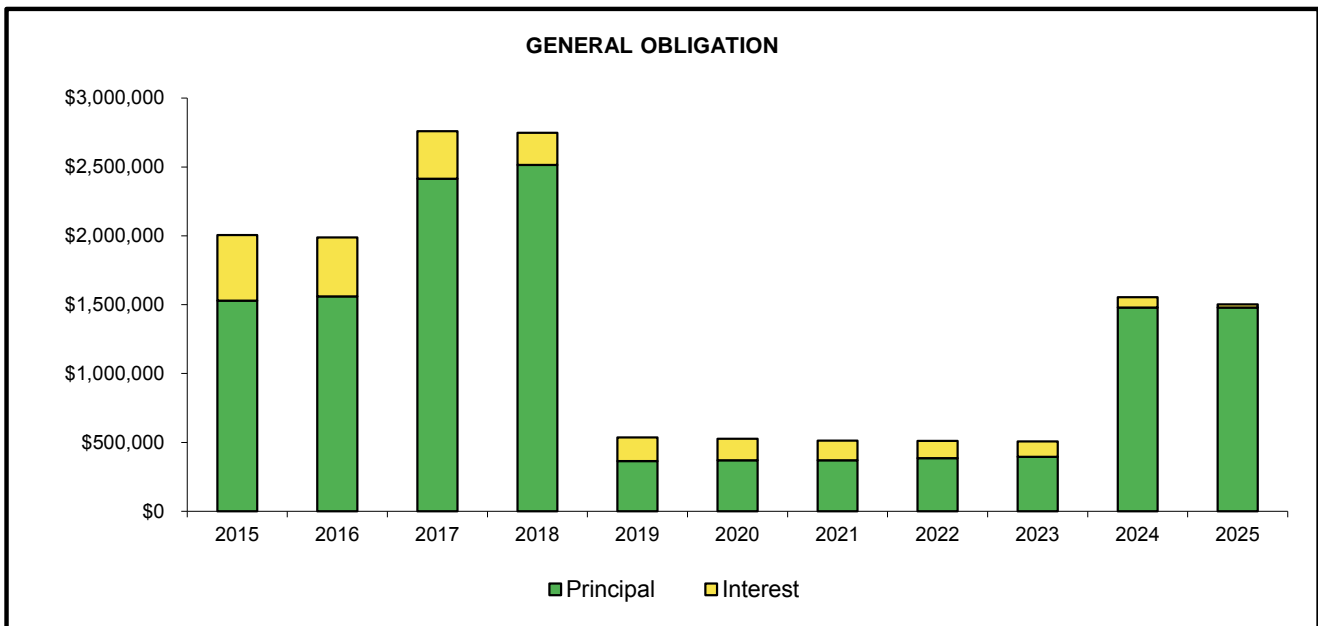
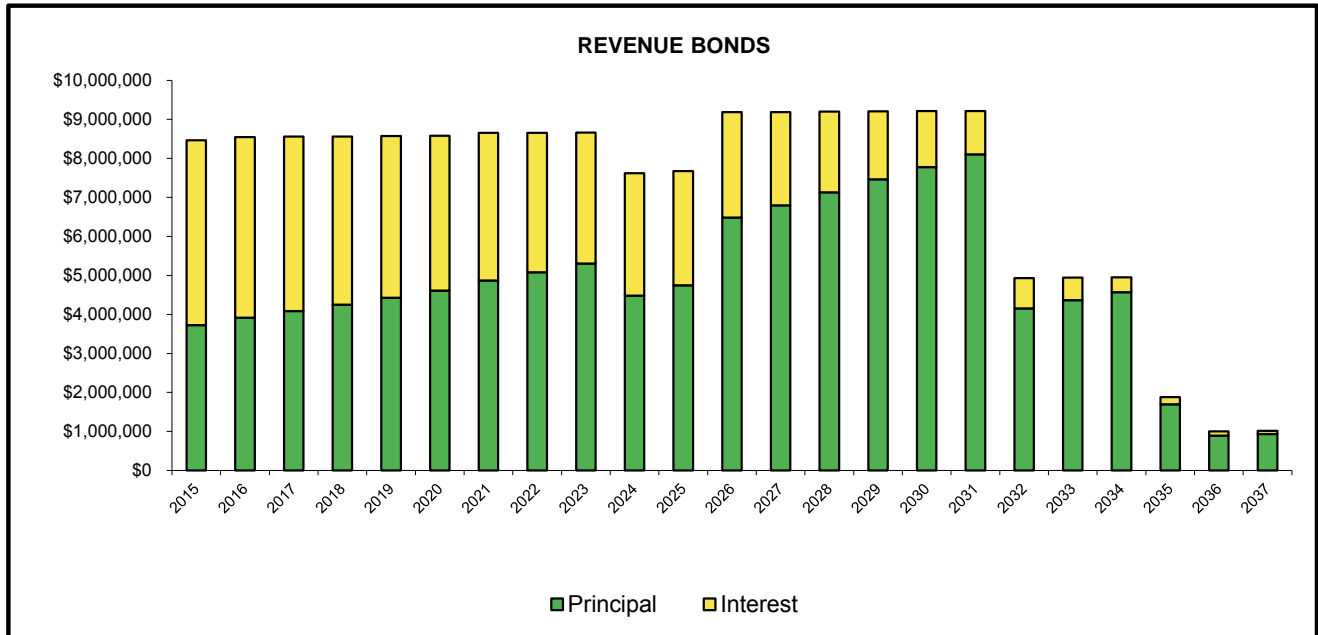
Year	Principal	Interest	Total
2014-2015	1,530,000	474,813	2,004,813
2015-2016	1,560,000	427,900	1,987,900
2016-2017	2,415,000	344,000	2,759,000
2017-2018	2,515,000	232,188	2,747,188
2018-2019	365,000	171,700	536,700
2019-2020	370,000	157,000	527,000
2020-2021	370,000	142,200	512,200
2021-2022	385,000	127,100	512,100
2022-2023	395,000	111,500	506,500
2023-2024	1,480,000	74,000	1,554,000
2024-2025	1,480,000	22,200	1,502,200
2025-2026			
2026-2027			
2027-2028			
2028-2029			
2029-2030			
2030-2031			
2031-2032			
2032-2033			
2033-2034			
2034-2035			
2035-2036			
2036-2037			
2037-2038			
2038-2039			
TOTAL	12,865,000	2,284,600	15,149,600

<u>Series Name</u>	<u>Principal Amount Outstanding</u>
General Obligation Improvement and Refunding Bonds 2009*	6,635,000
Water & Sewer Revenue Bonds Series 1999	2,580,000
Water & Sewer Revenue Bonds Series 2006	10,170,000
Water & Sewer Revenue Bonds Series 2007	35,705,000
Water & Sewer Revenue Bonds Series 2008	13,690,000
Water & Sewer Revenue Bonds Series 2009	11,340,000
Water & Sewer Revenue Bonds Series 2010A	12,505,000
Water & Sewer Refunding Bonds Series 2010B	7,875,000
Permanent Improvement Refunding Bonds Series 2012*	6,230,000
Water & Sewer Revenue Bonds Series 2012	8,060,000
Series 2014 Revenue Bond	9,210,000
TOTAL	124,000,000

* Excluding portion associated with General Fund

** Excludes new debt anticipated to be issued in 2015.

**ENTERPRISE FUND DEBT TO MATURITY
2014-2015**



** Excludes new debt anticipated to be issued in 2015.



**ENTERPRISE FUND DEBT SERVICE SCHEDULE
FY 2015 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/15
3/1/2015	Series 1999 Revenue Bond	4,000,000		59,340	59,340	
9/1/2015			135,000	59,340	194,340	
	Fiscal Year Total		135,000	118,680	253,680	2,445,000
3/1/2015	Series 2006 Revenue Bond	13,295,000		249,760	249,760	
9/1/2015			710,000	249,759	959,759	
	Fiscal Year Total		710,000	499,519	1,209,519	9,460,000
3/1/2015	Series 2007 Revenue Bond	40,135,000		809,706	809,706	
9/1/2015			965,000	809,707	1,774,707	
	Fiscal Year Total		965,000	1,619,413	2,584,413	34,740,000
3/1/2015	Series 2009 Permanent Improvement	11,660,000	1,195,000	129,325	1,324,325	
9/1/2015	and Refunding Bonds*			114,388	114,388	
	Fiscal Year Total		1,195,000	243,713	1,438,713	5,440,000
3/1/2015	Series 2008 Revenue Bond	14,950,000		320,608	320,608	
9/1/2015			275,000	320,608	595,608	
	Fiscal Year Total		275,000	641,215	916,215	13,415,000
3/1/2015	Series 2009 Revenue Bond	13,130,000		273,681	273,681	
9/1/2015			385,000	273,681	658,681	
	Fiscal Year Total		385,000	547,363	932,363	10,955,000
3/1/2015	Series 2010A Revenue Bond	14,040,000		249,291	249,291	
9/1/2015			405,000	249,291	654,291	
	Fiscal Year Total		405,000	498,581	903,581	12,100,000
3/1/2015	Series 2010B Refunding Bond	8,970,000		144,772	144,772	
9/1/2015			355,000	144,772	499,772	
	Fiscal Year Total		355,000	289,544	644,544	7,520,000
3/1/2015	Permanent Improvement and	6,230,000	335,000	118,900	453,900	
9/1/2015	Refunding Bond Series 2012*			112,200	112,200	
	Fiscal Year Total		335,000	231,100	566,100	5,895,000
3/1/2015	Series 2012 Revenue Bond	8,670,000		112,578	112,578	
9/1/2015			345,000	112,578	457,578	
	Fiscal Year Total		345,000	225,155	570,155	7,715,000
3/1/2015	Series 2014 Revenue Bond	9,210,000		136,508	136,508	
9/1/2015			150,000	163,809	313,809	
	Fiscal Year Total		150,000	300,317	450,317	9,060,000
	TOTAL	144,290,000	5,255,000	5,214,599	10,469,598	118,745,000

*Excludes General Fund Component

** Excludes new debt anticipated to be issued in 2015.

**ENTERPRISE FUND DEBT SERVICE SCHEDULE
FY 2015 ADOPTED BUDGET**

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As Of 9/30/15	Annual	Requirements	
Water & Sewer Revenue Bond Series 1999	4.60%	1999 2020	4,000,000	2,445,000	3/1/2015 9/1/2015 9/1/2015	59,340 59,340 135,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2006	4.5%,4.3%,4.375%,4.625% 4.75%,5.00%,5.125% 4.88%	2006 2031	13,295,000	9,460,000	3/1/2015 9/1/2015 9/1/2015	249,760 249,759 710,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2007	5.5%, 5.25%, 5%, 4.5% 3.5%,4.48%	2007 2031	40,135,000	34,740,000	3/1/2015 9/1/2015 9/1/2015	809,706 809,707 965,000	Interest Interest Principal
Permanent Imp and Refunding Bonds 2009*	2.00%, 2.50%, 2.75% 5%,4.%	2009 2018	11,660,000	5,440,000	3/1/2015 3/1/2015 9/1/2015	129,325 1,195,000 114,388	Interest Principal Interest
Water & Sewer Revenue Bond Series 2008	3.25%,4.125%,4.2%, 4.5% 4.3%,5%,4.67%	2008 2034	14,950,000	13,415,000	3/1/2015 9/1/2015 9/1/2015	320,608 320,608 275,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2009	1.6%,2.05%,2.13%,2.45% 2.64%,2.86%,3.08%,3.35% 3.60%,3.85%,4.10%,4.45% 4.65%,4.81%,5.00% 5.07%,5.23%,5.27%,5.39% 5.45%,5.60%,5.64%,4.9%	2009 2034	13,130,000	10,955,000	3/1/2015 9/1/2015 9/1/2015	273,681 273,681 385,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2010A	1.75%,2.0%,2.50%,3.0% 3.13%,3.25%,3.50,4.00% 4.250%, 4.375%, 4.500% 4.08%	2011 2035	14,040,000	12,100,000	3/1/2015 9/1/2015 9/1/2015	249,291 249,291 405,000	Interest Interest Principal
Water & Sewer Refunding Bond Series 2010B	1.75%,2.00%,2.50%,3.00% 3.13%,3.25%,3.50,4.00% 4.13%,4.25%,4.38%,4.50% 3.69%	2011 2023	8,970,000	7,520,000	3/1/2015 9/1/2015 9/1/2015	144,772 144,772 355,000	Interest Interest Principal
Per. Improv. & Refunding Bond Series 2012*	3.0%,4.0%,5.0%,3.72%	2012 2025	6,230,000	5,895,000	3/1/2015 9/1/2015 9/1/2015	118,900 112,200 335,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2012	2.00%, 3.00%, 3.10% 3.25%, 3.375%, 3.5%, 3.625%,3.07%	2012 2037	8,670,000	7,715,000	3/1/2015 9/1/2015 9/1/2015	112,578 112,578 345,000	Interest Interest Principal
Water & Sewer Revenue Bond Series 2014	3.52%	2015 2039	9,210,000	9,060,000	3/1/2015 9/1/2015 9/1/2015	136,508 163,809 150,000	Interest Interest Principal
TOTAL			144,290,000	118,745,000		10,469,598	

*Excludes General Fund Component

** Excludes new debt anticipated to be issued in 2015.

SOLID WASTE – 31
SUMMARY OF REVENUES, EXPENSES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

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

The City's contract, awarded in 2006 was renewed in 2011, and with amendment in December 2013, expires September 30, 2012. The contract allows for service rates to adjust annually to the reported Consumer Price Index for the Houston MSA and allows for quarterly rate adjustments based on diesel fuel prices, up or down.

The fiscal year 2014 projection is based on the current rate of \$17.05 per household per month through June and a 1% increase for a fuel adjustment for July through September, at a rate of \$17.21 that is provided for automatically to support the contractor, Waste Management.

The fiscal year 2015 budget assumes a 2.8% increase in base rates based on CPI in April 2014 as well as growth in the customer base. No rate adjustments for fuel are included.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
<u>OPERATING REVENUES</u>				
Charges for Services	\$8,144,237	\$8,427,761	\$6,881,555	\$6,603,258
Miscellaneous	30,961	30,769	34,244	12,731
Interest Income	612	400	1,030	660
TOTAL	8,175,810	8,458,930	6,916,829	6,616,649
<u>OPERATING EXPENSES</u>				
Salary & Wages		40,506		
Material & Supplies	18	300		
Miscellaneous Services	8,323,767	6,815,112	4,784,132	4,634,758
Other Expenses	(17,473)	1,663,049	1,808,076	1,968,500
Inventory		1,968		
Infer-fund Transfers			146,794	
TOTAL	8,306,312	8,520,935	6,739,002	6,603,258
REVENUES OVER (UNDER) EXPENSES	(130,502)	(62,005)	177,827	13,391
BEGINNING CASH EQUIVALENTS	342,903	212,401	212,401	390,228
ENDING CASH EQUIVALENTS	\$212,401	\$150,396	\$390,228	\$403,619



SOLID WASTE – 31

GOALS

- ◆ Provide consistent quality service to residents and commercial businesses for the pick up of solid waste within the City of Pearland.
- ◆ Provide public education and awareness to residents and businesses as necessary.
- ◆ Reliable, quality service at the best price to our customers.
- ◆ Continuously improve customer service by promoting a customer-focused culture that is directly responsive to the residents of the City of Pearland.

FISCAL YEAR 2014 ACCOMPLISHMENTS

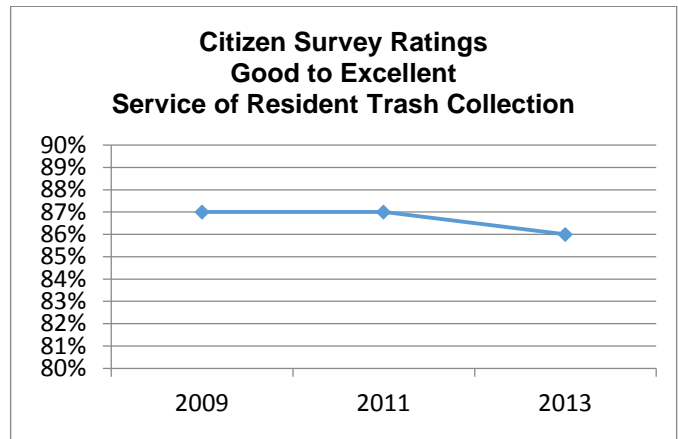
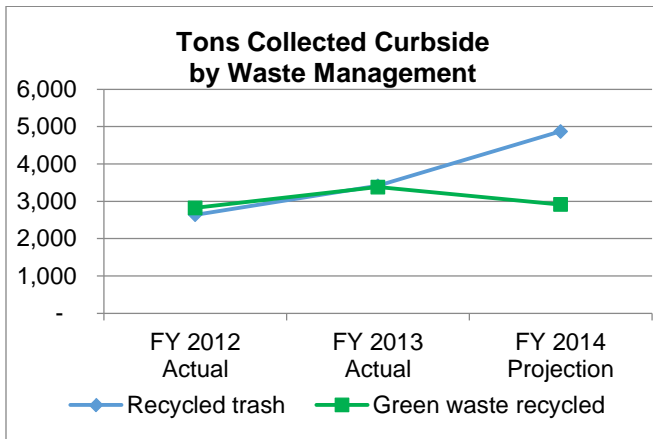
- ◆ Council approved changes to the City’s solid waste contact and the City implemented a 96-gallon cart recycling program.
- ◆ Transitioned billing and collecting of commercial accounts to the City’s contractor.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Re-route residential service, 30,000+ customers, for a more efficient, effective route.

PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projection	FY 2015 Target
Complaints as percent of total customers	1.3%	2.7%	1.8%	1.5%



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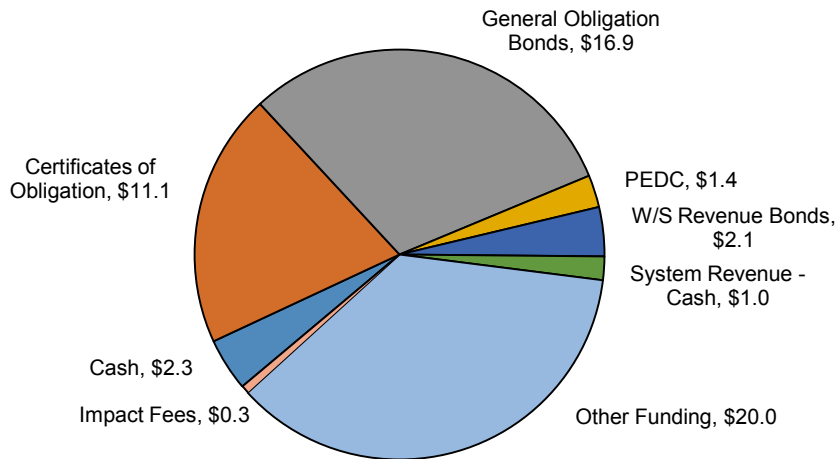
Capital Project Funds

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

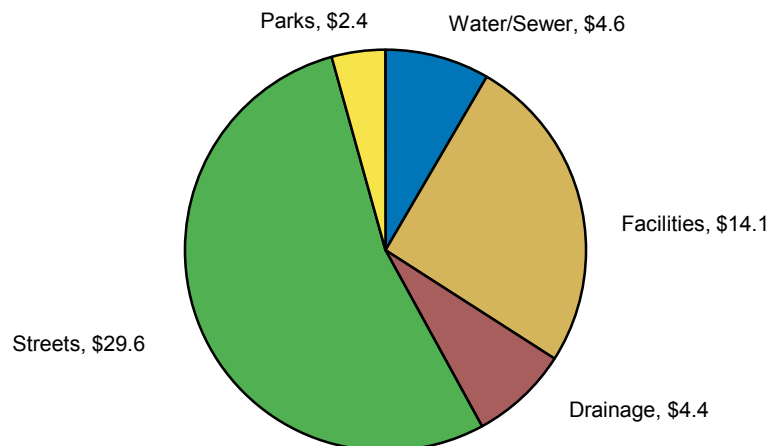
The City maximizes every source of funding available and is constantly looking at leveraging funding through the use of federal, state and county dollars and the City has received HGAC TIP funding in the amount of \$69 million for the improvements to several streets over the next few years. Pearland places significant importance on infrastructure improvement and rehabilitation, as evidenced by a \$162 million bond referendum that passed in May 2007, as well as a Five-Year CIP (2015-2019) totaling \$419.0 million.

The first year of the Five-Year Capital Improvement Program is incorporated into the annual budget to appropriate funds. Capital projects for Fiscal Year 2014-2015 total \$55,134,653, excluding transfers and bond issuance costs.

**Fiscal Year 2014-2015 CIP
Funding Sources (\$ in millions)**



**Fiscal Year 2014-2015 CIP
Uses by Project Type (\$ in millions)**



Water/Sewer projects total \$4.6 million, or 8.4%, of the capital improvement program. Major projects include the installation of approximately 950 feet of 12" waterline to loop from the termination of the existing waterline along the feeder road of BW 8 through Tom Bass Park; installation of 8" water line throughout the Regency Park Subdivision; rehabilitation of the Southdown WWTP to extend the life and improve operations; provide another filtration mechanism at the JHEC/SWEC WWTP; and preliminary engineering for the expansion of the Barry Rose WWTP from 3.1 MGD to 4.5 MGD.

Street projects total \$29.6 million, or 53.7%, of the total and include funding for the approximately 3.5 mile extension of McHard Road from Mykawa Road to Cullen Parkway, improvements to Bailey Road to a four-lane curb and gutter boulevard from approximately 1,000 feet west of FM 1128 to Veterans Drive, and replacement of all concrete paving within Regency Park Subdivision. Also included is the extension of Hooper Road from Beltway 8 for approximately 3,200 linear feet to the south property line of MHI Partnership, LTD, and the widening of Max Road is included, from the future Hughes Ranch alignment and connecting with Reid Boulevard. Fite Road will be extended approximately 2,500 feet east of McLean, running adjacent to Centennial Park. Hooper road is 75% funded by the developer and McHard, Fite, Max and Bailey are 80% funded by HGAC TIP funds.

Facilities total \$14.1 million, or 25.7%, and include \$3.8 million for the construction of an approximate 10,700 square foot Fire Station #2. This station will house two fire crews and one EMS crew and will include dorm space, a kitchen and dining area, offices, and an exercise room. City Hall Complex funding will support renovations to better accommodate departmental staff at City Hall and in the Community Center for growth, efficiencies and safety. In addition, remodeling of the Orange Street Service Center and the expansion of the Tom Reid Library are also included.

Drainage projects total \$4.4 million, or 7.9%, of the total and includes additional funding for Cowart Creek Diversion for the Bailey Road corridor between FM 1128 and Wells Road, \$2.3 million for Old Townsite Drainage to be used to develop a drainage and detention plan for serving the area with a sub-regional detention pond and will include the design and construction of the pond and conveyance to the sub-regional facility. Funding for land acquisition and engineering for Cullen/FM 518 detention pond is also included this year.

Parks projects total \$2.4 million, or 4.3%, of the total. Included is \$1.8 million to begin construction related to Centennial Park Phase II, which will include the demolition of the existing soccer fields, the construction of two new lighted softball fields, the installation of a new picnic pavilion, and additional parking. Funding is included for the land for Green Tee Terrace Trail, which will be a 10-foot hike and bike trail from the Pearland Eastside Library/City Hall to Barry Rose Road, along the Clear Creek Corridor and also for the land for the extension of the Shadow Creek Ranch Trail from east of Kirby Drive to Shadow Creek Ranch Park. The design of Independence Park Phase I, which will include the reorientation of the entry into the park, relocation and upgrade of the existing playground, improvements to the existing pavilion, the construction of additional parking, an amphitheater for special events and landscaping is funded. The Delores Fenwick Nature Center funding will be used to begin design on a 7,000 square foot building with an open air pavilion at one end that would include: environmental educational displays, demonstration gardens, interpretive exhibits, 6 or 7 offices, restrooms, outdoor spray station and hose bibs, a classroom with a 50 seat capacity, 400 square foot of storage and grass crete parking.

For the Water/Sewer component, the City will sell \$2.14 million in revenue bonds in 2015, use \$1.4 million from system revenues, receive \$224 thousand in funding from PEDC and fund \$897 thousand from cash on hand reducing the amount to be issued for debt.

For the remaining \$50.5 million, the City anticipates selling \$16.9 million in GO Bonds approved by the voters in 2007 and sell Certificates of Obligation in the amount of \$11.1 million mainly for facility projects not anticipated with the 2007 bond referendum but needed for Public Safety (Fire Station #2), Public Works, and City Hall. A total of \$20 million will come from HGAC Transportation Improvement Program funds and developer contributions, mainly for street projects. Cash on hand makes up the remaining funding sources.



**CAPITAL PROJECT FUNDS
SUMMARY SCHEDULE
OF REVENUES & EXPENSES**

GENERAL FUND

	Fund 050	Fund 068	Fund 070	Fund 200	Fund 202	Fund 203	Total
Revenues:							
Interest Income	\$ 1,500					\$ 20,000	\$ 21,500
Bond Proceeds		10,651,837				20,267,096	30,918,933
Impact Fees							
Miscellaneous	2,149,500						2,149,500
Intergovernmental		176,732				16,598,964	16,775,696
Transfers In	1,684,500	100,000				1,079,552	2,864,052
Total Revenues	3,835,500	10,928,569				37,965,612	52,729,681
Expenditures:							
Drainage						4,376,200	4,376,200
Parks		220,916				2,165,810	2,386,726
Facilities		10,335,854				3,807,300	14,143,154
Streets	3,334,000	200,000				26,050,341	29,584,341
Water							
Sewer							
Total Projects	3,334,000	10,756,770				36,399,651	50,490,421
Issuance Costs		200,000				335,000	535,000
Other Non-Operating	500,000						500,000
Transfers Out	50,372		75,841		805,296	834,297	1,765,806
Total Non-Operating	550,372	200,000	75,841		805,296	1,169,297	2,800,806
Total Expenses	3,884,372	10,956,770	75,841		805,296	37,568,948	53,291,227
Revenues Over/ (Under) Expenditures	(48,872)	(28,201)	(75,841)		(805,296)	396,664	(561,546)
BEGINNING BALANCE	417,107	61,548	75,841	3,596	805,296	(271,669)	1,091,719
ENDING BALANCE	\$ 368,235	\$ 33,347	\$ 0	\$ 3,596	\$ 0	\$ 124,995	\$ 530,173

Fund Types

Pay As You Go - Fund 050

Certificates of Obligation - Fund 068, Fund 200,

General Obligation - Fund 070, Fund 202, Fund 203



**CAPITAL PROJECT FUNDS
SUMMARY SCHEDULE
OF REVENUES & EXPENSES**

ENTERPRISE FUND

	Fund 042	Fund 044	Fund 067	Fund 301	Fund 302	Total	GRAND TOTAL
Revenues:							
Interest Income	\$ 15,000	\$ 2,060	\$ 15,000	\$ 500		\$ 32,560	\$ 54,060
Bond Proceeds			2,143,400			2,143,400	33,062,333
Impact Fees	4,260,730	554,126					4,814,856
Miscellaneous							2,149,500
Intergovernmental							16,775,696
Transfers In	484,638		547,015	224,000		1,255,653	4,119,705
Total Revenues	4,760,368	556,186	2,705,415	224,500		8,246,469	60,976,150
Expenditures:							
Drainage							4,376,200
Parks							2,386,726
Facilities							14,143,154
Streets							29,584,341
Water	739,334		626,245	164,000		1,529,579	1,415,579
Sewer	842,938		2,104,715	167,000		3,114,653	3,228,653
Total Projects	1,582,272		2,730,960	331,000		4,644,232	55,134,653
Issuance Costs							535,000
Other Non-Operating							500,000
Transfers Out	1,856,498	623,018	218,786	93,947	22,431	2,814,680	4,580,486
Total Non-Operating	1,856,498	623,018	218,786	93,947	22,431	2,814,680	5,615,486
Total Expenses	3,438,770	623,018	2,949,746	424,947	22,431	7,458,912	60,750,139
Revenues Over/ (Under) Expenditures	1,321,598	(66,832)	(244,331)	(200,447)	(22,431)	787,557	226,011
BEGINNING BALANCE	3,162,186	171,721	922,021	387,697	711,452	5,355,078	6,446,796
ENDING BALANCE	\$4,483,784	\$ 104,889	\$ 677,690	\$ 187,250	\$ 689,021	\$6,142,635	\$ 6,672,807

Fund Types

Pay As You Go - Fund 301
Impact Fee - Fund 042, Fund 044
Revenue Bonds - Fund 067
MUD 4 - Fund 302



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**SUMMARY OF CAPITAL PROJECTS
FY 2015 ADOPTED BUDGET**

Project #	Project Name	Project Description
Drainage Projects		
DR0602	Cowart Creek Diversion	Cowart Creek Diversion and Regional Detention for the Bailey Road corridor between FM 1128 and Wells Road Phase II of this project scheduled for 2015 consists of regrading the north-south ditches along all of the roads between Harkey and Veterans from CR101 to CR100. The ditch maintenance and improvement project entails re-grading the drainage ditches along Holland, Harkey, Wayne, Berry, McLean and Wellborn roads between CR 101 (Bailey Rd) and CR 100 as part of the cooperative drainage improvements for Bailey Road and the Cowart Creek Diversion. Driveway culverts will also be replaced/reset at the proper elevation as necessary based on the hydraulic evaluation.
DR1103	Cullen/FM 518 Detention Pond	Future storm water regional detention pond located at the southwest quadrant of FM 518/Cullen Parkway intersection. The project will include construction of detention pond, existing ditch improvements and possible underground storm sewer improvements required to convey development runoff.
DR1302	Old Townsite Drainage	The City's Sub-Regional Detention Master Plan identified an area located within the City's Old Townsite as a potential location for a sub-regional detention pond. The 41-acre service area is located at the southwest corner of Walnut and Galveston and extends to SH35 and FM518, which is within the southeast quadrant of the Old Townsite. The scope of the project will be to develop a drainage and detention plan for serving the area with a sub-regional detention pond and will include the development of a PER that determines pond location, pond size, and conveyance to the sub-regional facility.
Drainage Total		
Parks Projects		
P20001	Independence Park Ph I	Phase I Improvements include a reorientation of the entry into the park, relocation and upgrade of the existing playground, improvements to the existing pavilion, the construction of additional parking, an amphitheater for special events and landscaping. Construction will be coordinated with the Trail Phase III project.
P20004	Delores Fenwick Nature Center	The project will include a 7,000 sq ft building with an open air pavilion at one end that would include: environmental educational displays, demonstration gardens, interpretive exhibits, 6 or 7 offices, restrooms, outdoor spray station and hose bibs, a classroom with a 50 seat capacity, 400 sq ft of storage and grass crete parking.
P50071	Centennial Park Ph II	Phase II of Centennial Park includes the demolition of the existing soccer fields, the construction of two new lighted softball fields, the installation of a new picnic pavilion and additional parking for the complex.
PK1401	Shadow Creek Ranch Trail	Extension of a 10-foot hike and bike trail from the future Shadow Creek Ranch Park site along Clear Creek to the existing trail approximately 1,300 feet east of Kirby Drive. Project will include benches, bike racks, trail signage, trash receptacles, water fountains, and shade structures.
PK1402	Green Tee Terrace Trail	Extension of a 10-foot hike and bike trail from the Pearland Library/City Hall to Barry Rose Road along the Clear Creek Corridor. Project includes benches, bike racks, trail signage, trash receptacles, water fountains, shade structures, and a pedestrian bridge over Clear Creek.
Parks Total		
Facility Projects		
F20002	Tom Reid Library Expansion	The library expansion will increase the now 20,584 sf building by 11,542 sf for an overall floor plan area of 32,126 sf. This expansion will create new areas in the library such as a bookstore, children's story time room, teen zone, computer labs and additional office/storage space. Renovations and enlargements of existing areas such as the circulation desk and book stacks are also included.
FA0904	City Hall Complex Renovations	The existing Community Center was constructed in 1983 and City Hall in 1986. Departmental Space Programming beginning in 2007, was completed in 2014. This program incorporates the remodel of approximately 23,110 square feet of the former Community Center for Community Development and Finance & UB departments, renovations to the HVAC, Electrical and Plumbing systems and the installation of a sprinkler system for that building. It includes the remodel of 27,800 square feet in City Hall, the replacement of HVAC systems, including modifications to the Council Chambers, Administration, City Secretary, Legal, HR and Receptionist spaces and will include security and safety (exterior lighting) improvements for both buildings.
FA1401	Fire Station #2	Construction of a 10,726 square foot station to house one 4-person Engine Crew, one 4-person Ladder Crew and one 2-person Ambulance Crew. Station 2 will include 10 dorm rooms, three restrooms with showers, a kitchen dining area, a Captain's and a Lieutenant's office, and an exercise room. The equipment area will include 3-80 feet deep drive-thru apparatus bays, a bunker gear storage area, medical supply storage, and EMS decontamination area. Land has been acquired at the northeast corner of Fite and Harkey.
FA1404	Orange Street Service Center	Public Works facilities on East Orange and Old Alvin requires updating in order to meet the demands on this facility. Fleet Maintenance facility requires the addition of fluids storage and handling equipment, the remodel of office and parts storage and the addition of a bulk fluids storage area. The storage yard requires completion of the paving to provide all weather access and clean safe operations, addition of covered pipe and bulk material storage areas and covered equipment storage. Remodel Public Works Admin building and adjacent offices and remodel old EMS and Fire Marshal buildings for division staff offices.
Facility Total		



**SUMMARY OF CAPITAL PROJECTS
FY 2015 ADOPTED BUDGET**

Project Total	2015 Budget	O & M Impact				
		2015	2016	2017	2018	2019
22,026,450	1,600,000	8,200	8,200	8,200	8,200	8,200
4,572,000	464,000					
3,415,000	2,312,200					
30,013,450	4,376,200	8,200	8,200	8,200	8,200	8,200
3,638,510	179,810			26,163	58,475	60,045
2,308,653	158,000				172,369	261,130
2,366,295	1,828,000	56,966	76,045	76,118	76,118	76,118
1,935,458	115,733			4,170	5,560	5,560
4,173,936	105,183			2,930	5,860	5,860
14,422,852	2,386,726	56,966	76,045	109,381	318,382	408,713
3,857,560	3,807,300		90,382	90,382	90,382	90,382
4,942,783	4,445,900					
4,236,614	3,769,954		914,299	939,184	964,816	991,216
2,410,000	2,120,000					
15,446,957	14,143,154	-	1,004,681	1,029,566	1,055,198	1,081,598



**SUMMARY OF CAPITAL PROJECTS
FY 2015 ADOPTED BUDGET**

Project #	Project Name	Project Description
Street Projects		
T08002	Bailey Road - Veterans to FM 1128	Bailey Road will be improved to a four-lane concrete curb and gutter boulevard from approximately 1,000 feet west of FM 1128 to Veterans Drive, a distance of 2.76 miles. The project includes the full build out of the Bailey Intersections.
TR0803	Old Town Area Sidewalks	Enclose ditches and install sidewalks in the Old Town area between Houston St. and Grand Ave., from FM 518 to Orange St. N. Houston and E. Orange will be completed in 2015.
TR1201	Hughes Ranch Road (CR 403)	Reconstruction of CR403 from Cullen to Smith Ranch Road from a two lane asphalt open ditch roadway to a four lane concrete curb and gutter boulevard for a distance of 2 miles. Brazoria County will be completing the design, environmental clearance, and relocating the utilities. The project includes approximately 13,000 LF of Noise Barrier. Installation of additional water line infrastructure will be constructed in coordination with this project to fill in the gaps of the current system.
TR1202	Fite Road	An extension of Fite Road approximately 2,500 feet east of McLean, running adjacent to Centennial Park, tying into Veterans Drive. The project includes four lanes, undivided, of concrete curb and gutter including storm sewers, outfalls and detention, a traffic signal at McLean Road and other related improvements.
TR1205	Max Road	Widen Max Road from the future Hughes Ranch alignment and connecting with Reid Boulevard, just west of the Food Town shopping center. The roadway will be four lanes, divided, with concrete curb and gutter, including storm sewers, outfalls and detention. A traffic signal will be installed at the intersection of Hughes Ranch Road and Max Road, and a new bridge will be constructed over Hickory Slough. A 10-ft multi-use path will be incorporated on the west side of the roadway from Hughes Ranch to Broadway per the Trail Master Plan.
TR1402	Regency Park Subdivision Paving	Replace all concrete paving within Regency Park Subdivision. Project will include an evaluation of the existing drainage system within the subdivision, and recommendations to improve drainage. Replacement of existing water line infrastructure throughout the neighborhood will be done in coordination with this project.
TR1404	Kirby Drive Expansion	Four lanes of Kirby Drive exist from Broadway to the Pearland Town Center north entrance. Two lanes continue south to CR 59. The limits of this project include extending the remaining two lanes from the Pearland Town Center entrance to CR 59. The proposed cross section is concrete curb and gutter with sidewalks. The Kirby Drive Water Line project will occur in coordination with this project.
TR1405	McHard Road Extension (Mykawa Road to Cullen Parkway)	A new extension of approximately 3.5 miles of McHard Road, from Cullen Parkway to Mykawa Road, constructing a 4-lane, concrete, curb and gutter, divided roadway with raised medians. Includes storm sewers, outfalls and detention, traffic signals, sidewalks and related items. This project will be coordinated with the McHard Road Trunk Sewer extension and McHard Road Water Line Extension.
TR1406	Hooper Road Extension	Extension of Hooper Road from Beltway 8 for approximately 3,200 LF to the south property line of MHI. Work will include concrete curb and gutter, streetlights, sidewalks, landscaping and irrigation. Storm sewer, detention, associated water and sanitary sewer infrastructure will be included as well.
TR1501	Smith Ranch Road Extension (CR 94)	Expansion of Smith Ranch Road from 2-lanes of asphalt into 4-lanes, divided, with raised medians, concrete curb and gutter, landscaping, and storm sewer. Limits are from Hughes Ranch Road to 2,040 ft north of Broadway.
TR1502	Industrial Drive Realignment	Reconstruct Industrial Drive approximately 950 feet to align directly opposite each side of SH 35. Each side will include tapers to create dedicated left turn lanes and right through option lanes. Pavement will be three lanes wide tapering to the existing two lane roadway. Realignment will require drainage adjustments to both sides of SH35 including culverts and safety end treatments as well as modifications to drainage ditches in the area. Pipeline relocation/ mitigation will be required.
Street Total		
Water Projects		
WA1001	General Engineering/CIP Administration	This project provides services necessary for the entire CIP and not project specific but is specific to the water or wastewater projects. The Wastewater and Water Models will be updated and any special studies will be completed as necessary.
WA1203	Tom Bass Park Loop	To install approximately 950 feet of 12" waterline to loop from the termination of the existing waterline along the feeder road of BW 8 through Tom Bass Park, connecting to the Lakes of Country Place subdivision. Approximately 1,250 feet of 12" waterline completed by Public Works in 2012.
WA1503	Regency Park Subdivision 8" Water Line	Installation of 8" water line throughout the Regency Park Subdivision. Existing lines in the neighborhood are Ac Pipe and are deteriorating. They will be left in place to avoid the added cost of containment, removal and proper disposal. This project will be done in coordination with the Regency Park Subdivision Paving & Drainage Project.
WA1504	Hooper Road Water Line	Installation of approximate 3,200 LF of 8" PVC water line from Beltway 8, south along Hooper Road. The project will be constructed with the Hooper Road Extension project.
WA1505	FM 521 Waterline (Broadway to Mooring Pointer)	7,500 feet of 16" water line along Alameda Rd from Broadway to Mooring Pointer.
Water Total		



**SUMMARY OF CAPITAL PROJECTS
FY 2015 ADOPTED BUDGET**

Project Total	2015 Budget	O & M Impact				
		2015	2016	2017	2018	2019
33,311,733	9,140,000			25,886	76,773	76,773
1,000,000	200,000					
22,321,000	200,000			10,697	47,786	47,786
4,433,480	3,332,631	3,662	13,286	13,286	13,286	13,286
6,462,617	4,248,428	8,193	26,886	26,886	26,886	26,886
3,011,761	2,766,600					
2,257,545	988,545		8,613	17,226	17,226	17,226
41,155,075	3,855,469				47,650	103,533
3,724,000	3,334,000					
4,984,490	328,668		5,593	21,186	21,186	21,186
1,190,000	1,190,000		1,563	3,126	3,126	3,126
123,851,701	29,584,341	11,855	55,941	118,293	253,919	309,802
716,078	50,000					
697,044	527,444					
626,245	626,245					
128,000	114,000					
1,443,900	211,890					
3,611,267	1,529,579	-	-	-	-	-



**SUMMARY OF CAPITAL PROJECTS
FY 2015 ADOPTED BUDGET**

Project #	Project Name	Project Description
Wastewater Projects		
WW0901	Riverstone Ranch Oversizing	Oversizing of the Riverstone Ranch development's sewer infrastructure in order to incorporate into the City's larger system.
WW1201	Southdown (North Central) WWTP Rehabilitation - WWM Project 31A	Rehabilitate influent lift station wet well, replace pump discharge piping within the wet well, retrofit and rehab the two existing Parkson rotating fine screens, replace sludge airlift pump boxes in aeration basins with stainless steel, install process Water Sprayer Assembly at existing clarifier, drain clarifier and replace corner sweeps on clarifier mechanism; install stamford baffles on square clarifiers, repair sand filter.
WW1406	McHard Rd Trunk Sewer (Garden to Southdown WWTP)	Install, along McHard Rd, approximately 4,500 feet of 24" trunk sewer from Cullen to Southdown WWTP; 5,800 feet of 18" trunk sewer from Cullen to Max Road; and approximately 4,000 lf of 15" trunk sewer from Max Road to Garden Road.
WW1407	Hooper Road Sanitary Sewer	Installation of approximately 3,200 LF of 8" sewer from Beltway 8, south along Hooper Road. The project will be constructed with the Hooper Road Extension project.
WW1501	Roy/Max/Garden Roads Basin Sewage System - WWM Project 12	This project proposes approximately 4,940 feet of 18" trunk sewer along Broadway St. from Food Town's Lift Station to O'Day Rd, approximately 1,300 feet of 15" trunk sewer along Garden Rd from Broadway to the lift station and 1,200 feet of 12" sewer line along Roy / Max Rd from Broadway to Hickory Slough.
WW1502	Barry Rose WWTP Expansion	Complete a Preliminary Engineering Report to evaluate the timing and alternatives to expand the Barry Rose WWTP Plant from the existing 3.1 mgd to 4.5 mgd to serve expanding population in this service area. Ultimately expansion would take plant to 8 mgd.
WW1503	Green Tee 1 to Riverstone Wastewater Diversion (Longwood Service Area Phase 1)	Decommission lift station pump at corner of Country Club Dr. and Golfcrest, convert to manhole and install approximately 2,200 feet of 8 to 10 inch gravity line to receiving manhole in first phase of Riverstone Ranch oversizing. This includes approximately 80 feet of bored installation, 3 manholes to 12 feet deep coring manholes, sand bedding backfill grade and hydro-mulch.
WW1504	(JHEC) SWEC Filter and Bar Screen Improvements	This project will provide for another filtration mechanism at the John Hargrove Environmental Center JHEC / SWEC waste water treatment plant. Presently the plant use three filters to manage its daily loading. The additional filter system will enable the operators to take a portion of the plant off line when needed to perform maintenance as needed. The current configuration of three filters does not accommodate for this and therefore prohibits frequent and needed maintenance of the system. The project will also address deficiencies with the bar screen mechanism which is not and has not been operating properly. It is in need of replacement. A new compactor / washer will also be included in this project.
WW1506	Springfield Lift Station Abandonment	Convert the Springfield lift station into a manhole and gravity flow all wastewater 1,300 feet south to the Park Village Lift station on the east side of McLean.
Wastewater Total		
GRAND TOTAL		



**SUMMARY OF CAPITAL PROJECTS
FY 2015 ADOPTED BUDGET**

Project Total	2015 Budget	O & M Impact				
		2015	2016	2017	2018	2019
713,609	128,167			(12,300)	(16,400)	(16,400)
657,392	540,545					
5,102,701	34,771					
123,000	110,000					
2,651,800	330,000			(10,933)	(16,400)	(16,400)
14,166,650	350,000				126,181	168,241
324,170	324,170					
1,240,000	1,240,000					
457,000	57,000		(2,050)	(8,200)	(8,200)	(8,200)
25,436,322	3,114,653	-	(2,050)	(31,433)	85,181	127,241
212,782,549	55,134,653	77,021	1,142,817	1,234,007	1,720,880	1,935,554



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SPECIAL REVENUE FUNDS

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

Court Security – Article 102.017 of the Code of Criminal Procedures allows a city to collect, when a defendant is convicted, a \$3.00 fee. A fund designated by this article is created to govern this collection and the money may only be used for the purpose of providing security services for buildings housing a municipal court.

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

Court Technology – Article 102.0172 of the Code of Criminal Procedures allows a city to collect, when a defendant is convicted, a \$4.00 fee. A fund designated by this article is created to account for this collection, which may be used only to finance technological enhancements of the municipal court.

Court Juvenile Management – Article 102.0174 of the Code of Criminal Procedures allows a city to collect up to a \$5.00 fee from each Class C misdemeanor conviction related to salaries and benefits for a Juvenile Case Manager. The City charges a \$1.00 fee for Class C misdemeanor convictions as well as a \$1 Truancy fee, pursuant to Article 45.056 for the same.

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

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

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

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

Park Donations – A fund used to account for special events donations and expenditures provided by the Parks & Recreation Department and for the development of City parks.

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

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

Sidewalk – A fund created to account for resources designated for sidewalks.

Police State Seizure – A fund created to account for state seizure funds, which are used solely for law enforcement purposes.

Federal Police – A fund created to account for federal seizure funds and can only be used to support activities that result in further seizures.

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

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

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

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

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



COURT SECURITY – 17
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

City Council adopted a resolution authorizing Municipal Court to collect a \$3 fee from each defendant found guilty of a misdemeanor. Pursuant to the Texas Code of Criminal Procedure, revenues generated from this fee must be deposited into a special fund. The money collected may be used only to fund court security and includes such items as metal detectors, surveillance equipment, security personnel, security hardware, personnel security training, or other security measures. The revenues generated from this fee partially cover the cost of a full-time Court Bailiff and a part-time Court Bailiff, in addition to operating costs. In fiscal year 2015, another part-time bailiff is added due to the increased number of dockets for property hearings and bond forfeiture hearings. The proportional share of Securenet (software/hardware for building security) maintenance remains funded in fiscal year 2015. Beginning in fiscal year 2016 or 2017, a portion of the costs will need to be funded from the General Fund as the City is currently drawing down fund balance to fund annual expenditures. Court Efficiency (10% of time pay fees) is also part of this fund. The fund balance at 9/30/2015 is estimated to be \$63,546.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
	\$	\$		
FINES & FORFEITURES	59,477	66,163	\$ 54,508	\$ 57,008
INTEREST INCOME	200	254	175	200
TOTAL	59,677	66,417	54,683	57,208
EXPENDITURES				
SALARY & WAGES	58,912	63,734	64,139	82,203
MATERIALS & SUPPLIES	1,020	1,200	1,200	1,500
MISCELLANEOUS SERVICES	11,257	13,744	13,118	14,444
INVENTORY				1,350
TOTAL	71,189	78,678	78,457	99,497
REVENUES OVER (UNDER) EXPENDITURES	(11,512)	(12,261)	(23,774)	(42,289)
FUND BALANCE - BEGINNING	141,121	129,609	129,609	105,835
	\$	\$		
FUND BALANCE - ENDING	129,609	117,348	\$ 105,835	\$ 63,546



**CITYWIDE DONATION FUND - 18
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

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

Expenditures in fiscal year 2014 totaled \$103,094, including \$39,625 for a van with cages for Animal Control Mobile Adoptions/Events; \$21,000 as a transfer to the General Fund for Animal Control expenses that include chemicals, vaccines, medical, animal food, and programs; \$16,993 for EMS to purchase computers in support of training and supplies, installation of vehicle mounted event recorders for drivers' safety and the installation of Knox Med Vaults for security of medications. Fire Marshal's Office received a grant of \$19,917 from Firehouse Subs for the purchase of a Fire Education House for public education. Pearland PETS presented Animal Control with a \$29,568 check toward the future purchase of a mobile adoption/disaster recovery vehicle.

The fiscal year 2015 budget includes \$2,200 for a laptop for a Humane Officer; \$1,550 for two motolights for motorcycles in the Police Traffic Division; \$18,250 for the replacement of gear racks with storage lockers and the purchase of a commercial size refrigerator on wheels for rehabilitation (cooling down) firefighters/EMTs when returning from fighting a fire. This leaves approximately \$43,000 available for Animal Control, \$11,550 available for Fire/EMS, \$850 for Police, \$300 for Emergency Management, and around \$1,200 for the Westside Library. The estimated amount available is \$58,727 on 9/30/2015.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 118	\$ 106	\$ 150	\$ 120
MISCELLANEOUS DONATIONS	34,412	30,526	69,085	23,130
TOTAL	34,530	30,632	69,235	23,250
EXPENDITURES				
MATERIALS & SUPPLIES	11,868	10,675	11,115	1,550
BUILDINGS & GROUNDS				15,800
MAINTENANCE OF EQUIPMENT		280		
MISCELLANEOUS SERVICES	1			
INVENTORY	2,689	20,560	16,993	4,650
TRANSFER TO FUND 10		21,000	21,000	
CAPITAL OUTLAY		35,170	53,986	
TOTAL	14,558	87,685	103,094	22,000
REVENUES OVER (UNDER) EXPENDITURES	19,972	(57,053)	(33,859)	1,250
FUND BALANCE - BEGINNING	71,364	91,336	91,336	57,477
FUND BALANCE - ENDING	\$ 91,336	\$ 34,283	\$ 57,477	\$ 58,727



COURT TECHNOLOGY – 19
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

City Council adopted a resolution pursuant to the Texas Code of Criminal Procedure, authorizing Municipal Court to collect a \$4 fee from each defendant found guilty of a misdemeanor. The revenues generated from this fee may only be used to fund court technology and includes such items as computer equipment, imaging systems, electronic kiosks, docket management systems, and electronic ticket writers. Fiscal year 2014 expenditures continue to provide maintenance of various systems used by the court, the purchase of a projector, and funds needed for the full implementation of new court software system. In fiscal year 2015, revenues will be used to pay an annual fee to access law enforcement warrant data, court software maintenance fee and internet service. Fund Balance at 9/30/2015 is estimated to be \$4,532.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
FINES & FORFEITURES	\$ 70,909	\$ 78,330	\$ 62,000	\$ 65,500
INTEREST INCOME	380	90	246	10
TOTAL	71,289	78,420	62,246	65,510
EXPENDITURES				
MATERIALS & SUPPLIES	2,393	5,094	3,450	2,800
MISCELLANEOUS SERVICES	10,322	27,121	26,400	8,812
MAINTENANCE OF EQUIPMENT	12,215	17,544	17,144	55,053
INVENTORY	6,219			
CAPITAL OUTLAY		307,000	293,000	
TOTAL	31,149	356,759	339,994	66,665
REVENUES OVER (UNDER) EXPENDITURES	40,140	(278,339)	(277,748)	(1,155)
FUND BALANCE - BEGINNING	243,295	283,435	283,435	5,687
FUND BALANCE - ENDING	\$ 283,435	\$ 5,096	\$ 5,687	\$ 4,532



**COURT JUVENILE MANAGEMENT - 23
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

The State of Texas has authorized the governing body of a municipality to collect a fee up to \$5 from each Class C misdemeanor conviction for the expenses related to the employment of a Juvenile Case Manager. Pursuant to the Texas Code of Criminal Procedure, Article 102.0174, revenues generated from this fee must be deposited into a special fund. This new fund began with the 2010 fiscal year, with a fee of \$4 for each conviction. In fiscal year 2014, the rate decreased to \$1 per conviction, along with a \$1 per conviction Truancy fee pursuant to Article 45.056. The revenues generated from this fee covers the cost of the Juvenile Case Manager. Fund Balance at 9/30/2015 is estimated to be \$47,749.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
FINES & FORFEITURES	\$ 69,603	\$ 39,165	\$ 37,164	\$ 38,250
INTEREST INCOME	71	100	85	72
TOTAL	69,674	39,265	37,249	38,322
EXPENDITURES				
SALARY & WAGES	43,603	41,474	42,592	42,629
MISCELLANEOUS SERVICES	479	1,600	1,500	1,600
TOTAL	44,082	43,074	44,092	44,229
REVENUES OVER (UNDER) EXPENDITURES	25,592	(3,809)	(6,843)	(5,907)
FUND BALANCE - BEGINNING	34,907	60,499	60,499	53,656
FUND BALANCE - ENDING	\$ 60,499	\$ 56,690	\$ 53,656	\$ 47,749



**STREET ASSESSMENT - 33
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

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

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

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

		FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES					
STREET ASSESSMENT				\$ 62,194	
INTEREST INCOME				394	
TOTAL				62,588	
EXPENDITURES					
OTHER REQUIREMENTS				62,588	
TOTAL				62,588	
REVENUES OVER (UNDER) EXPENDITURES					
FUND BALANCE - BEGINNING					
FUND BALANCE - ENDING					
				\$ 0	



**TRAFFIC IMPROVEMENT - 35
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

The Traffic Improvement Fund accounts for resources for traffic improvements. Funds are collected as a result of a traffic analysis performed for new developments. Traffic engineers analyze the proposed traffic patterns and trips generated by the development and then estimate the costs of the improvements needed to mitigate the impact the development has on the transportation system. For those improvements that cannot be constructed at the time of development, the funds are received from the developer and held until the projects can be incorporated into a City project. Fiscal year 2014 revenues total \$42,850. Projected expenditures include \$9,000 toward Kirby Drive Extension and \$1,625 toward the Garden Road/FM 518 traffic signal. Fiscal year 2015 revenues total \$1,800 and expenditures total \$91 towards County Road 94. The fund balance at 9/30/2015 is estimated to be \$673,830.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
MISCELLANEOUS	\$ 204,689		\$ 40,850	
INTEREST INCOME	1,006	870	2,000	1,800
TOTAL	205,695	870	42,850	1,800
EXPENDITURES				
INTERFUND TRANSFERS	157,907	10,625	10,625	91
TOTAL	157,907	10,625	10,625	91
REVENUES OVER (UNDER) EXPENDITURES	47,788	(9,755)	32,225	1,709
FUND BALANCE - BEGINNING	592,108	639,896	639,896	672,121
FUND BALANCE - ENDING	\$ 639,896	\$ 630,141	\$ 672,121	\$ 673,830



REGIONAL DETENTION FUND - 43
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

The Regional Detention Fund accounts for regional detention development. A certain amount of capacity in a regional detention facility is allocated to the watershed and a certain amount of capacity is reserved for future detention needs based on new development. Developers can buy into the regional detention based on capacity needs versus capacity available. The current regional detention pond program is based on five regional detention ponds throughout the City. The City completed a regional detention study in September 2010, which proposed various sub-regional detention ponds. Capacity from the pond would be purchased at a per acre feet fee based on construction cost of the pond. The fee structure will help recover the cost to purchase the property, design and construct the pond. A total of \$10,443 was transferred in fiscal year 2013 to the Debt Service Fund toward payment of debt for East Mary's Creek.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
MISCELLANEOUS	\$ 12			
REGIONAL DETENTION FEES	10,425			
TOTAL	10,437			
EXPENDITURES				
TRANSFER TO FUND 20		10,443		
TOTAL		10,443		
REVENUES OVER (UNDER) EXPENDITURES		(6)		
FUND BALANCE - BEGINNING		6		
FUND BALANCE - ENDING		\$ 0		



HOTEL/MOTEL OCCUPANCY TAX FUND - 45
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

The Hotel/Motel Occupancy Tax Fund is used to account for revenues realized from hotel occupancy taxes. Local hotel occupancy tax revenues may only be spent to establish or enhance a convention center, cover the administrative expenses for registering convention delegates, pay for tourism-related advertising and promotions, fund programs that enhance the arts or pay for historic preservation or restoration projects, and pay for sports related expenses pursuant to state law that will enhance tourism. By law, cities with populations of less than 125,000 must spend at least 1% of hotel tax receipts on advertising, no more than 15% on art programs and a maximum of 50% on historic preservation. In fiscal year 2010 City Council approved a Cultural Arts Grants Program to increase tourism and hotel industry activity. Maximum of grants to be provided in any given year would be \$15,000.

Pearland is home to eleven hotels, totaling 860 rooms: Best Western, Hampton Inn, La Quinta, The Courtyard by Marriott, Comfort Suites, Hilton Garden Inn, Candlewood Suites, two Holiday Inn Express's, Sleep Inn & Suites and Springhill Suites hotels. Hotel Occupancy Tax revenue is projected to be \$1,342,794 in fiscal year 2014. Expenditures for fiscal year 2014 total \$780,922. Expenditures include a co-sponsorship of the second annual Pearland Crawfish Festival and \$58,199 carried over from FY 2013 for the final invoices on the CVB office buildout at Pearland Town Center.

Fiscal year 2015 revenue is \$1,393,078, with occupancy tax revenue at \$1,383,078, and total expenditures of \$819,213. The budget includes continued co-sponsorship of the annual Pearland Crawfish Festival, office space rental at the Pearland Town Center (PTC), and two part-time receptionists to staff weekends. The budget continues familiarization trips for hosting planners and press to network for future business and showcasing Pearland, workshops for hotels on front desk service and packaging, and the rebate to Hilton Garden Inn toward the construction of the conference center.

Fund balance 9/30/15 is estimated to be \$3,494,090.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
HOTEL/MOTEL OCCUPANCY TAX	\$ 1,150,360	\$ 1,148,088	\$ 1,342,794	\$ 1,383,078
INTEREST INCOME	3,277	3,000	5,200	5,000
MISCELLANEOUS		77,000	82,000	5,000
TOTAL	1,153,637	1,228,088	1,429,994	1,393,078
EXPENDITURES				
SALARIES & WAGES	54,533	219,178	185,247	263,565
MATERIALS & SUPPLIES	38,700	71,200	71,200	71,200
BUILDINGS & GROUNDS	13,587	545	568	
MAINTENANCE OF EQUIPMENT		4,657	188	
MISCELLANEOUS SERVICES	416,660	462,542	458,932	483,132
TRANSFERS				1,316
INVENTORY	9,606	7,642	11,158	
CAPITAL OUTLAY	173,226	53,630	53,630	
TOTAL	706,314	819,394	780,922	819,213
REVENUES OVER (UNDER) EXPENDITURES	447,323	408,694	649,072	573,865
FUND BALANCE - BEGINNING	1,823,829	2,271,152	2,271,152	2,920,225
FUND BALANCE - ENDING	\$ 2,271,152	\$ 2,679,846	\$ 2,920,225	\$ 3,494,090



**PARK DONATIONS FUND - 46
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

The Park Donations Fund was created to account for donations and sponsorships for Park Special Events such as the July 4th event or Winterfest. This fund is also used to account for the receipt and use of citizen donations through their water bills. Use of these funds are allocated to specific events as identified with the donation or sponsorship, to supplement events, grants or park development.

Funds are budgeted to supplement programs based upon the donations received. In FY 2015, \$26,700 of the sponsorship funds are budgeted for design services for new signage of parks. Fund Balance at 9/30/2015 is estimated to be \$84,696.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 149	\$ 100	\$ 140	\$ 140
DONATIONS	877	1,000	1,025	1,000
SPONSORSHIPS	102,089	80,000	103,000	80,000
TOTAL	103,115	81,100	104,165	81,140
EXPENDITURES				
PROGRAMS	77,557	71,500	136,367	80,000
TOTAL	77,557	71,500	136,367	80,000
REVENUES OVER (UNDER) EXPENDITURES	25,558	9,600	(32,202)	1,140
FUND BALANCE - BEGINNING	90,200	115,758	115,758	83,556
FUND BALANCE - ENDING	\$ 115,758	\$ 125,358	\$ 83,556	\$ 84,696



**PARK & RECREATION DEVELOPMENT FUND - 47
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

Pursuant to City Ordinance, new development either must dedicate parkland or pay the City a fee in lieu of parkland, as defined in the Ordinance. The City has thirteen parkland areas or zones. Fees, when paid, are identified by area and use of the funds must be spent within that area.

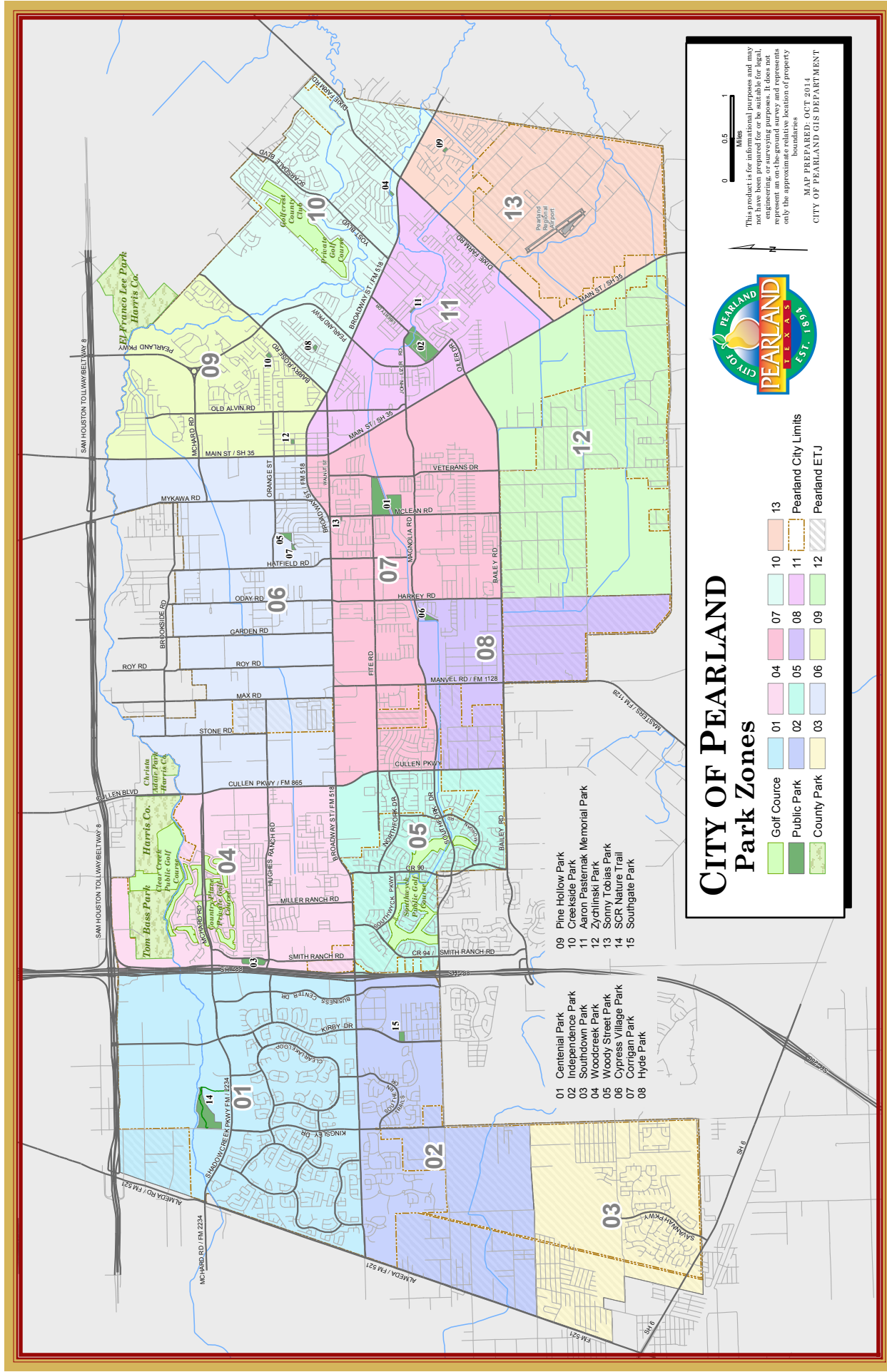
Expenditures for FY 2014 included \$48,700 for new signage at the following parks: Southgate, Centennial, Cypress Village, Creekside, Zychlinski, Hyde, Woodcreek, Aaron Pasternak Memorial Park, including \$8,500 for a new sign at Southdown Park. The City planned to purchase a sign for Southdown during fiscal year 2013, but the cost of the sign increased from \$5,000 to \$8,500, therefore the \$5,000 is eliminated from the FY 2013 projection and re-budgeted in FY 2014. \$70,000 is budgeted for picnic equipment and shade structures for the Max Road Sportsplex, and \$66,500 for Green Tee Trail. Carryovers from FY 2013 totaling \$62,823 were approved to complete the renovation of restrooms at Independence Park and Southdown Park and to repaint the splash pad at Southdown Park.

Expenditures for FY 2015 include \$100,000 for Centennial Park, \$8,980 for 2 pet water fountains at Southdown and \$9,552 for signage at Shadow Creek Trail. The total cost for the sign is \$10,000 with \$448 funded in the General Fund.

Fund Balance at 9/30/2015 is estimated to be \$705,545. Included is a map of the thirteen parkland zones.

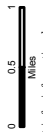
	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
PARKLAND FEES/DONATIONS	\$ 243,803	\$ 50,000	\$ 223,879	\$ 50,000
INTEREST INCOME	1,247	1,200	1,202	1,100
TOTAL	245,050	51,200	225,081	51,100
EXPENDITURES				
INTERFUND TRANSFERS			66,500	100,000
CAPITAL OUTLAY	308,833	178,023	181,523	18,532
TOTAL	308,833	178,023	248,023	118,532
REVENUES OVER (UNDER) EXPENDITURES	(63,783)	(126,823)	(22,942)	(67,432)
FUND BALANCE - BEGINNING	859,702	795,919	795,919	772,977
FUND BALANCE - ENDING	\$ 795,919	\$ 669,096	\$ 772,977	\$ 705,545





CITY OF PEARLAND Park Zones

- 01 Golf Course
- 02 Public Park
- 03 County Park
- 04 Tom Bass Park
- 05 Christa Zapp Park
- 06 El Franco Lee Park
- 07 Pine Hollow Park
- 08 Creekside Park
- 09 Aaron Pasternak Memorial Park
- 10 Zychinski Park
- 11 Woody Street Park
- 12 Cypress Village Park
- 13 Corrigan Park
- 14 Hyde Park
- 15 Independence Park



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

MAP PREPARED: OCT 2014
CITY OF PEARLAND GIS DEPARTMENT

TREE TRUST FUND - 49
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

The Tree Trust Fund was created for the purpose of purchasing, growing, and/or maintaining trees and associated plants within the city limits. Funds for tree trust donations are from developers who cannot mitigate for trees they have taken down for development. The fee is determined by their tree survey and how many caliper inches they have to mitigate. Funds can be used to plant and replace trees in City right-of-ways such as Pearland Parkway and in City parks. During FY 2013, \$59,880 was received from Seaway Crude Pipeline.

In FY 2015, \$31,100 is budgeted for trees at the Shadow Creek Ranch Park, a Capital Improvement Project, and \$38,000 is budgeted for a wood chipper to cut and recycle limbs from tree canopies and use toward mulch for trees. Fund Balance at 9/30/2015 is estimated to be \$254.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
MISCELLANEOUS	\$ 60,130		\$ 751	
INTEREST INCOME	54	54	103	45
TOTAL	60,184	54	854	45
EXPENDITURES				
BUILDINGS & GROUNDS	2,770	5,000	5,391	
INVENTORY	1,800			
CAPITAL OUTLAY				38,000
INTERFUND TRANSFERS				31,100
TOTAL	4,570	5,000	5,391	69,100
REVENUES OVER (UNDER) EXPENDITURES	55,614	(4,946)	(4,537)	(69,055)
FUND BALANCE - BEGINNING	18,232	73,846	73,846	69,309
FUND BALANCE - ENDING	\$ 73,846	\$ 68,900	\$ 69,309	\$ 254



SIDEWALK – 55
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

The Sidewalk Fund is used to account for revenues and expenditures associated with the installation of sidewalks. Per City Ordinance, sidewalks are to be installed when development occurs. However, in certain instances when the City knows that future streets and roadways will be constructed, the City accepts payment in lieu of installation of sidewalks. The cost per square foot is \$5.25 and changes to reflect the City's current contract price at any given time. The City then uses these monies to install the sidewalks once the roadway is complete. Fiscal year 2014 transfer out to capital projects is towards the Kirby Drive Extension project. Fiscal year 2015 transfer out to capital projects is towards Bailey Road from Veterans to FM 1128. Fund Balance at 9/30/2015 is estimated to be \$182,879.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 309	\$ 300	\$ 325	\$ 240
SIDEWALK REVENUE	20,128	5,000	33,390	5,000
TOTAL	20,437	5,300	33,715	5,240
EXPENDITURES				
INTERFUND TRANSFERS			14,652	67,224
TOTAL			14,652	67,224
REVENUES OVER (UNDER) EXPENDITURES	20,437	5,300	19,063	(61,984)
FUND BALANCE - BEGINNING	205,363	225,800	225,800	244,863
FUND BALANCE - ENDING	\$ 225,800	\$ 231,100	\$ 244,863	\$ 182,879



POLICE STATE SEIZURE FUND - 60
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

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

In fiscal year 2013, the City budgeted \$23,000 to replace the control units of the ALPR system. However, the vendor went out of business, requiring the entire system to be replaced, and the \$23,000 was carried over to fiscal year 2014 with an additional \$23,000 allocated to cover the cost.

The department has applied for a grant to receive a dog, and has budgeted \$1,100 for a K-9 kennel and \$2,200 for a K-9 vehicle cage in the event the grant is awarded. Other expenditures include cost for undercover vehicles and informant monies. The projected fund balance at 9/30/15 is \$91,764.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 314	\$ 132	\$ 281	\$ 100
SEIZURE FUNDS	26,124	15,000	46,906	20,000
TOTAL	26,438	15,132	47,187	20,100
EXPENDITURES				
MATERIALS & SUPPLIES	10,436	18,803	16,197	
EQUIPMENT MAINTENANCE		500		
MISCELLANEOUS	40,203	59,740	51,440	50,800
INVENTORY				3,300
CAPITAL OUTLAY	29,883	46,690	46,000	
TOTAL	80,522	125,733	113,637	54,100
REVENUES OVER (UNDER) EXPENDITURES	(54,084)	(110,601)	(66,450)	(34,000)
FUND BALANCE - BEGINNING	246,297	192,213	192,213	125,764
FUND BALANCE - ENDING	\$ 192,213	\$ 81,612	\$ 125,764	\$ 91,764



FEDERAL POLICE FUND - 62
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

The Federal Police Fund is used to account for federal seizure funds. Federal seizure funds are used to support community policing activities, training, and law enforcement operations calculated to result in further seizures and forfeitures. These include activities to enhance future investigations, including payments to informants, reward money, law enforcement training, and the purchase of equipment such as body armor and firearms. Fiscal year 2014 includes \$31,842 for 14 replacement tactical vests for SWAT.

Projected fund balance at 9/30/2015 is \$26,785.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
POLICE DRUG REVENUE	\$ 17,067		\$ 9,256	
INTEREST INCOME	58	50	70	15
TOTAL	17,125	50	9,326	15
EXPENDITURES				
WEARING APPAREL		29,000	31,842	
TOTAL		29,000	31,842	
REVENUES OVER (UNDER) EXPENDITURES	17,125	(28,950)	(22,516)	15
FUND BALANCE - BEGINNING	32,161	49,286	49,286	26,770
FUND BALANCE - ENDING	\$ 49,286	\$ 20,336	\$ 26,770	\$ 26,785



GRANT FUND - 101
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET

OVERVIEW

The Grant Fund is used to account for revenues and expenditures associated with federal, state and local grants. Fiscal year 2014 grant revenues total \$624,608. Expenditures for fiscal year 2014 include \$200,000 for a Recreational Trails Grant from the Texas Parks and Wildlife Department that will connect Centennial Park and Independence Park; \$46,846 for the Emergency Management Performance Grant (EMPG) from the Texas Division of Emergency Management; \$116,686 in grant funds from the Texas Commission on Environmental Quality for the purchase of a Glass Crusher for the City's Stella Roberts Recycling Center; the \$54,666 in remaining funds from the multi-year \$703,089 SAFER Firefighter Hiring grant from FEMA; \$49,395 in additional funds from FEMA for the recruitment and retention of volunteer firefighters; two crime victim assistance grants in the amounts of \$64,687 and \$41,849 from the Office of the Governor and the Office of the Attorney General, respectively; and \$18,719 in matching funds awarded to the City through HGAC for DWI enforcement. The Fire Department will receive \$9,000 for training from the Texas Forestry Service. A total of \$35,328 in expenditures for the purchase of bulletproof vest replacements through the Department of Justice's Bulletproof Vest Partnership, as well as police training funds from the State of Texas in the amount of \$11,079, have been made available to the City for the safety and protection of our police officers. In addition, \$2,660 will be spent on non-motorized transportation for Emergency Medical Services. Fiscal year 2014 expenditures total \$650,915.

Fiscal year 2015 grant revenues total \$262,297. This includes \$40,863 for the Emergency Management Performance Grant (EMPG) from the Texas Division of Emergency Management; two crime victim assistance grants in the amounts of \$64,687 and \$41,849 from the Office of the Governor and the Office of the Attorney General, respectively; the remaining \$57,526 of an original \$146,802 multi-year grant for use by the City during 2011 - 2015 from the FEMA SAFER Volunteer Firefighter Recruitment and Retention Grant program; \$14,663 for the 50% matching grant funds from Bulletproof Vest Partnership for replacement vests for officers; and \$13,562 from HGAC for the grant funds issued by Texas Commission on Environmental Quality for three tilt hoppers and surveillance equipment designed to enforce illegal dumping laws in Pearland. A total of \$10,428 is being made available from the E. Byrne Memorial Justice Assistance Grant (JAG) for Gang Tracking Software, lighting enhancements for police motorcycles, and technology designed to aid in the digital reconstruction of accident and investigative scenes; and the City anticipates the continuance of the HGAC/TxDOT DWI grant that provided \$18,719 in matching funds during FY 2014. Expenditures for fiscal year 2015 total \$276,959.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
GRANT REVENUE	\$ 556,925	\$ 617,677	\$ 624,608	\$ 262,297
INTEREST INCOME	4	11	11	
INTERFUND TRANSFERS	20,747			
INTERGOVERNMENTAL	6,549	5,600	5,895	
TOTAL	584,225	623,288	630,514	262,297
EXPENDITURES				
SALARY & WAGES	38,090	16,599	20,393	
MATERIALS & SUPPLIES	14,732	55,222	44,908	29,325
TRANSFERS	489,081	436,513	436,513	191,107
CAPITAL OUTLAY	15,659	120,000	119,346	23,990
TOTAL	565,763	646,497	650,915	276,959
REVENUES OVER (UNDER) EXPENDITURES	18,462	(23,209)	(20,401)	(14,663)
FUND BALANCE - BEGINNING	27,799	46,261	46,261	25,860
FUND BALANCE - ENDING	\$ 46,261	\$ 23,052	\$ 25,860	\$ 11,198



**COMMUNITY DEVELOPMENT GRANT FUND - 112
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

The Community Development Grant Fund (CDBG) is used to account for revenues and expenditures associated with the Federal Community Development Block Grant. The U.S. Department of Housing and Urban Development provides eligible metropolitan cities and urban counties (called "entitlement communities") with annual direct grants that can be used to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services; primarily to benefit low and moderate income persons. Under the guidelines, up to 15% of the grant can be spent on social services toward targeted groups of individuals that live within the City, and up to 20% can be spent on administration. CDBG funds available for use on infrastructure projects are limited only by the total annual allocation available to the entitlement jurisdiction by HUD or the amount of funding remaining after allocations to public services and/or program administration activities have been made.

Fiscal year 2014 expenditures of \$753,146 include \$15,000 for Pearland Neighborhood Center's Emergency Rent/Utility Assistance Program, which has helped over 300 Pearland residents avoid evictions or utilities being disconnected since 2007. A total of \$66,650 of CDBG funding was spent on administrative activities designed to coordinate the City's efforts to maintain compliance with federal regulations, financial management principles, participate in audits, and complete the necessary reporting and planning activities required by the U.S. Department of Housing and Urban Development (HUD). A total of \$228,495 was spent to complete work that began in fiscal year 2012 on the installation of sidewalks and associated drainage along Westchester Circle in Pearland. A 4-way traffic signal was installed at the intersection of FM 518/Broadway and Garden Road with \$225,559 in CDBG funds, and \$25,738 was used to complete the construction of an outdoor concrete pathway with ADA compliant ramps at the expanded Forgotten Angels Day Hab Center. The 1,000 square foot expansion of this facility began in fiscal year 2013, and \$18,650 was spent in fiscal year 2014 to complete the investment of \$40,000 CDBG funding provided for the project. Funding in the amount of \$145,310 budgeted for capital outlay will be carried over for use in fiscal year 2015 to supplement the proposed CDBG single family housing rehabilitation program and capital infrastructure improvements in the Old Townsite area. An additional amount of \$27,947 in prior year unspent funding is re-allocable for an existing HUD-funded construction project, or for a revised scope of work that may be presented to HUD via the CDBG Substantial Amendment process.

Fiscal year 2015 CDBG allocation totals \$313,794. A total of \$20,000 is budgeted for public services and \$62,758 for planning and administration. A total of \$231,036 will be used for code enforcement and single family housing rehabilitation program activities for limited-income, eligible Pearland households.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
GRANT REVENUE	\$263,363	\$721,950	\$753,146	\$313,794
INTEREST INCOME	23			
TOTAL	263,386	721,950	753,146	313,794
EXPENDITURES				
MISCELLANEOUS SERVICES	39,700	36,200	36,200	46,026
TRANSFERS	223,855	540,440	571,636	267,768
CAPITAL OUTLAY		145,310	145,310	
TOTAL	263,555	721,950	753,146	313,794
REVENUES OVER (UNDER) EXPENDITURES	(169)			
FUND BALANCE - BEGINNING	212	43	43	43
FUND BALANCE - ENDING	\$ 43	\$ 43	\$ 43	\$ 43



**UNIVERSITY OF HOUSTON FUND – 140
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

In fiscal year 2009 the City and the University of Houston (UH) entered into a development lease agreement where the City would construct a 31,554 square foot building on City land, and UH would lease 23,621 square feet with the Pearland Economic Development Corporation (PEDC) occupying 3,281 square feet and 4,652 square feet would be used as a conference center/meeting area. The facility was completed in July 2010. As such, with the 2010 fiscal year this fund was created to account for the lease revenues and expenditures associated with the campus. Full year funding began October 1, 2010 for fiscal year 2011.

Per the agreement, UH and PEDC pay their pro rata share of operations and maintenance costs for the facility. In fiscal year 2010, the PEDC also approved paying for the operating costs associated with the conference center. UH share is 74.85% and PEDC is 25.15%.

Expenditures include custodial services, lawn maintenance, utilities, repair and maintenance, and insurance. The Agreement states that the University of Houston's share of operations would not exceed \$175,274 in the first lease year, with a 5% cap in subsequent years on controllable costs. For fiscal year 2014, both revenues and expenditures exceed budget. Expenditures over budget mainly due to increased windstorm insurance of \$23,034, additional electricity costs for a longer and colder winter of \$21,850, and \$26,749 for enhancements and upgrading of landscape and landscape maintenance. These increases are passed to the participating entities through a year-end true-up. Expenditures for fiscal year 2015 total \$339,915. Revenues and expenditures are a pass-through, as only interest income of \$40 remains as fund balance.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
MISCELLANEOUS	\$ 188,167	\$ 193,407	\$ 250,082	\$ 254,426
INTEREST INCOME	32	50	40	40
TRANSFERS IN	97,565	64,990	90,813	85,489
TOTAL	285,764	258,447	340,935	339,955
EXPENDITURES				
PERSONNEL	31,153	43,037	51,924	48,580
MATERIALS & SUPPLIES	4,267	5,600	5,500	5,600
MAINTENANCE OF BUILDINGS & GROUNDS	53,005	23,240	20,300	19,800
MISCELLANEOUS SERVICES	228,405	185,849	263,211	265,935
TRANSFERS OUT		540		
TOTAL	316,830	258,266	340,935	339,915
REVENUES OVER (UNDER) EXPENDITURES	(31,065)	181		40
FUND BALANCE - BEGINNING	31,065			
FUND BALANCE - ENDING	\$ 0	\$ 181	\$ 0	\$ 40



**UNIVERSITY OF HOUSTON
CAPITAL RENEWAL FUND – 141
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

In fiscal year 2009 the City and the University of Houston (UH) entered into a development lease agreement where the City would construct a 31,554 square foot building on City land, and UH would lease 23,621 square feet with the Pearland Economic Development Corporation (PEDC) occupying 3,281 square feet and 4,652 square feet would be used as a conference center/meeting area. The facility was completed in July 2010.

The lease agreement establishes a Capital Renewal Fund with contribution of 1% of replacement value of the building to begin in Year 4 through Year 5 and a 2% contribution beginning in Year 6. Fiscal Year 2014 begins Year 4 with contribution required. The actual cost of the project was less than anticipated, resulting in a savings of \$321,862. Using the same pro-rata share for the total project costs allocation, UofH at 66.64%, PEDC at 11.22%, and the City at 22.14%, the funds were moved to the Capital Renewal Fund. A portion of the City's total, \$47,442, was transferred back to the City Debt Service Fund in fiscal year 2012, leaving a balance of \$274,420 to be allocated. UofH and PEDC is paid through December 2016, the City through March 2015. As such, the fiscal year 2015 budget includes a transfer in from the City of Pearland of \$8,041 for the full contribution for fiscal year 2015.

Fund balance ending 9/30/15 is \$248,485.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
INTEREST	\$ 29		\$ 330	\$ 335
TRANSFERS IN	274,420			8,041
TOTAL	274,449		330	8,376
EXPENDITURES				
TRANSFER TO FUND 140	34,670			
TOTAL	34,670			
REVENUES OVER (UNDER) EXPENDITURES	239,779		330	8,376
FUND BALANCE - BEGINNING		239,779	239,779	240,109
FUND BALANCE - ENDING	\$ 239,779	\$ 239,779	\$ 240,109	\$ 248,485



**MUNICIPAL CHANNEL (PEG) - 145
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

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

Fiscal year 2014 expenditures include two cameras, microphone, power supply, transmitter, and granicus unit for the second floor conference room to stream P&Z meetings, and funding for additional equipment, if needed, in the council chambers, camera and camera related supplies, and two laptop computers. Expenditures in fiscal year 2015 include upgraded storage system with more memory, camera shoulder mount kit, external recorder camera monitor, LED light kit, Canon camera, expanding the dais, potentially improving cameras in the council chambers. Fund balance at 9/30/2015 is anticipated to be \$666,175. These funds are available to potentially fund an in-house studio with the renovations of City Hall.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
REVENUES				
FRANCHISE FEES	\$ 240,378	\$ 233,600	\$ 265,000	\$ 270,000
INTEREST INCOME	204	505	407	500
TOTAL	240,582	234,105	265,407	270,500
EXPENDITURES				
MATERIALS & SUPPLIES	4,067	9,505	7,325	8,000
BUILDINGS & GROUNDS		665	665	
MAINTENANCE OF EQUIPMENT				10,000
MISCELLANEOUS SERVICES		1,295	1,800	1,000
INVENTORY	15,814	24,378	26,600	24,700
CAPITAL OUTLAY	44,813	11,977	10,156	40,000
TOTAL	64,694	47,820	46,546	83,700
REVENUES OVER (UNDER) EXPENDITURES	175,888	186,285	218,861	186,800
FUND BALANCE - BEGINNING	84,626	260,514	260,514	479,375
FUND BALANCE - ENDING	\$ 260,514	\$ 446,799	\$ 479,375	\$ 666,175



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INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods or services provided by one fund or department to another fund or department on a cost reimbursement basis. The City of Pearland has two Internal Service Funds.

Property/Liability Insurance Fund

Accounts for the activities of the City's property and casualty insurance.

Medical Self Insurance Fund

Accounts for the accumulation of monies for the payment of medical claims.



PROPERTY/LIABILITY INSURANCE FUND - 95
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2015 ADOPTED BUDGET

OVERVIEW

The Property/Liability Insurance Fund has been created to account for the activities of the City's property and casualty insurance. Coverage includes general liability, law enforcement, public official and employees' liability, auto liability, physical damage and multi-peril, mobile equipment, real and personal property, and windstorm coverage. The fund not only accounts for the annual premiums but also accounts for uninsured and deductible claims and insurance recovery funds on those claims. Premiums for fiscal year 2014 total \$1,174,565 and estimated uninsured and deductible claims for fiscal year 2014 total \$96,789, a total savings of \$88,775 from budget mainly seen in the premium for excess wind coverage. Premiums for fiscal year 2015 include a 3.12% increase for Law Enforcement Liability Coverage, a 12% increase in police auto coverage with remaining auto coverage seeing a 7% increase and increased property liability and windstorm due to new facilities being added in fiscal year 2015; Fire Station 3, Fire Station 2, and the development of two new parks. A 5% increase in windstorm coverage is also budgeted. Based on the type of insurance and values of property, the General Fund and Water & Sewer Fund reimburse the Property Insurance.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
OPERATING REVENUES				
INTERFUND TRANSFERS	\$1,135,012	\$1,265,888	\$1,120,668	\$1,284,375
INSURANCE RECOVERY	153,371	94,241	88,418	106,000
INTEREST INCOME	50	50	120	
TOTAL	1,288,433	1,360,179	1,209,206	1,390,375
OPERATING EXPENSES				
INSURANCE PREMIUMS	1,146,304	1,265,888	1,174,565	1,284,360
CLAIMS	129,819	90,000	87,450	90,000
INVENTORY			2,550	
BUILDINGS & GROUNDS	4,774	4,241	6,789	
TOTAL	1,280,897	1,360,129	1,271,354	1,374,360
REVENUES OVER (UNDER) EXPENSES	7,536	50	(62,148)	16,015
BEGINNING NET ASSETS	138,616	146,152	146,152	84,004
ENDING NET ASSETS	\$ 146,152	\$ 146,202	\$ 84,004	\$ 100,019



PROPERTY/LIABILITY INSURANCE FUND - 95
REVENUES AND EXPENSES
FY 2015 ADOPTED BUDGET

REVENUES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
095-0000-359.09-00	TRANSFER FROM FUND 030	259,966	339,064	301,030	236,691
095-0000-359.99-00	TRANSFER FROM FUND 010	875,046	926,824	819,638	1,046,368
	TRANSFER FROM FUND 045				1,316
*TRANSFERS		1,135,012	1,265,888	1,120,668	1,284,375
095-0000-358.45-00	INSURANCE REIMBURSEMENTS	148,030	94,241	82,213	100,000
095-0000-358.99-00	MISCELLANEOUS	5,341		6,205	6,000
*INSURANCE RECOVERY/MISC.		153,371	94,241	88,418	106,000
095-0000-356.00-00	INTEREST INCOME	50	50	120	
*INTEREST		50	50	120	
TOTAL		1,288,433	1,360,179	1,209,206	1,390,375

EXPENSES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
095-0000-555.01-01	GENERAL LIABILITY INSURANCE	41,141	50,397	50,549	48,813
095-0000-555.01-02	ERRORS AND OMISSIONS INSURANCE	65,456	74,840	74,140	76,364
095-0000-555.01-03	PUBLIC EMPLOYEE DISHONESTY INS	3,175	3,225	3,210	3,210
095-0000-555.01-04	ANIMAL MORTALITY INSURANCE	2,491	2,270	2,971	2,924
095-0000-555.01-05	LAW ENFORCEMENT LIABILITY	67,406	71,869	73,580	78,152
095-0000-555.03-01	PROPERTY INSURANCE	72,122	81,578	71,153	93,292
095-0000-555.03-02	WINDSTORM DAMAGE INS	618,626	641,006	632,737	727,204
095-0000-555.03-03	AUTOMOBILE LIABILITY	96,836	112,169	102,867	121,462
095-0000-555.03-04	AUTO DAMAGE	84,765	92,043	87,957	103,847
095-0000-555.03-05	PROPERTY XS WIND	55,069	92,793	37,077	
095-0000-555.03-06	MOBILE EQUIPMENT	10,733	12,518	12,480	12,480
095-0000-555.03-07	COASTAL WIND	13,473	15,420	10,023	
095-0000-555.03-08	SEWAGE BACK-UP	15,010	15,760	15,821	16,612
*MISCELLANEOUS SERVICES		1,146,304	1,265,888	1,174,565	1,284,360
095-1270-556.03-00	CLAIMS	129,819	90,000	87,450	90,000
*CLAIMS		129,819	90,000	87,450	90,000
095-1270-564.01-00	\$1,000 - \$4,999			2,550	
*INVENTORY				2,550	
095-3389-553.01-00	BUILDINGS & GROUNDS	4,774	4,241	6,789	
*BUILDINGS & GROUNDS		4,774	4,241	6,789	
TOTAL		1,280,897	1,360,129	1,271,354	1,374,360



MEDICAL SELF INSURANCE FUND – 99
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2015 ADOPTED BUDGET

OVERVIEW

The Medical Self Insurance Fund has been created to account for the activities of the City's employee insurance. The fund also accounts for retiree and COBRA contribution, claims and coverage. In a self-insurance fund, the employer, the City, is ultimately responsible for all health care cost, and pays for those costs plus administrative fees. In order to minimize exposure, the City has established an individual stop loss of \$125,000 and an aggregate stop loss of \$6.484 million effective October 1, 2014. If claims exceed the aggregate stop loss, the plan will provide for an additional \$1.0 million, with no reimbursement required by the City.

In fiscal year 2014, it is anticipated that claims will exceed the \$5.5 million aggregate stop loss, capping the City's exposure at \$5.5 million. Total expenses including stop loss and administrative fees is \$6.3 million. As such, the City's rates for fiscal year 2015 increased 17.4%. In keeping with providing a sustainable benefit plan for the employees but minimizing the financial impact to both the employee and the City, the City made overall plan changes and eliminated the open access plan for fiscal year 2015. The City will provide three options for employees; a Health Savings Account and two Kelsey Seybold options. The City pays for the employee cost and 70% of the dependent cost of the base Kelsey plan; the differential for the other plans is paid by the employee.

The establishment and maintenance of appropriate reserves is critical to the financial health of a self-funded health care plan. Reserves not only fund IBNR or termination expenses of the plan, but also provide for a risk factor reserve to cover the aggregate corridor stop loss risk. Reserves should be targeted at 2 to 3 months of claims, at \$1.2 million for fiscal year 2015. With higher claims than expected, the net assets for fiscal year 2014 would have been \$375,000 in the negative. As such, the City made a contribution to the fund in the amount of almost \$1.4 million dollars, leaving a ending balance of almost \$1.0 million dollars in the fund at the end of fiscal year 2014.

Fiscal year 2015 estimated contributions, from the City and the employee, total \$6,821,888 to cover the same in expenses, of which \$5.8 million is anticipated claims. Ending net assets at 9/30/2015 is anticipated to be \$994,450. Through the City's wellness program established to mitigate health care costs, the City believes these efforts will reduce future claims.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
OPERATING REVENUES				
INTEREST INCOME	\$ 482	\$ 490	\$ 395	\$ 856
CONTRIBUTIONS	5,220,506	5,499,401	5,441,043	6,821,032
TRANSFERS	675,000		1,369,510	
TOTAL	5,895,988	5,499,891	6,810,948	6,821,888
OPERATING EXPENSES				
CLAIMS AND FEES	5,734,712	5,485,785	6,272,592	6,801,888
MISCELLANEOUS	28,465	20,000	20,000	20,000
TOTAL	5,763,177	5,505,785	6,292,592	6,821,888
REVENUES OVER (UNDER) EXPENSES	132,811	(5,894)	518,356	
BEGINNING NET ASSETS	343,283	476,094	476,094	994,450
ENDING NET ASSETS	\$ 476,094	\$ 470,200	\$ 994,450	\$ 994,450



**MEDICAL SELF INSURANCE FUND - 99
REVENUES AND EXPENSES
FY 2015 ADOPTED BUDGET**

REVENUES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
099-0000-356.00-00	INTEREST INCOME	482	490	395	856
*INTEREST		482	490	395	856
099-0000-358.50-01	CITY/EMPLOYEE CONTRIBUTIONS	4,897,585	5,412,972	5,150,997	6,715,268
099-0000-358.50-02	RETIREE/COBRA CONTRIBUTIONS	82,516	86,429	114,740	105,764
099-0000-358.99-00	MISCELLANEOUS	240,405		175,306	
*CONTRIBUTIONS		5,220,506	5,499,401	5,441,043	6,821,032
099-0000-359.09-00	TRANSFER FROM FUND 030	114,750			
099-0000-359.99-00	TRANSFER FROM FUND 010	560,250		1,369,510	
*TRANSFERS		675,000		1,369,510	
	TOTAL	5,895,988	5,499,891	6,810,948	6,821,888

EXPENSES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
099-1040-555.10-01	ADMINISTRATIVE FEE	733,332	842,907	759,697	870,832
099-1040-555.10-08	HEALTH PORTABILITY ACT	1,121	57,426		89,493
099-1040-555.10-02	MEDICAL INSURANCE CLAIMS	5,000,259	4,585,452	5,512,895	5,841,563
*CLAIMS		5,734,712	5,485,785	6,272,592	6,801,888
099-1040-556.28-00	WELLNESS PROGRAM	28,465	20,000	20,000	20,000
*MISCELLANEOUS SERVICES		28,465	20,000	20,000	20,000
	TOTAL	5,763,177	5,505,785	6,292,592	6,821,888



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COMPONENT UNITS

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

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



**PEARLAND ECONOMIC DEVELOPMENT FUND - 15
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2015 ADOPTED BUDGET**

OVERVIEW

The Pearland Economic Development Corporation (P.E.D.C.) was created in 1995 by the voters under the Texas Development Corporation Act of 1979. The Corporation is financed by additional sales tax of a half-cent. State law allows the City to collect this sales tax to assist in the promotion, enhancement, and development on behalf of the City.

The Board of Directors are appointed by and serve at the discretion of the City Council. City Council approval is required for annual budgets and bonded debt issuance. The role of the Corporation is to provide guidance and funding for the operations of the City's economic development program and provide business incentives to support and promote the growth and diversification of the City's economic base.

Fund balance at 9/30/15 is \$12,130,754.

	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
OPERATING REVENUES				
Sales Tax	\$ 7,871,396	\$ 8,673,733	\$ 8,416,762	\$ 8,921,768
Interest Income	40,811	38,500	69,000	45,000
Intergovernmental			71,588	12,000
Miscellaneous	438,326	414,648	446,412	436,998
TOTAL	8,350,533	9,126,881	9,003,762	9,415,766
OPERATING EXPENDITURES				
Operating	1,152,608	1,738,407	1,472,441	1,809,301
Operating Transfers	2,460,617	178,782	199,122	204,971
Bond Payments	2,045,585	2,054,024	2,032,500	8,602,270
Inventory	2,464	5,000	5,000	5,000
Capital Outlay		48,000	147,320	955,000
TOTAL	5,661,274	4,024,213	3,856,383	11,576,542
REVENUES OVER/(UNDER) EXPENDITURES	2,689,259	5,102,668	5,147,379	(2,160,776)
OTHER FINANCING SOURCES (USES)				
Capital Transfers Out		(376,274)	(1,210,326)	(1,408,500)
Incentives	(784,450)	(2,794,889)	(1,880,014)	(1,723,514)
TOTAL	(784,450)	(3,171,163)	(3,090,340)	(3,132,014)
NET CHANGE IN FUND BALANCE	1,904,809	1,931,505	2,057,039	(5,292,790)
FUND BALANCE - BEGINNING (Before Reserves)	13,461,696	15,366,505	15,366,505	17,423,544
DEBT SERVICE RESERVES	(665,254)	(665,254)	(665,254)	
DEBT PAY-OFF (Cumulative)	(3,041,757)	(4,815,942)	(4,725,109)	
FUND BALANCE - ENDING	\$ 11,659,494	\$ 11,816,814	\$ 12,033,181	\$ 12,130,754



Fiscal Year 2013-2014 – Operating Revenues are projected to be \$9,003,762, \$123,119 below the amended budget. The decrease is due to lower than anticipated sales tax revenue, projected at \$8,416,762, \$256,971, or 3.0%, below the amended budget due to a more moderate growth in the commercial/retail sector than anticipated. Sales tax is \$545,366 or 6.9% higher than fiscal year 2013 as continued residential and commercial development in Pearland and down the 288 corridor spur growth in sales.

Operating Expenditures and Other Financial Uses for fiscal year 2013-2014 are projected to be \$6,946,723, \$248,653 less than the amended budget, mainly due to anticipated savings in business incentives. Business Incentives are lower than anticipated by \$914,875, which is due to performance agreements not yet being met and contingency funding budgeted for unidentified potential projects that will not be used in fiscal year 2013-2014. \$1,210,326 is anticipated to be transferred to the City for capital projects, \$343,826 for Business Center Drive, \$166,500 Hooper Road and \$700,000 for Max Road Soccer Complex, \$834,052 greater than the amended budget. A reserve of \$665,254 is set aside for debt service reserves associated with the 2010 bond sale for the CSI facility. Available fund balance at 9/30/2014 is \$12,033,181, after \$4,725,109 is reserved for pay-off of Series 2010 debt in 2015. This is \$216,367 greater than budgeted.

Fiscal Year 2014-2015 – Operating Revenues are estimated to be \$9,415,766, of which \$8,921,768, or 95%, is from sales tax remittances. Sales tax is estimated to increase by \$505,006, or 6.0%, from the fiscal year 2013-2014 projection and increases by 13.3% over the fiscal year 2012-2013 actual. A total of \$436,000 budgeted in miscellaneous revenue is anticipated from rent payments from the CSI facility. Interest income is anticipated at \$45,000.

Operating Expenditures and Other Financial Uses totaling \$14,708,556 are \$7,761,833, or 111.7% greater than the fiscal year 2013-2014 projection. Included in the budget is the pay-off for Series 2010 debt in the amount of \$6,556,900. Excluding this, operating expenditures total \$5,019,642, \$995,429 greater than last year's budget. Operating Expenditures include \$8.6 million for bond payments and \$204,971 in transfers, which include operating costs for office space in the University of Houston-Pearland Campus. Lease cost for the office space is also included in the budget. Capital Outlay of \$955,000 include \$450,000 for corridor improvements, including landscaping improvements and entryway signs, in keeping with the Pearland 20/20 Plan of a comprehensive beautification strategy, and \$500,000 to bury electrical lines in the Lower Kirby area. Remaining expenditures cover staff and economic development, retention and development programs. Other Financing Uses of \$3,132,014 include \$1.4 million for capital transfers to the City toward extension of Hooper Road. The developer is contributing the remaining amount of \$2.1 million. There is \$1.7 million budgeted for incentives. Total Expenditures are over Revenues by \$5,292,790 due to debt retirement of \$6,556,900. After the debt is defeased principal outstanding as of 9/30/2015 will be \$15,265,000.

Available fund balance at 9/30/15 is estimated to be \$12,130,754.



**PEARLAND ECONOMIC DEVELOPMENT FUND - 15
EXPENDITURE AND STAFFING SUMMARY BY DEPARTMENT
FY 2015 ADOPTED BUDGET**

EXPENDITURES BY DEPT/DIVISION	FY 2013 Actual	FY 2014 Amended Budget	FY 2014 Year End Projection	FY 2015 Adopted Budget
Salaries & Wages	443,760	564,543	582,336	636,935
Materials & Supplies	8,755	7,750	7,650	8,250
Maintenance, Buildings & Grounds	1,359	2,000	1,600	2,000
Equipment Maintenance	3,733	7,600	6,500	6,800
Services	695,001	1,156,514	874,355	1,155,316
Incentives	784,450	2,794,889	1,880,014	1,723,514
Transfers	2,460,617	555,056	1,409,448	1,613,471
Bond Payments	2,045,585	2,054,024	2,032,500	8,602,270
Inventory	2,464	5,000	5,000	5,000
Capital		48,000	147,320	955,000
TOTAL	6,445,724	7,195,376	6,946,723	14,708,556

STAFFING BY CLASSIFICATION	FY 2013 Actual	FY 2014 Amended Budget*	FY 2014 Year End Projection	FY 2015 Adopted Budget
President of EDC / Executive Manager of Development Services	1	1	1	1
Vice-President of EDC	1	1	1	1
Director of Marketing	1	1	1	1
Old Townsite ED Coordinator	1	1		
Redevelopment Coordinator			1	1
Office Coordinator	1	1	1	1
TOTAL	5	5	5	5

*Same as Adopted Budget, unless w here noted



PEARLAND ECONOMIC DEVELOPMENT CORPORATION FUND – FUND 15

GOALS

- ◆ Attract high-wage professional employment opportunities that diversify Pearland’s economic base and facilitate the expansion and retention of existing Pearland businesses.
- ◆ Support key capital improvement and transportation planning efforts to ensure that key high-impact road projects are completed.
- ◆ Continue efforts to implement plans to develop the Lower Kirby Urban Center as Pearland’s most intensive mixed-use employment, residential and entertainment district.
- ◆ Actively pursue redevelopment efforts resulting in continued improvement and investment in Pearland. These efforts should improve the appearance and enhance the image of Pearland to its citizens and to individuals outside the area.
- ◆ Continue to make organizational improvements that allow for the implementation of a consistent, quality economic development effort able to implement initiatives essential for the long-term economic growth of the community.

FISCAL YEAR 2014 ACCOMPLISHMENTS

- ◆ In FY 2014, PEDC opened 30 business attraction projects and held 92 visits with potential primary employers. Major announcements included Mitsubishi Heavy Compressor Corporation’s 100,000 square-foot manufacturing and service facility in Pearland’s Lower Kirby District that will bring over \$40M in investment and over 100 jobs to the community.
- ◆ In FY 2014, PEDC opened 11 business retention and expansion projects and held 65 meeting with existing employers. Major announcements included Amerlux’s new 80,000 square-foot manufacturing facility in Pearland’s Lower Kirby District that will bring over \$8.1M in investment and 20 new jobs to the community.
- ◆ In FY 2014, PEDC opened 14 new development projects. Major announcements included Stream Realty’s 165,000 square-foot Center at Pearland Parkway next to the newly constructed HEB.
- ◆ PEDC reevaluated and renewed its contract with the Chamber of Commerce for business retention and expansion services.
- ◆ PEDC completed two beautification plans for the community: the 288 Master Plan and a City Gateway plan. PEDC is currently working with the City and KPB to establish the first entry feature on Cullen Boulevard.
- ◆ PEDC began the process of creating a redevelopment strategy for SH 35. PEDC issued an RFP, evaluated responses and selected Ricker Cunningham as the firm that will help guide the strategy.
- ◆ PEDC continued to make progress towards improving the appearance of the 288 corridor. The PMMD#2 management district elected a board of directors and approved a master plan for 288. A maintenance and operations tax of \$0.10 per \$100 in valuation was approved by voters in the District.
- ◆ PEDC continued to work with the City and the Lower Kirby Management District on the utilization of the TxDOT drainage ditch for a regional detention solution. In 2014, the City and both Districts approved multiple agreements to implement regional detention including a master drainage plan, interlocal agreements and financing agreements.
- ◆ PEDC continued implementation of the Pearland 20/20 Community Strategic Plan. Steering committee meetings were held in December 2013 and July 2014 and progress updates were provided to the committee at each of these meetings.

FISCAL YEAR 2015 OBJECTIVES

- ◆ Recruit new primary employers to the community
- ◆ Reach out to existing targeted primary employers to offer assistance, including expansion assistance.
- ◆ Provide assistance to developers looking to make investments in our community.
- ◆ Continue to assist developers and prospective investors in the Lower Kirby area and market the area through all relevant channels.



FISCAL YEAR 2015 OBJECTIVES (continued)

- ◆ Continue to work the City and Management Districts on the development of regional detention for the eastern portion of the area.
- ◆ Complete and begin implementation of the comprehensive redevelopment plan for the Main Street/State Highway 35 corridor.
- ◆ Implement master plan improvements to the 288 Corridor.

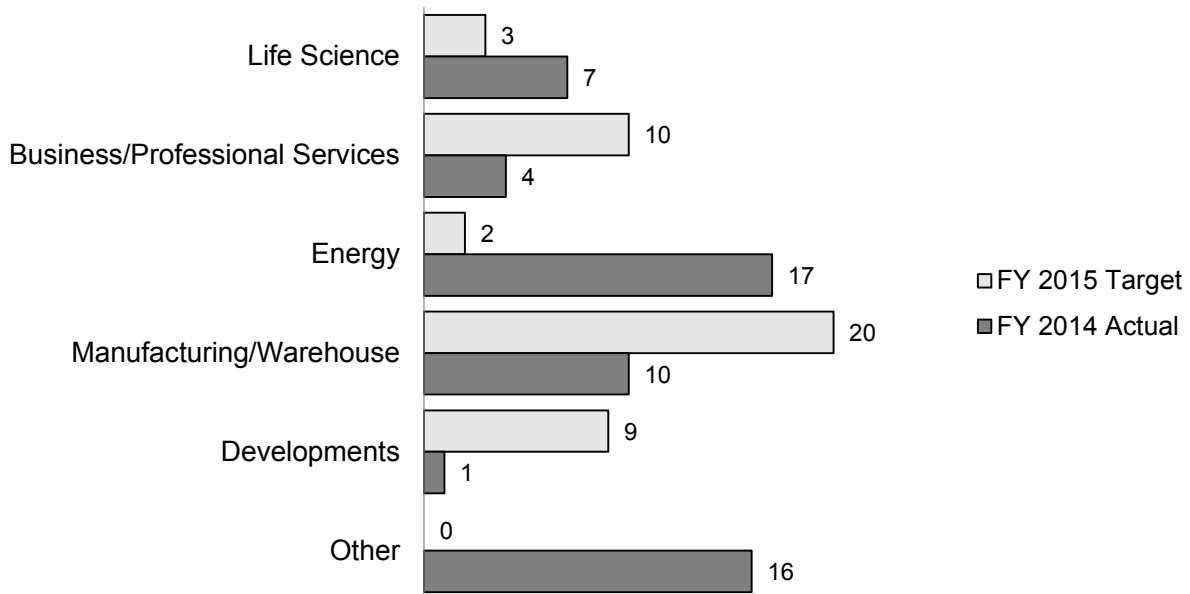
PERFORMANCE MEASURES

	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target
Number of announced projects*	10	5	16	7
Number of new projects	46	55	55	44
Number of Visits**	111	110	157	105

*Projects include the opening of new businesses, retention and expansion of existing businesses, and infrastructure and beautification projects funded by PEDC.

**Visits include visiting potential new businesses, existing businesses to ensure retention.

NEW PROJECTS BY INDUSTRY



**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
DEBT TO MATURITY**

Year	Principal	Interest**	Total
2014-2015	\$965,000	\$1,064,596	2,029,596
2015-2016	\$1,010,000	\$1,020,987	2,030,987
2016-2017	\$1,060,000	\$972,331	2,032,331
2017-2018	\$1,115,000	\$921,288	2,036,288
2018-2019	\$1,175,000	\$867,243	2,042,243
2019-2020	\$1,230,000	\$815,844	2,045,844
2020-2021	\$1,285,000	\$761,647	2,046,647
2021-2022	\$1,350,000	\$704,403	2,054,403
2022-2023	\$1,415,000	\$642,588	2,057,588
2023-2024	\$1,480,000	\$577,589	2,057,589
2024-2025	\$1,555,000	\$509,055	2,064,055
2025-2026	\$1,635,000	\$436,662	2,071,662
2026-2027	\$1,715,000	\$360,499	2,075,499
2027-2028	\$1,805,000	\$274,827	2,079,827
2028-2029	\$1,895,000	\$187,797	2,082,797
2029-2030	\$2,000,000	\$96,434	2,096,434
TOTAL	\$22,690,000	\$10,213,787	\$32,903,787

<u>Series</u>	<u>Principal Amount Outstanding</u>
Series 2005	7,095,000
Series 2006	8,860,000
Series 2010*	6,735,000
TOTAL	\$22,690,000

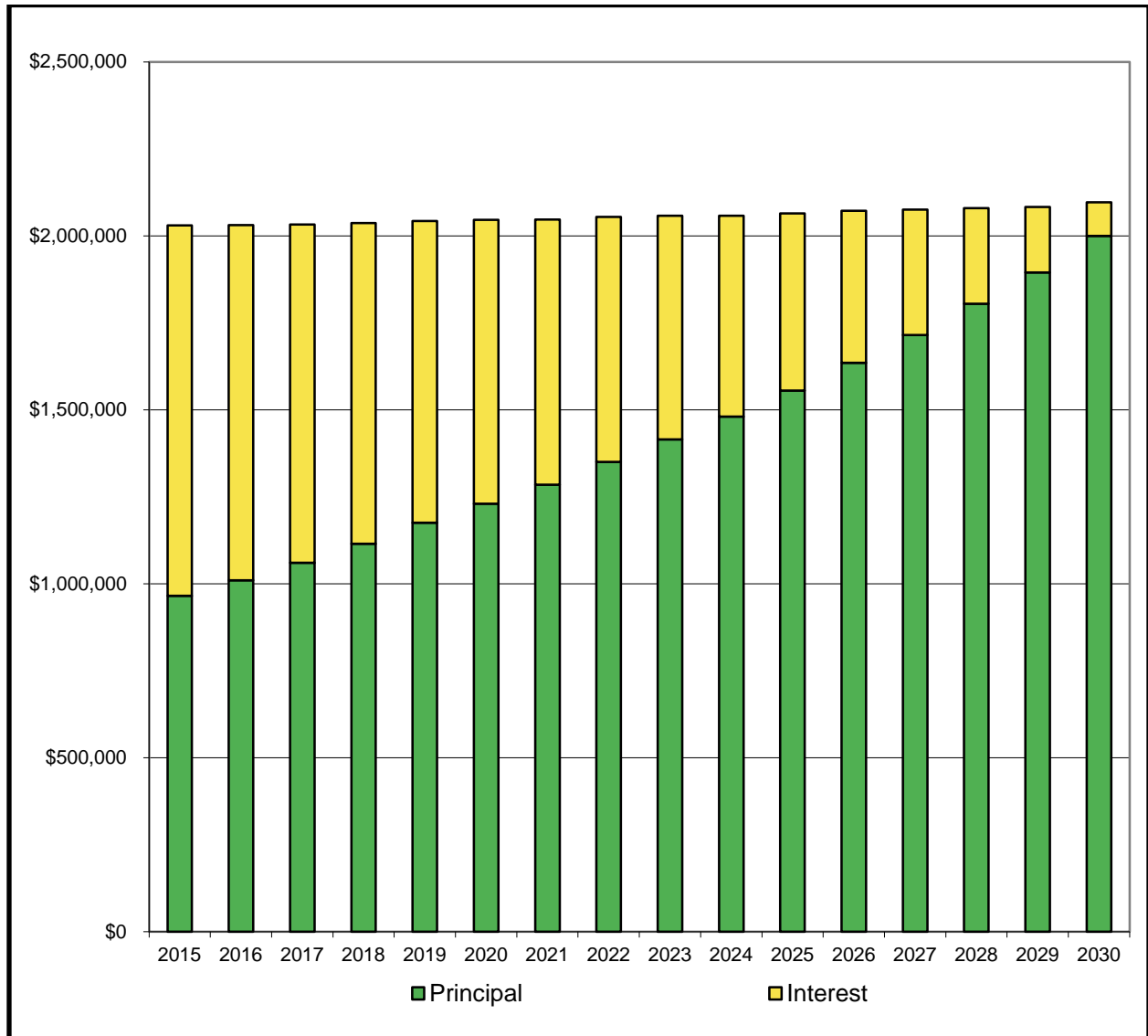
* Variable Interest Rate, every 6 months interest rate is reset.

**Based on 3/1/2014 interest rate reset for series 2010 bonds through maturity.

Series 2010 is planned to be called and defeased in its entirety as of 9/1/2015. As of 9/30/2015 principal outstanding will be \$15,265,000 and interest outstanding will be \$6,252,906 for total debt to maturity at 9/30/2015 totaling \$21,517,906.



**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
DEBT TO MATURITY**



Note: Does not reflect defeasance of Series 2010 bonds anticipated to be defeased by September 1, 2015. Once defeased, annual debt service would lower by approximately \$603,000 annually.



**PEARLAND ECONOMIC DEVELOPMENT CORPORATION DEBT
FY 2015 ADOPTED BUDGET**

DUE DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING 9/30/2015
3/1/2015	Series 2005	11,005,000		152,969	152,969	6,635,000
9/1/2015			460,000	152,969	612,969	
	Fiscal Year Total		460,000	305,938	765,938	6,635,000
3/1/2015	Series 2006	10,235,000		211,459	211,459	8,630,000
9/1/2015			230,000	211,459	441,459	
	Fiscal Year Total		230,000	422,919	652,919	8,630,000
3/1/2015	Series 2010*	7,685,000		167,934	167,934	6,460,000
9/1/2015			275,000	167,934	442,934	
	Fiscal Year Total		275,000	335,868	610,868	6,460,000
TOTAL			965,000	1,064,724	2,029,724	21,725,000

*Interest rate based on September 1, 2014 reset date.

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As of 9/30/14	Annual	Requirements
New Money Bond Series 2005	3.5%, 4%, 5%, 4.1%, 4.125%, 4.2%, 4.25%	2005 2026	11,005,000	7,095,000	3/1/2015 9/1/2015 9/1/2015	152,969 Interest 152,969 Interest 460,000 Principal
New Money Bond Series 2006	5%, 4.5%, 4.25%, 4.375%, 4.5%, 4.75%	2007 2030	10,235,000	8,860,000	3/1/2015 9/1/2015 9/1/2015	211,459 Interest 211,459 Interest 230,000 Principal
New Money Bond Series 2010*	5.111%, 5.144%, 5.1119%, 5.406%, 5.36%, 5.048%	2010 2030	7,685,000	6,735,000	3/1/2015 9/1/2015 9/1/2015	167,934 Interest 167,934 Interest 275,000 Principal
TOTAL			28,925,000	22,690,000		2,029,724

*Variable interest rate.
Every 6 months, interest rate is reset.



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AUTHORITY

The City of Pearland's Operating Budget is proposed and approved in accordance with State Law, the City Charter and the City Code of Ordinances

PEARLAND CITY CHARTER
ARTICLE 8
MUNICIPAL FINANCE

SECTION 8.01 - Fiscal Year:

The fiscal year of the City of Pearland shall begin at the first day of October and shall end on the last day of September of each calendar year. Such fiscal year shall constitute the budget and accounting year.

SECTION 8.02 - Preparation and Submission of Budget:

The City Manager, between sixty (60) and ninety (90) days prior to the beginning of each fiscal year, shall submit to the Council a proposed budget, which budget shall provide a complete financial plan for the fiscal year and shall contain the following:

- (a) A budget message, explanatory of the budget, which shall contain an outline of the proposed financial policies of the City for the fiscal year, shall set forth the reasons for salient changes from the previous fiscal year in expenditures and revenue items, and shall explain any major changes in financial policy.
- (b) A consolidated statement of anticipated receipts and proposed expenditures for all funds.
- (c) An analysis of property valuations.
- (d) An analysis of tax rates.
- (e) Tax levies and tax collections by years for at least the immediate past five (5) years.
- (f) General funds resources in detail.
- (g) Special funds resources in detail.
- (h) Summary of proposed expenditures by function, department and activity.
- (i) Detailed estimates of expenditures shown separately for each activity to support the summary (h) above.
- (j) A revenue and expense statement for all types of bonds, time warrants and other indebtedness.
- (k) A description of all bond issues, time warrants and other indebtedness outstanding, showing rate of interest, date of issue, maturity date, and amount authorized, amount issued and amount outstanding.
- (l) A schedule of requirements for the principal and interest of each issue of bonds, time warrants and other indebtedness.
- (m) The appropriation ordinance.
- (n) The tax-levying ordinance.

SECTION 8.03 - Anticipated Revenues Compared With Other Years in Budget:

In preparing the budget, the City Manager shall place in parallel columns opposite the several items of revenue, the actual amount of each item for the last completed fiscal year, the estimated amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SECTION 8.04 - Proposed Expenditures Compared With Other Years:

The City Manager, in the preparation of the budget shall place in parallel columns opposite the various items of expenditures the actual amount of such items of expenditures for the last completed fiscal year, the estimated amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SECTION 8.05 - Budget a Public Record:

The budget and all supporting schedules shall be filed with the person performing the duties of City Secretary, submitted to the Council and shall be a public record.

SECTION 8.06 - Notice of Public Hearing on Budget (Amended 5/19/2014):

In accordance with state law, the City Council shall cause to be published in the official newspaper of the City of Pearland a notice of the hearing setting forth the date time and place of the public hearing on the submitted budget.



SECTION 8.07 - Public Hearing on Budget:

At the time and place set forth in the notice required by Section 8.06, or at any time and place to which such public hearing shall from time to time be adjourned, the City Council shall hold a public hearing on the budget submitted and all interested persons shall be given an opportunity to be heard for or against any item or amount of any item therein contained.

SECTION 8.08 - Proceedings on Budget After Public Hearings (Amended 5/19/2014):

After the hearing, the City Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

SECTION 8.09 - Vote Required for Adoption:

The budget shall be adopted by a majority of the members of the whole City Council.

SECTION 8.10 - Date of Final Adoption (Amended 5/19/2014) :

The budget shall be adopted no later than the last regularly scheduled Council meeting of September to allow compliance with the state tax laws, and should the City Council fail to so adopt a budget, the then existing budget, together with its tax levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

SECTION 8.11 - Effective Date of Budget; Certification; Copies Made Available (Amended 5/19/2014):

Upon final adoption, the budget shall be in effect for the fiscal year. A copy of the budget, as finally adopted, shall be filed with the person performing the duties of City Secretary and the County Clerk of Brazoria County. The final budget shall be published on the City's website made available for the use of all offices, departments, and agencies and for the use of interested persons and civic organizations.

SECTION 8.12 - Budget Established Appropriations:

From the effective date of the budget, the several amounts stated therein as proposed expenditures shall be and become appropriated to the several objects and purposes therein named.

SECTION 8.13 - Budget Established Amount to be Raised by Property Tax:

From the effective date of the budget, the amount stated therein as the amount to be raised by property tax shall constitute a determination of the amount of the levy for the purposes of the City in the corresponding tax year; provided, however, that in no event shall such levy exceed the legal limit provided by the laws and constitution of the State of Texas.

SECTION 8.14 - Contingent Appropriation: (Amended 5/19/2014)

Provision shall be made in the annual budget and in the appropriation ordinance for a contingent appropriation ordinance for a contingent appropriation in an amount not to exceed one (1) per centum of the general fund expenditures to be used in case of unforeseen items of expenditures. Such contingent appropriation shall be under the control of the City Manager and distributed by him/her after approval by the City Council.

SECTION 8.15 - Estimated Expenditures Shall Not Exceed Estimated Resources:

The total estimated expenditures of the general fund and debt service fund shall not exceed the total estimated resources of each fund (prospective income plus cash on hand). The classification of revenue and expenditure accounts shall conform as nearly as local conditions will permit to the uniform classification as promulgated by the National Committee on Government Accounting or some other nationally accepted classification.

SECTION 8.16 - Emergency Appropriations (Amended 5/7/1990):

At any time in any fiscal year, the Council may, pursuant to this section, make emergency appropriations to meet a pressing need for public expenditure, for other than regular or recurring requirements, to protect the public health, safety or welfare. Such appropriations shall be by ordinance adopted by the majority vote of the Council members at one (1) special or regular meeting.



SECTION 8.17 - Purchase Procedure: (Amended 4/15/1974; 4/5/1982)

All purchases made and contracts executed by the City shall be pursuant to a requisition from the head of the office, department or agency whose appropriation will be charged, and no contract or order shall be binding upon the City unless and until the City Manager certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation and allotment balance to pay for the supplies, materials, equipment, or contractual services for which the contract or order is issued. All purchases made and contract executed by the City shall be made in accordance with the requirements of this Charter and all applicable requirements of the Constitution and Statutes of the State of Texas. All contracts for purchases or expenditures must be expressly approved in advance by the Council, except that the Council may by ordinance confer upon the City Manager, general authority to contract for expenditures without further approval of the Council for all budgeted items the cost of which does not exceed the constitutional and statutory requirements for competitive bidding.

SECTION 8.18 - Disbursement of Funds (Amended 5/19/2014):

All checks, vouchers or warrants for the withdrawal of money from the City Depository shall be signed by the City Manager or the Mayor, and countersigned by the City Secretary, or the City Treasurer.

SECTION 8.19 - Power to Tax: (Amended 4/9/84)

The City Council shall have the power, and is hereby authorized to levy and collect an annual tax upon all real and personal property within the City not to exceed the maximum limits set by the Constitution and laws of the State of Texas as they now exist, or as they may be amended.

SECTION 8.20 - Property Subject to Tax; Rendition, Appraisal and Assessment: (Amended 4/7/84)

All real and tangible and intangible personal property within the jurisdiction of the City of Pearland not expressly exempted by law shall be subject to annual taxation. The method and procedures for the rendition, appraisal and assessment of all real and personal property within the City shall be in accordance with applicable provisions of the Property Tax Code of the State of Texas as now or hereafter amended.

SECTION 8.21 - Taxes, When Due and Payable: (Amended 4/9/84)

All taxes due the City of Pearland shall be payable to the office of the city assessor-collector on receipt of the tax bill and shall be considered delinquent if not paid before February first of the year following the year in which imposed. The postponement of any delinquency date and the amount of penalty, interest and costs to be imposed on delinquent taxes shall be in accordance with applicable ordinances of the City of Pearland and the Property Tax Code of the State of Texas.

SECTION 8.22 - Tax Liens (Amended 5/19/2014):

- (a) Except for such restrictions imposed by law, the tax levied by the City is hereby declared to be a lien, charge, or encumbrance upon the property upon which the tax is due, which lien, charge or encumbrance the City is entitled to enforce and foreclose in any court having jurisdiction over the same, and the lien, charge or encumbrance on the property in favor of the City, for the amount of taxes due on such property is such as to give the state courts jurisdiction to enforce and foreclose said lien on the property on which the tax is due, not only as against any resident of this state or person whose residence is unknown, but also as against nonresidents. All taxes upon real estate shall especially be a lien and a charge upon the property upon which the taxes are due, which lien may be foreclosed in any court having jurisdiction. The City's tax lien shall exist from January first in each year until the taxes are paid, and limitations as to seizures and suits for collection of taxes shall be as prescribed by state law.
- (b) Except for such exemptions and restrictions imposed by law, all persons, associations, corporations, firms and partnerships owning or holding personal property or real property in the City of Pearland on January first of each year shall be liable for City taxes levied thereon for each year. The tangible personal property of all persons, associations, corporations, firms or partnerships owing any taxes to the City of Pearland is hereby made liable for all said taxes, whether the same be due upon personal or real property or upon both.
- (c) All seizure and foreclosure proceedings shall be commenced no later than three (3) years after taxes first become delinquent.

SECTION 8.23 - Tax Remission and Discounts: (Amended 4/9/1984)

Except as provided by state law, neither the City Council nor any other official of the City shall ever extend the time for payment of taxes nor remit, discount or compromise any tax legally due the City, nor waive the penalty, interest and costs that may be due thereon to or for any person, association, firm or partnership owing taxes to the City for such year or years.



SECTION 8.24 - Issuance of Bonds (Amended 4/9/1984):

The City of Pearland shall have the power to issue bonds and levy a tax to support the issue of permanent improvements and all other lawful purposes.

(a) General Obligation Bonds -

The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas and to issue refunding bonds to refund outstanding bonds of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas and shall be used only for the purpose for which they were issued.

(b) Revenue Bonds -

The City shall have the power to borrow money for the purpose of construction, purchasing, improving, extending or repairing of public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the Constitution and laws of the State of Texas and to issue revenue bonds to evidence the obligation created thereby, and to issue refunding bonds to refund outstanding revenue bonds of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas and shall be used only for the purpose for which they were issued.

(c) Sale of Bonds -

No bonds (other than refunding bonds issued to refund and in exchange of previously issued outstanding bonds) issued by the City shall be sold for less than par value accrued interest. All bonds of the City having been issued or sold in accordance with the terms of this section and having been delivered to the purchasers thereof shall thereafter be incontestable and all bonds issued to refund and in exchange of outstanding bonds previously issued shall, after said exchange, be incontestable.



ORDINANCE NO.1505

An Ordinance adopting a tax rate of \$0.7121 and levying taxes for the use and support of the Municipal Government of the City of Pearland, Texas, and providing for the interest and sinking fund of the taxable year 2014.

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

Section 1. That there is hereby levied and there shall be collected for the use and support of the Municipal Government of the City of Pearland, Texas, and to provide Interest and Sinking Fund for the Year Two Thousand Thirteen upon all property, real, personal, and mixed within the corporate limits of said City subject to taxation, a tax of \$0.7121 on each One Hundred Dollars (\$100.00) valuation of property, said tax being so levied and apportioned for the specific purpose herein set forth:

- (1) For the maintenance and support of the General Government (General Fund), the sum of \$0.2221 on each \$100 valuation of property, and
- (2) For the Interest and Sinking Fund, the sum of \$0.4900.

Section 2. All monies collected under this ordinance for the specific items therein named, be and the same are hereby appropriated and set apart for the specific purpose indicated in each item and that the Assessor and Collector of Taxes, the Director of Finance, and the City Manager shall so keep these accounts as to readily and distinctly show the amount collected, the amounts expended, and the amount on hand at any time belonging to such funds. It is hereby made the duty of the Tax Assessor and Collector of Taxes and every person collecting money for the City of Pearland to deliver to the Director of Finance and the City Manager, at the time of depositing of any monies, a statement showing to what fund such deposit should be made, and from what source received. All receipts for the City not specifically

ORDINANCE NO.1505

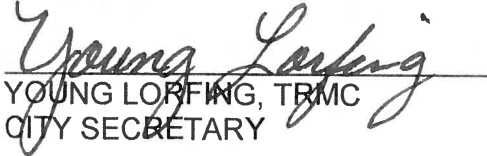
apportioned by this ordinance are hereby made payable to the General Fund of the City.

PASSED and APPROVED ON FIRST READING this the 22nd day of September,
A.D., 2014.



TOM REID
MAYOR

ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY

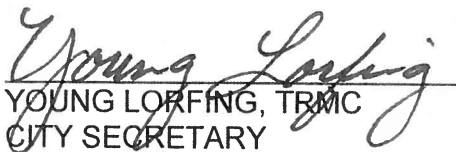


PASSED and APPROVED ON SECOND and FINAL READING this the 29th day
of September, A. D., 2014.



TOM REID
MAYOR

ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



APPROVED AS TO FORM:



DARRIN M. COKER
CITY ATTORNEY

ORDINANCE NO.1506

An appropriation ordinance adopting a revised budget for the fiscal year ending September 30, 2014 and adopting a budget for the fiscal year beginning October 1, 2014, and ending September 30, 2015, and pay plans for fiscal year 2015.

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

Section 1. That the City Manager's estimated 2013-2014 Budget and proposed 2014-2015 Budget, attached hereto as Exhibit "A" and Exhibit "B", be adopted in compliance with provisions of Article 8 of the Home Rule Charter of the City of Pearland, Texas which sets forth certain specific requirements as to the City of Pearland,

Section 2. The City Council hereby adopts a revised budget for the current fiscal year ending September 30, 2014 consisting of certain appropriations, more specifically identified on Exhibit "A" attached hereto.

Section 3. That City Council hereby appropriates certain sums, more specifically identified on Exhibit "B" attached hereto, for the proposed fiscal year 2014-2015 Budget.

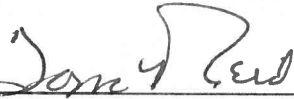
Section 4. That the City Council hereby confers upon the City Manager general authority to contract for expenditures without further approval of the Council for all budgeted items the cost of which do not exceed the constitutional and statutory requirements for competitive bidding.

Section 5. That the City Council deems the Pay Plans (Exhibit "C") and Organizational Plan contained in the 2014-2015 Budget to be in the best interest of the City and is hereby adopted.

Section 6. That this ordinance shall become effective from and after its passage on second and final reading.


ORDINANCE NO.1506

PASSED and APPROVED ON FIRST READING this the 22ND day of September,
A. D., 2014.



TOM REID
MAYOR


ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



PASSED and APPROVED ON SECOND and FINAL READING this the 29th day
of September, A. D., 2014.



TOM REID
MAYOR

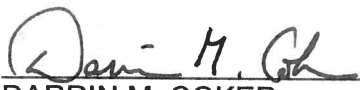
ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



APPROVED AS TO FORM:



DARRIN M. COKER
CITY ATTORNEY

EXHIBIT A

**City of Pearland
Fiscal Year 2013-2014 Revised Budget**

Fund #	Fund Description	REVENUES			EXPENDITURES		
		2014 Adopted	2014 Revised	\$ Change	2014 Adopted	2014 Revised	\$ Change
010	General	60,161,236	63,245,053	3,083,817	63,349,499	66,336,042	2,986,543
015	P.E.D.C.	9,126,881	9,003,762	(123,119)	6,819,102	6,946,723	127,621
020	Debt Service-General	28,070,980	61,612,893	33,541,913	28,842,896	62,228,869	33,385,973
	Proprietary Funds						
030	Water and Sewer	32,380,706	32,488,364	107,658	31,086,191	31,814,713	728,522
031	Solid Waste	8,458,930	6,916,829	(1,542,101)	8,520,935	6,739,002	(1,781,933)
	Special Revenue Funds						
017	Municipal Court	66,417	54,683	(11,734)	78,678	78,457	(221)
018	Citywide Donation	30,632	69,235	38,603	81,185	103,094	21,909
019	Court Technology	78,420	62,246	(16,174)	77,790	339,994	262,204
023	Court Juvenile Management	39,265	37,249	(2,016)	43,074	44,092	1,018
033	Street Assessment Fund	-	62,588	62,588	-	62,588	62,588
035	Traffic Impact Improvement	870	42,850	41,980	10,625	10,625	-
043	Regional Detention	-	-	-	-	-	-
045	Hotel/Motel	1,151,088	1,429,994	278,906	761,195	780,922	19,727
046	Parks Donations	81,100	104,165	23,065	71,500	136,367	64,867
047	Park & Recreation Development	51,200	225,081	173,881	48,700	248,023	199,323
049	Tree Trust	25	854	829	5,000	5,391	391
055	Sidewalk	5,300	33,715	28,415	-	14,652	14,652
060	Police State Seizure	15,132	47,187	32,055	102,733	113,637	10,904
062	Federal Police	50	9,326	9,276	29,000	31,842	2,842
101	Grant	378,838	630,514	251,676	393,263	650,915	257,652
111	Community Development	333,253	753,146	419,893	333,253	753,146	419,893
140	University of Houston	258,447	340,935	82,488	258,266	340,935	82,669
141	University of Houston Capital Renewal Fun	-	330	330	-	-	-
145	Municipal Channel	234,105	265,407	31,302	40,500	46,546	6,046
	Internal Service Fund						
095	Property/Liability Insurance	1,355,938	1,209,206	(146,732)	1,355,888	1,271,354	(84,534)
099	Medical Self-Insurance	5,499,891	6,810,948	1,311,057	5,505,785	6,292,592	786,807
	Sub-Total Operations	147,778,704	185,456,560	37,677,856	147,815,058	185,390,521	37,575,463

EXHIBIT A

**City of Pearland
Fiscal Year 2013-2014 Revised Budget**

Fund #	Fund Description	REVENUES			EXPENDITURES		
		2014 Adopted	2014 Revised	\$ Change	2014 Adopted	2014 Revised	\$ Change
CAPITAL IMPROVEMENT PROGRAM (CIP)							
	Water/Sewer CIP						
042	Utility Impact Fee	20,364,862	13,506,154	(6,858,708)	21,333,184	16,009,968	(5,323,216)
044	Shadow Creek Impact Fee	1,399,320	2,149,066	749,746	2,692,612	3,992,612	1,300,000
064	1998 Certificate of Obligation	-	1,702	1,702	-	847,080	847,080
067	1999 W & S Revenue Bonds	1,658,326	4,102,909	2,444,583	2,164,747	9,793,754	7,629,007
301	Water/Sewer Pay As You Go	250	66,100	65,850	-	2,068,713	2,068,713
302	MUD 4 Capital Program	-	2,423	2,423	503,763	477,802	(25,961)
Capital Projects Funds							
050	Capital Projects	293,500	3,341,177	3,047,677	292,500	4,827,434	4,534,934
068	Capital Projects-CO 2001	5,391,413	6,140,223	748,810	5,438,240	6,150,089	711,849
070	Capital Projects Mobility CO 2001	-	1,110	1,110	510,084	829,651	319,567
200	Capital Projects-CO 2006	2,145,000	3,000	(2,142,000)	2,879,889	2,002,170	(877,719)
201	Capital Projects-CO 2007	-	80	80	-	66,043	66,043
202	Capital Projects-GO 2007A	400,000	453,445	53,445	1,464,922	2,032,595	567,673
203	Capital Projects-GO 2009	23,630,615	18,092,067	(5,538,548)	24,297,286	25,566,988	1,269,702
	Sub-Total CIP	\$55,283,286	\$47,859,456	(\$7,423,830)	\$61,577,227	\$74,664,899	\$13,087,672
	TOTAL:	\$203,061,990	\$233,316,016	\$30,254,026	\$209,392,285	\$260,055,420	\$50,663,135

EXHIBIT B

**City of Pearland
Fiscal Year 2014-2015 Adopted Budget**

<u>Fund</u>	<u>Fund Description</u>	<u>REVENUES</u>		<u>EXPENDITURES</u>
		<u>2015 Adopted</u>		<u>2015 Adopted</u>
OPERATIONS-				
010	General	\$	63,692,881	\$ 67,520,359
015	P.E.D.C.	\$	9,415,766	\$ 14,708,556
020	Debt Service-General	\$	29,869,444	\$ 29,749,859
<u>Special Revenue Funds</u>				
017	Municipal Court Security	\$	57,208	\$ 99,497
018	Citywide Donation	\$	23,250	\$ 22,000
019	Court Technology	\$	65,510	\$ 66,665
023	Court Juvenile Management	\$	38,322	\$ 44,229
033	Street Assessment	\$	-	\$ -
035	Traffic Impact Improvement	\$	1,800	\$ 91
043	Regional Detention	\$	-	\$ -
045	Hotel/Motel	\$	1,393,078	\$ 819,213
046	Parks Donations	\$	81,140	\$ 80,000
047	Park & Recreation Development	\$	51,100	\$ 118,532
049	Tree Trust	\$	45	\$ 69,100
055	Sidewalk	\$	5,240	\$ 67,224
060	Police State Seizure	\$	20,100	\$ 54,100
062	Federal Police	\$	15	\$ -
101	Grant	\$	262,297	\$ 276,959
111	Community Development	\$	313,794	\$ 313,794
140	University of Houston	\$	339,955	\$ 339,915
141	University of Houston Capital Renewal Fund	\$	8,376	\$ -
145	Municipal Channel	\$	270,500	\$ 83,700
<u>Internal Service Fund</u>				
095	Property/Liability Insurance	\$	1,390,375	\$ 1,374,360
099	Medical Self-Insurance	\$	6,821,888	\$ 6,821,888
<u>Proprietary Funds</u>				
030	Water and Sewer	\$	35,583,118	\$ 37,017,108
031	Solid Waste	\$	6,616,649	\$ 6,603,258
SUB TOTAL - OPERATIONS		\$	156,321,851	\$ 166,250,407
CAPITAL IMPROVEMENT PROGRAM (CIP)-				
<u>Water/Sewer Capital Projects Funds</u>				
042	Utility Impact Fee	\$	4,760,368	\$ 3,438,770
044	Shadow Creek Impact Fee	\$	556,186	\$ 623,018
064	Certificates of Obligation 1998	\$	-	\$ -
067	1999 W & S Revenue Bonds	\$	2,705,415	\$ 2,949,746
301	Water/Sewer Pay As You Go	\$	224,500	\$ 424,947
302	MUD 4 Capital Program	\$	-	\$ 22,431
<u>Capital Projects Funds</u>				
050	Capital Projects	\$	3,835,500	\$ 3,884,372
068	Capital Projects-CO 2001	\$	10,928,569	\$ 10,956,770
070	Capital Projects Mobility CO 2001	\$	-	\$ 75,841
200	Capital Projects-CO 2006	\$	-	\$ -
201	Capital Projects-CO 2007	\$	-	\$ -
202	Capital Projects-GO Series 2007A	\$	-	\$ 805,296
203	Capital Projects-GO Series 2009	\$	37,965,612	\$ 37,568,948
SUB TOTAL - CIP		\$	60,976,150	\$ 60,750,139
GRAND TOTAL:		\$	217,298,001	\$ 227,000,546

Ordinance No. 1506
Exhibit "C"

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
City Manager, City Attorney and Municipal Court Judge	Determined By City Council						
Department Heads	Determined by City Manager						
Deputy City Attorney	72	\$84,949	\$40.8408	\$106,186	\$51.0510	\$127,423	\$61.2612
	71	\$82,877	\$39.8447	\$103,596	\$49.8058	\$124,315	\$59.7670
Assistant Police Chief	70	\$80,856	\$38.8729	\$101,069	\$48.5911	\$121,283	\$58.3093
	69	\$78,883	\$37.9247	\$98,604	\$47.4059	\$118,325	\$56.8871
Vice President - EDC	68	\$76,959	\$36.9997	\$96,199	\$46.2497	\$115,439	\$55.4996
	67	\$75,082	\$36.0973	\$93,853	\$45.1216	\$112,624	\$54.1460
Assistant City Attorney	66	\$73,251	\$35.2169	\$91,564	\$44.0211	\$109,877	\$52.8253
	65	\$71,465	\$34.3579	\$89,331	\$42.9474	\$107,197	\$51.5369
Assistant Director, Finance	64	\$69,721	\$33.5199	\$87,152	\$41.8999	\$104,582	\$50.2799
Capital Projects, Assistant Director	64						
Fire Marshal / EMC	64						
City Planner	64						
Assistant City Engineer	63	\$68,021	\$32.7024	\$85,026	\$40.8780	\$102,031	\$49.0536
Assistant Director, Public Works	63						
	62	\$66,362	\$31.9048	\$82,952	\$39.8810	\$99,543	\$47.8571
Assistant Director, Parks & Recreation	61	\$64,743	\$31.1266	\$80,929	\$38.9083	\$97,115	\$46.6899
Redevelopment Manager	61						
Budget Officer	60	\$63,164	\$30.3674	\$78,955	\$37.9593	\$94,746	\$45.5511
Building Official	60						
Director, Marketing (EDC)	60						
Manager, Information Technology	60						
Facilities Manager	60						
Purchasing Officer	60						
	59	\$61,624	\$29.6267	\$77,030	\$37.0334	\$92,435	\$44.4401
Associate City Attorney	58	\$60,121	\$28.9041	\$75,151	\$36.1302	\$90,181	\$43.3562
Planner, Senior	58						
Project Manager	57	\$58,654	\$28.1992	\$73,318	\$35.2490	\$87,981	\$42.2987
Municipal Court Prosecutor	57						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Accounting Supervisor	56	\$57,224	\$27.5114	\$71,530	\$34.3892	\$85,836	\$41.2671
Manager, Fleet	56						
Manager, GIS	55	\$55,828	\$26.8404	\$69,785	\$33.5505	\$83,742	\$40.2606
Municipal Court Administrator	55						
Manager, Animal Control	55						
Manager, Water Billing & Collection	55						
Manager, Sales and Event (CVB)	55						
Network Administrator	54	\$54,466	\$26.1857	\$68,083	\$32.7322	\$81,699	\$39.2786
System Administrator	54						
Superintendent, Parks Dev. & Operations	54						
Superintendent, Recreation	54						
Superintendent, Streets & Drainage	54						
Superintendent, Treatment Plant	54						
Superintendent, ROW	54						
Superintendent, Water & Sewer	54						
Manager, Acquisition	53	\$53,138	\$25.5471	\$66,422	\$31.9338	\$79,707	\$38.3206
Planner, Associate	52	\$51,842	\$24.9240	\$64,802	\$31.1549	\$77,763	\$37.3859
Budget Analyst	52						
Management Assistant	52						
Crime Analyst	52						
Grants Coordinator	52						
Manager, Traffic	52						
Sales and Event Manager (CVB)	51	\$50,577	\$24.3161	\$63,222	\$30.3951	\$75,866	\$36.4741
Deputy Fire Marshal	50	\$49,344	\$23.7230	\$61,680	\$29.6537	\$74,016	\$35.5845
Jail Division Supervisor	50						
Police Support Services Supervisor	50						
Staff Accountant	50						
Construction Inspector, Chief	49	\$48,140	\$23.1444	\$60,175	\$28.9305	\$72,210	\$34.7166
Emergency Management Planner	48	\$46,966	\$22.5799	\$58,708	\$28.2248	\$70,449	\$33.8698
Fire Inspector/Investigator	48						
Health & Environmental Services Supervisor	48						
Manager, Resource Development	48						
Planner	48						
Marketing Manager (CVB)	48						
Deputy City Secretary	47	\$45,821	\$22.0291	\$57,276	\$27.5364	\$68,731	\$33.0437
Executive Assistant	47						
Water Billing & Collection Asst. Manager	46	\$44,703	\$21.4918	\$55,879	\$26.8648	\$67,055	\$32.2378
HR Generalist	46						
Plans Examiner	46						
Building Inspector	45	\$43,613	\$20.9677	\$54,516	\$26.2096	\$65,419	\$31.4515
Police Telecommunications Coordinator	45						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Aquatics Supervisor	44	\$42,549	\$20.4562	\$53,186	\$25.5703	\$63,823	\$30.6844
Recreation Center Supervisor	44						
Recreation Program Coordinator	44						
Senior Center Supervisor	44						
Special Events Coordinator	44						
Communications Specialist	44						
Building Maintenance Supervisor	44						
Park Supervisor	44						
Construction Inspector	44						
Engineering Technician	44						
Maintenance Supervisor	44						
Treatment Plant Supervisor	44						
Crime Victim Liaison	44						
Multimedia Specialist	44						
Computer Support Technician, Senior	43	\$41,511	\$19.9573	\$51,889	\$24.9466	\$62,267	\$29.9360
Project Coordinator	43						
Vol Fire Recruit/Retention Coordinator	43						
Buyer	42	\$40,499	\$19.4706	\$50,623	\$24.3382	\$60,748	\$29.2058
Chief Mechanic	42						
Safety Officer	42						
Therapeutic Recreation Specialist	42						
GIS Specialist	41	\$39,511	\$18.9957	\$49,389	\$23.7446	\$59,266	\$28.4935
Telecommunications Operator, Lead	41						
Lead Jailer	41						
Urban Forester	41						
Accounts Payable Supervisor	40	\$38,547	\$18.5324	\$48,184	\$23.1654	\$57,821	\$27.7985
Code Enforcement/Health Officer, Senior	40						
Legal Secretary	40						
Office Supervisor	40						
Customer Service Supervisor	40						
Volunteer Coordinator	40						
Electrician	39	\$37,607	\$18.0803	\$47,009	\$22.6004	\$56,411	\$27.1205
GIS Technician	38	\$36,690	\$17.6394	\$45,862	\$22.0492	\$55,035	\$26.4590
Planning Technician	38						
Maintenance Crew Leader	38						
Utility Maintenance Technician, Senior	38						
Treatment Plant Operator II	38						
Program Specialist	38						
Recreation Program Coordinator, Assistant	38						
Recreation Specialist	38						
Utility Field Service Technician, Lead	38						
Videographer / Editor	38						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Code Enforcement / Health Officer	37	\$35,795	\$17.2091	\$44,744	\$21.5114	\$53,692	\$25.8137
Crime Victim Specialist	37						
Jailer	37						
Telecommunications Operator	37						
Administrative Assistant	36	\$34,922	\$16.7894	\$43,652	\$20.9867	\$52,383	\$25.1841
Building Maintenance Technician	36						
Traffic Signal Technician	36						
HR Assistant	35	\$34,070	\$16.3799	\$42,588	\$20.4749	\$51,105	\$24.5698
Park Maintenance Crew Leader	35						
Payroll Technician	34	\$33,239	\$15.9804	\$41,549	\$19.9755	\$49,859	\$23.9706
Computer Support Technician	34						
Recycling Center Supervisor	34						
Treatment Plant Operator I	34						
Utility Maintenance Technician	34						
CCTV Technician	34						
Pre-Treatment Technician	34						
Property Room Technician	33	\$32,428	\$15.5906	\$40,536	\$19.4883	\$48,643	\$23.3859
Custodial Crew Leader	32	\$31,638	\$15.2104	\$39,547	\$19.0130	\$47,456	\$22.8155
Mechanic	32						
Records and Information Coordinator	32						
Traffic Signal Technician, Trainee	32						
Humane Officer, Senior	31	\$30,866	\$14.8394	\$38,582	\$18.5492	\$46,299	\$22.2591
Accounts Payable Clerk	30	\$30,113	\$14.4774	\$37,641	\$18.0968	\$45,170	\$21.7162
GPS Specialist	30						
Heavy Equipment Operator	30						
Water & Sewer Equipment Operator	30						
Plans Expediter	30						
Police Records Clerk, Lead	30						
Utility Billing Specialist	30						
Animal Shelter Supervisor	29	\$29,379	\$14.1243	\$36,723	\$17.6554	\$44,068	\$21.1865
Deputy Court Clerk, Senior	29						
ROW Inspector	29						
GPS Field Technician	29						
Humane Officer	29						
Office Assistant, Senior	28	\$28,662	\$13.7798	\$35,828	\$17.2248	\$42,993	\$20.6698
Court Bailiff	27	\$27,963	\$13.4437	\$34,954	\$16.8047	\$41,944	\$20.1656
Utility Field Service Technician	27						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Equipment Operator	26	\$27,281	\$13.1158	\$34,101	\$16.3948	\$40,921	\$19.6738
Fleet Services Assistant	26						
Records and Information Coordinator, Ass't	26						
Recycling Center Specialist	26						
Senior Center Shuttle Bus Driver	26						
Utility Maintenance Worker	26						
Deputy Court Clerk	25	\$26,616	\$12.7960	\$33,269	\$15.9949	\$39,923	\$19.1939
Customer Service Representative	24	\$25,966	\$12.4839	\$32,458	\$15.6048	\$38,950	\$18.7258
Permit Clerk	24						
Police Records Clerk	24						
Sign Technician	24						
	23	\$25,333	\$12.1794	\$31,666	\$15.2242	\$38,000	\$18.2691
Building Maintenance Worker	22	\$24,715	\$11.8823	\$30,894	\$14.8529	\$37,073	\$17.8235
Office Assistant	22						
Park Maintenance Worker	22						
Receptionist	22						
Humane Officer, Trainee	21	\$24,112	\$11.5925	\$30,140	\$14.4906	\$36,169	\$17.3887
	20	\$23,524	\$11.3098	\$29,405	\$14.1372	\$35,286	\$16.9646
Custodian	19	\$22,951	\$11.0339	\$28,688	\$13.7924	\$34,426	\$16.5509
Animal Shelter Attendant	18	\$22,391	\$10.7648	\$27,988	\$13.4560	\$33,586	\$16.1472
	17	\$21,845	\$10.5022	\$27,306	\$13.1278	\$32,767	\$15.7533
	16	\$21,312	\$10.2461	\$26,640	\$12.8076	\$31,968	\$15.3691
Water Safety Instructor	15	\$20,792	\$9.9962	\$25,990	\$12.4952	\$31,188	\$14.9943
Camp Coordinator	15						
	14	\$20,285	\$9.7524	\$25,356	\$12.1905	\$30,427	\$14.6285
	13	\$19,790	\$9.5145	\$24,738	\$11.8931	\$29,685	\$14.2718
	12	\$19,307	\$9.2824	\$24,134	\$11.6031	\$28,961	\$13.9237
Head Lifeguard	11	\$18,837	\$9.0560	\$23,546	\$11.3201	\$28,255	\$13.5841
Recycling Center Attendant	10	\$18,377	\$8.8352	\$22,971	\$11.0440	\$27,566	\$13.2527
Lifeguard W/WSI	9	\$17,929	\$8.6197	\$22,411	\$10.7746	\$26,893	\$12.9295
	8	\$17,492	\$8.4094	\$21,865	\$10.5118	\$26,237	\$12.6142
Ballfield Attendant	7	\$17,065	\$8.2043	\$21,331	\$10.2554	\$25,598	\$12.3065
Fitness Attendant	7						
Lifeguard	7						
Camp Counselor	7						
Recreation Attendant	7						

CITY OF PEARLAND

POLICE PAY PLAN
FY 2015

	0 - 6 mos.
Police	\$16,1600
Cadet	

	0	1	2	3	4	5	6	7	8	9	10	11
Police	\$24,6607	\$25,4005	\$26,1625	\$26,9474	\$27,7558	\$28,5885	\$29,4462	\$30,3295	\$31,2394	\$32,1766	\$33,1419	\$34,1362
Officer	\$4,274.52	\$4,402.75	\$4,534.84	\$4,670.88	\$4,811.01	\$4,955.34	\$5,104.00	\$5,257.12	\$5,414.83	\$5,577.28	\$5,744.60	\$5,916.98
	\$51,294.23	\$52,833.06	\$54,418.05	\$56,050.59	\$57,732.11	\$59,464.07	\$61,247.99	\$63,085.43	\$64,978.00	\$66,927.34	\$68,935.16	\$71,003.21

	1st year	2nd year	3rd year	4th year	5th year	6th year
Sergeant	\$35,1602	\$36,2151	\$37,3015	\$38,4205	\$39,5732	\$40,7604
	\$6,094.44	\$6,277.28	\$6,465.59	\$6,659.56	\$6,859.35	\$7,065.13
	\$73,133.31	\$75,327.31	\$77,587.13	\$79,914.74	\$82,312.18	\$84,781.55
Lieutenant	\$41,9832	\$43,2427	\$44,5399	\$45,8761		
	\$7,277.08	\$7,495.40	\$7,720.26	\$7,951.86		
	\$87,324.99	\$89,944.74	\$92,643.09	\$95,422.38		
Captain	\$47,2524	\$48,6700	\$50,1301			
	\$8,190.42	\$8,436.13	\$8,689.22			
	\$98,285.05	\$101,233.60	\$104,270.61			

Education / Incentive Pay

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

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

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

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

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

Monthly longevity pay is received by the Classified Employees of the City of Pearland in accordance with the Local Government Code, Chapter 141.032. When Classified Employee is eligible, shift differential pay is \$86.00 bi-monthly.

All overtime for any classification shall be paid in accordance with applicable State and Federal law.

CITY OF PEARLAND

FIRE PAY PLAN

FY 2015

Fire Certified Personnel (48/96)

Salary Range	Job Title	Rank	MINIMUM		MIDPOINT		MAXIMUM	
			2756 annual hours Annual	Hourly	2756 annual hours Annual	Hourly	2756 annual hours Annual	Hourly
F-1	Firefighter	Firefighter	\$45,000	\$16.3280	\$56,250	\$20.4100	\$67,500	\$24.4920
F-2	Driver/Operator Field Training Officer	Driver/Operator 2nd Lieutenant	\$49,672	\$18.0231	\$62,089	\$22.5288	\$74,507	\$27.0346
F-3	Lieutenant	Lieutenant	\$54,828	\$19.8940	\$68,535	\$24.8676	\$82,242	\$29.8411
F-4	Captain	Captain	\$62,000	\$22.4964	\$77,500	\$28.1205	\$93,000	\$33.7446
F-5	Battalion Chief	Battalion Chief	\$70,000	\$25.3991	\$87,500	\$31.7489	\$105,000	\$38.0987

Hourly rate or regular rate of pay based on 2756 Regular Hours (although scheduled for 2920 in total.)

Non-Fire Certified Personnel (48/96)

Salary Range	Job Title	Rank	MINIMUM		MIDPOINT		MAXIMUM	
			2080 annual hours Annual	Hourly	2080 annual hours Annual	Hourly	2080 annual hours Annual	Hourly
E-1	EMT	EMT	\$21,798	\$10.4798	\$27,248	\$13.0998	\$32,697	\$15.7197
E-3	EMT-Intermediate	EMT-Intermediate	\$24,918	\$11.9798	\$31,148	\$14.9748	\$37,377	\$17.9697
E-5	Paramedic	Paramedic	\$30,534	\$14.6798	\$38,168	\$18.3498	\$45,801	\$22.0197
E-7	EMS Lieutenant	2nd Lieutenant	\$33,696	\$16.2000	\$42,120	\$20.2500	\$50,544	\$24.3000
E-9	EMS Captain	Captain	\$39,247	\$18.8688	\$49,059	\$23.5859	\$58,871	\$28.3031

Hourly rate or regular rate of pay based on 2080 Regular Hours (although scheduled for 2920 in total.)

Note: As the last employee in each "E" salary range is assigned to fire fighting duties or leaves the City the range will no longer exist.

Uniformed Administrative Personnel (40 hour work week)

Salary Range	Job Title	Rank	MINIMUM		MIDPOINT		MAXIMUM	
			2080 annual hours Annual	Hourly	2080 annual hours Annual	Hourly	2080 annual hours Annual	Hourly
F-6	EMS Training Captain Logistics Captain Clinical Manager	Captain	\$62,000	\$29.8077	\$77,500	\$37.2596	\$93,000	\$44.7115
F-7	Training Battalion Chief	Battalion Chief	\$70,000	\$33.6538	\$87,500	\$42.0673	\$105,000	\$50.4808

Hourly rate or regular rate of pay based on 2080 Regular Hours.

**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
NEW PERSONNEL FUNDED**

APPENDIX B

FUND/DIVISION	TITLE	FULL-TIME	PART-TIME
<u>GENERAL FUND - 010</u>			
Information Systems	Chief Information Officer*	1	
Police Patrol	Sergeant	2	
Police Patrol	Officers	4	
Police Investigations	Crime Analyst*	1	
Health/Code Enforcement	Housing Enforcement and Rehabilitation Officer	1	
Permits & Inspections	Permit Clerk	1	
Parks Maintenance	Parks Maintenance Worker	-1	
	Sub-Total General Fund	9	0
<u>WATER & SEWER FUND - 030</u>			
Wastewater Treatment Plants	Utility Inspector	1	
	Sub-Total Water & Sewer Fund	1	0
<u>OTHER FUNDS</u>			
Municipal Court	Bailiff		1
Convention/Visitors' Bureau	Receptionist		2
			3
	GRAND TOTAL	10	3

*Funded for 9 months



**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS FUNDED**

		*****EXPENDITURES*****		
<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>REVENUES</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Human Resources	LEAD Program		20,000	20,000
			20,000	20,000
Library	West Side Library Expansion Buildout Reimbursement	100,000		
	Modular Conference Table and Chairs - Tom Reid Library		5,700	5,700
		100,000	5,700	5,700
Information Systems	Chief Information Officer - 9 months	106,178	7,900	114,078
	ERP*		1,472,090	1,472,090
	Update MS Office for 28 desktop computers	9,240		9,240
	4 Dispatch Computers	7,200		7,200
	5 replacement Desktops	6,750		6,750
	3 replacement Laptops	6,600		6,600
	Update MS Office for 41 Laptop Computers	13,530		13,530
	19 Replacement Police Panasonic Toughbooks	98,800		98,800
	Public Safety IT Systems Equipment Replacement		75,000	75,000
	Edge Router Replacement		5,541	5,541
	Network Management System Hardware		5,293	5,293
		248,298	1,565,824	1,814,122
	*Funded via Lease/Purchase (\$1,187,000)			
Finance	Citizen Survey		18,000	18,000
			18,000	18,000
Transfer out	Transfer for FS#2 FFE (cash vs bonds)		100,000	100,000
			100,000	100,000
Police	2 Patrol Sergeants and 1 Vehicle	209,259	81,588	290,847
	4 Patrol Officers - 8 months and 1 Vehicle	424,518	174,846	599,364
	Crime Analyst Civilian - 9 months	53,142	6,650	59,792
	Replacement Body Armor (vests) - 51		14,663	14,663
	Normal Replacement Citizens' Police Academy Van		27,128	27,128
	Normal Replacement Jail Vehicle - Van	20,818		20,818
	Normal Replacement CID Vehicles - 2	57,030		57,030
	Normal Replacement Patrol Vehicles - 9	526,212		526,212
	Replacement Ballistic Helmets - SWAT - 14		15,000	15,000
	Replacement Handheld Radars - 5		15,970	15,970
	Gas Mask Replacements - 20		8,080	8,080
		1,290,979	343,925	1,634,904
Animal Control	Replacement Vehicle TL 128	48,025		48,025
		48,025		48,025

**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS FUNDED**

*****EXPENDITURES*****

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>REVENUES</u>	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Fire	Overtime Savings-Hiring of 3 F-T Firefighters for backfill		(67,395)		(67,395)
	FFE not included in CIP - Stn 3			29,945	29,945
	FFE not included in CIP - Stn 2			29,945	29,945
	Remount Ambulance			83,100	83,100
	Replacement for U-132 Tahoe		50,945		50,945
	Fire Training Tower Structural Repairs			50,000	50,000
			(16,450)	192,990	176,540
Health & Environmental	Housing Enforcement and Rehabilitation Officer funded by CDBG (grant)	71,055	80,219	230	80,449
		71,055	80,219	230	80,449
Communications	Year Round Intern		10,321		10,321
			10,321		10,321
Community Development Admin	Iron Mountain Intern Scanner Plotter (Lease 36 Months)			20,000	20,000
			5,720		5,720
				8,524	8,524
			7,400		7,400
			13,120	28,524	41,644
Inspections	Permit Clerk Scanner		38,537	3,050	41,587
				7,285	7,285
			38,537	10,335	48,872
Planning	Plan Review Service (in lieu of new hire)		50,000		50,000
			50,000		50,000
Fleet Maintenance	Brake Lathe - replacement Gas Heaters - replacement Mig Welder - replacement			6,000	6,000
				9,000	9,000
				3,500	3,500
				18,500	18,500
ROW - Right-of-Way Maintenance/Mowing	Landscaping, SH35, FM518 + ROWs & Medians		95,333		95,333
			95,333		95,333
Streets & Drainage	Replace Dump Truck Pneumatic Roller & Recycler Rental			101,509	101,509
			134,516		134,516
			134,516	101,509	236,025



**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS FUNDED**

*****EXPENDITURES*****

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>REVENUES</u>	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Service Center	Overhead safety lights/city vehicle logos			30,000	30,000
				30,000	30,000
Traffic	Intersection Flashing Left Turn Arrow Program (yr 1 of 3 yr program)			138,186	138,186
	Span Wire Rebuild			192,000	192,000
	School Zone Flasher System (yr 3 of 3 yr program)			38,760	38,760
				368,946	368,946
Parks & Recreation					
	Knapp (Senior) Center Membership Fees	12,500			
	Veterans' (PISD) Sports Fields increase in fee rates	3,000			
	Shadow Creek Sportsplex O&M - 2 mos		61,490	45,350	106,840
	New Recreation Software		30,735		30,735
	Weight Room Floor Replacement			34,047	34,047
	Centennial Park O&M - 4 months		39,921		39,921
	Replacement Hazardous Waste Lockers			4,000	4,000
		15,500	132,146	83,397	215,543
Facilities Maintenance/Custodial Services					
	Replacement Vehicle C208 - Ford Transit Connect Van			20,430	20,430
	Replacement Vehicle C225 - Ford Transit Connect Van			20,430	20,430
	Diesel Exhaust Removal System - Stn 1			19,533	19,533
	Thermal Imager (for breaker panels)			8,000	8,000
	Man Lift with Trailer			24,000	24,000
	A/C for Fire Bldg. EMS Medical Storage			7,919	7,919
	Replacement A/C Parks Crew Leader Bldg.			1,600	1,600
	Fire Marshal Outbuilding Repairs (evidence/explosives)			8,000	8,000
				109,912	109,912
TOTAL GENERAL FUND		\$186,555	\$2,125,044	\$2,997,792	\$5,122,836

**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
WATER AND SEWER FUND
SUPPLEMENTAL AND CAPITAL REQUESTS FUNDED**

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>REVENUES</u>	<u>RECURRING</u>	<u>EXPENSES NON- RECURRING</u>	<u>TOTAL</u>
Public Works W/S Admin					
	Customer Service Clerk reclassification		2,696		2,696
	Utility Inspector cell phone (new position)		660	199	859
			<u>3,356</u>	<u>199</u>	<u>3,555</u>
Lift Stations					
	Auto Dialer Alarm System (44)		11,000	220,000	231,000
	Automatic Priming Centrifugal Pump (1) - new			40,000	40,000
	Portable Generator 8000 watt (1) - new			3,800	3,800
	Utility Trailer (1) - replace 12ft with 16 ft			8,000	8,000
	Flygt Pump (3)			23,000	23,000
	Portable Flow Meter (1)			9,000	9,000
	New Portable Welding Machine (1)			4,000	4,000
	Lift Station Rehab		500,000		500,000
	Mowing Equipment - replacement			5,000	5,000
			<u>511,000</u>	<u>312,800</u>	<u>823,800</u>
Wastewater Treatment					
	Utility Inspector w/Vehicle (grease traps & Pre-treatment)		57,274	22,510	79,784
	Lab Equipment			19,495	19,495
	Influent Samplers (3)			27,000	27,000
	Chlorine Analyzers (2)			34,000	34,000
	Sludge dewatering/hauling (Far Northwest WWTP)			525,000	525,000
			<u>57,274</u>	<u>628,005</u>	<u>685,279</u>
Water Production					
	Ford F250 4x4 Extended Cab - replacement		30,080		30,080
	Replace 2 Electrical Gates & 3 Walk through Gates			29,076	29,076
	35 Water Sampling Stations			29,000	29,000
	Ford F150 - replacement		24,300		24,300
	25 Auto Flushers - (yr 2 of 3yr program)			107,400	107,400
	Interior Lining of GST's & EST's & HPT's Program (yr 2 of 3 yr program)		400,000		400,000
	Pigging of Water Lines (South East)			300,000	300,000
	10 Semi Tough Books			28,000	28,000
	Analyze and Improve SCADA System			100,000	100,000
	Painting of Exterior Piping at Water Facilities			59,000	59,000
	UCMR 3 (Unregulated Contaminants Monitoring Rule)		12,000		12,000
			<u>466,380</u>	<u>652,476</u>	<u>1,118,856</u>
Water & Sewer Distribution					
	2 Ford F350 Replacements with F450's		120,470		120,470
	Vactor Truck*			459,026	459,026
	Romac Quick Valve Insertion Machine (1)			65,422	65,422
	Model DC 100M Pump on Trailer			42,072	42,072
			<u>120,470</u>	<u>566,520</u>	<u>686,990</u>
Water & Sewer Construction					
	Ford 350 4x4 - replacement		40,935		40,935
	Trio-vision, Light Activated Pole Camera & TV System			11,099	11,099
	TopCon X62 2D Laser Excavator System			45,770	45,770
	Trail King TK40LP Trailer (2) - new			58,332	58,332

**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
WATER AND SEWER FUND
SUPPLEMENTAL AND CAPITAL REQUESTS FUNDED**

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>REVENUES</u>	<u>RECURRING</u>	<u>EXPENSES NON- RECURRING</u>	<u>TOTAL</u>
	Longwood Street Manhole Rehab			159,600	159,600
			40,935	274,801	315,736
Utility Billing & Collection					
	Assistant Manager - UB Customer Service upgrade		8,382		8,382
	Utility Billing Customer Service Supervisor upgrade		7,497		7,497
	Wireless Read System (Backbone only)		36,765	268,025	304,790
			52,644	268,025	320,669
Other Requirements					
	Rate Model Update & Training			7,100	7,100
	ERP - Prorata share to W/S, yr 1 (replacement)			802,797	802,797
				809,897	809,897
TOTAL WATER AND SEWER FUND			1,252,059	3,512,723	4,764,782

*funded via lease-purchase



**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
OTHER FUNDING SOURCES
SUPPLEMENTAL AND CAPITAL REQUESTS FUNDED**

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Court Security Fund				
	PT Bailiff	16,249	2,200	18,449
		<u>16,249</u>	<u>2,200</u>	<u>18,449</u>
City-Wide Donation Fund				
	Gear Storage Lockers - Fire/EMS		15,800	15,800
	Rehab Refrigerator for Station - Fire/EMS		2,450	2,450
	Two Motolights for Police Motorcycles		1,550	1,550
	Laptop Computer for Animal Control Humane Officer		2,200	2,200
			<u>22,000</u>	<u>22,000</u>
Hotel/Motel Fund / Convention & Visitors' Bureau				
	2 Part-time Receptionist Positions - Weekend Coverage	9,880		9,880
		<u>9,880</u>		<u>9,880</u>
Park Development Fund				
	Signage at Shadow Creek Trail		9,552	9,552
	2 Pet Water Fountains at Southdown Park		8,980	8,980
	Centennial Park (contribution toward construction)		100,000	100,000
			<u>118,532</u>	<u>118,532</u>
Tree Trust Fund				
	Shadow Creek Ranch Park Trees		31,100	31,100
	Woodchipper		38,000	38,000
			<u>69,100</u>	<u>69,100</u>
Police State Seizure Fund				
	Dog Kennel & Vehicle Cage (pending receipt of dog grant)		3,300	3,300
			<u>3,300</u>	<u>3,300</u>
JAG GRANT				
	Gang Tracking Software for OSSI		6,620	6,620
	Motolights for 2 Motorcycles		1,550	1,550
	Crash Reconstruction Equipment		2,619	2,619
			<u>10,789</u>	<u>10,789</u>
TOTAL OTHER FUNDING SOURCES		<u>26,129</u>	<u>225,921</u>	<u>252,050</u>

**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS NOT FUNDED**

		*****EXPENDITURES*****		
<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>	<u>TOTAL</u>
Human Resources				
	Risk Manager, w/Vehicle	82,670	30,215	112,885
	HR Assistant	52,527	5,650	58,177
	HR Dedicated Server		5,050	5,050
	Compass Benefit Services	37,200		37,200
	LEAD Program (2 employees)		10,000	10,000
		172,397	50,915	223,312
City Secretary				
	Desktop Scanners (requested 2, 1 is funded)		1,910	1,910
	Language Services Professional Consultant	500		500
		500	1,910	2,410
Legal				
	Professional Development	1,000		1,000
	Travel	4,000		4,000
		5,000		5,000
Information Technology				
	Business Analyst	72,399	2,200	74,599
	Customer Service Supervisor	72,399	2,200	74,599
	28 Replacement Desktop Computers	28,560		28,560
	41 Replacement Laptop Computers	41,470		41,470
	IT Policy Development/Disaster Recovery Plan		50,000	50,000
		214,828	54,400	269,228
Finance				
	Intern - Performance Management - 12 months		19,569	19,569
	Maintenance - Performance Management Reporting Tool	15,000	10,000	25,000
		15,000	29,569	44,569
Police				
	1 Vehicle for new Sergeant	5,776	54,399	60,175
	12 Police Officers and 5 Vehicles	835,940	361,364	1,197,304
	1 Patrol Lieutenant and 1 Vehicle	123,272	67,027	190,299
	Assistant Police Chief and 1 Vehicle	150,576	47,511	198,087
	CID (Investigations) Equipment for 2 Officers	4,400	6,620	11,020
	Business Manager	78,558	4,600	83,158
	Crime Analyst Civilian - 3 months (9 months funded)	16,937	6,650	23,587
	Increase Police Officer TCOLE Certification Pay	77,550		77,550
	Increase Telecommunication TCOLE Certificate Pay	15,995		15,995
	Police Officer Education Increase	38,775		38,775
	Bilingual Incentive Pay	40,180		40,180
	CID (Detective/Investigations) Assignment Pay	42,677		42,677
	Home Fleet Expansion, Officers with 5+ years - 8	86,200	467,744	553,944
	Fleet Management Module for OSSI	1,440	9,560	11,000

**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS NOT FUNDED**

		*****EXPENDITURES*****		
		NON-		
<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>RECURRING</u>	<u>RECURRING</u>	<u>TOTAL</u>
	Evidence (BEAST) Interface for OSSI	880	6,600	7,480
	Bang Box for Type 3 Explosives Storage - 21		5,250	5,250
	Mobile Command Post	4,000	116,591	120,591
	Cases for Tourniquets - 150		5,850	5,850
	Rifle Suppressors - 18		12,600	12,600
	Remington 870 Shotguns - 4		1,960	1,960
	Single Communication Headsets - 14		12,040	12,040
	Clip-on Night Vision - 2		19,950	19,950
	Night Vision Equipment - 4		52,000	52,000
		<hr/>		
		1,517,380	1,203,917	2,721,297
Animal Control				
	Needs Assessment/Feasibility Study - Animal Control		9,500	9,500
			<hr/>	
			9,500	9,500
Fire				
	3 Lieutenants - Stn 2 - 6 months 4/1/15	132,558	16,722	149,280
	3 Driver/Operators - Stn 2 - 5 months 5/1/15	104,091	16,722	120,813
	3 Firefighter/Para. - Stn 2 - 4 months 6/1/15	78,039	14,862	92,901
	EMS Training for 15 Firefighters \$22,625 ea.		339,375	339,375
	5 ALS Medical Bags for Fire Apparatus		12,871	12,871
	5 Cardiac Monitors for Fire Apparatus		174,072	174,072
	Replacement for U-141 Tahoe		52,915	52,915
	New Brush Truck		165,000	165,000
	6 Physical Ability Test Validation Simulation		18,300	18,300
	4 CMC Rescue/Retrieval Kits		6,000	6,000
	Action Training Videos		10,725	10,725
	2 Smoke Generators - Training		8,360	8,360
	Replacement Card Reader for Gate at Admin. Bldg.		6,743	6,743
	Replacement Key Pads at Stns 4 & 5		27,710	27,710
			<hr/>	
Fire Marshal/Emergency Management				
	Full-time Fire Inspector/Investigator	72,170	49,112	121,282
	Deputy Emergency Management Coordinator	81,369	40,210	121,579
		<hr/>		
		153,539	89,322	242,861
Health & Environmental				
	Health Code Enforcement Officer w/vehicle & misc.	54,308	24,255	78,563
		<hr/>		
		54,308	24,255	78,563
Communications				
	Communications Specialist	39,110	2,250	41,360



**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS NOT FUNDED**

		*****EXPENDITURES*****		
<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>	<u>TOTAL</u>
Community Development Admin	Office Assistant	39,133	4,050	43,183
	Consultant: UDC (codify changes of Comp Plan)		200,000	200,000
	Hyperlink UDC (electronic version to website)		50,000	50,000
	Studies - Multi-Family analysis and others identified by Comp Plan		50,000	50,000
	Team Building		8,000	8,000
	Computers		2,850	2,850
		<u>39,133</u>	<u>314,900</u>	<u>354,033</u>
Inspections	Permit Clerk	<u>38,537</u>	3,050	41,587
		38,537	3,050	41,587
Planning	Planner (funded via contractual, in lieu of adding position)	<u>63,783</u>	2,400	66,183
		63,783	2,400	66,183
Streets & Drainage	Replace Ford F-350 Crew Cab Truck	48,955		48,955
	Replace Dump Truck		101,509	101,509
	Pneumatic Tire Roller - new		92,505	92,505
	Asphalt Reclaimer/Stabilizer - new		370,399	370,399
	Street Panel Replacement		2,200,000	2,200,000
	Sidewalk Rehabilitation		1,100,000	1,100,000
	Street Pavement Rehabilitation		1,000,000	1,000,000
	Asphalt Distributor (Oil Truck) - new		180,830	180,830
	Trailer (30ft) - new		34,089	34,089
	Water Distributor Truck - new		113,137	113,137
	Ditch Cleaning		72,900	72,900
		<u>48,955</u>	<u>5,265,369</u>	<u>5,314,324</u>
Engineering	Civil Engineer	<u>78,494</u>	6,200	84,694
		78,494	6,200	84,694
Traffic	Pavement Marking (Thermo Flex)	<u>25,000</u>		25,000
		25,000		25,000
Capital Projects	Training & Travel	<u>1,657</u>		1,657
		1,657		1,657

**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS NOT FUNDED**

		*****EXPENDITURES*****		
		NON-		
<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>RECURRING</u>	<u>RECURRING</u>	<u>TOTAL</u>
Parks & Recreation				
	Master Plan Update Phase II		58,000	58,000
	Assistant Recreation Program Coordinator	54,505	2,400	56,905
	2 Forestry Workers and 2 Vehicles	85,904	58,160	144,064
	Trail Connectivity O&M - 9 months		5,920	
	Volunteer Recognition & Appreciation Awards	3,215		3,215
	2 Occupancy Counters		11,500	11,500
	Recreation Software Transition to Cloud		37,106	37,106
	Replace SCR Trail Signage		448	448
	Renovate Recycling Center Office		2,010	2,010
	Shade Structure for Natatorium Patio		12,300	12,300
	Parade Float Rental for Council Members	4,000		4,000
	Healthy Communities Project		30,000	30,000
	Replacement 72" Zero Turn Mower - MR 119		9,950	
	Replacement 15' Power Driven Mower Deck MD114		14,500	
	Replacement 6' Power Driven Mower Deck MD111		4,000	
		147,624	246,294	359,548
Facilities Maintenance/Custodial Services				
	Overhead Door Service Contract \$10,000 already in base)	5,855		5,855
	City Facilities Window Cleaning	24,000		24,000
	Fire Admin. Bldg. Custodian	39,706		39,706
	Repair/Replace Fire Marshal Outbuilding Canopy		25,355	25,355
	Station 4 Kitchen Upgrade		32,429	32,429
	Fire Admin Bldg. Smoke Alarm System		6,886	6,886
	Fire Training Field Gates		15,000	15,000
	Intercom/Radio & Speakers in Fire Admin Bldg.		20,003	20,003
		69,561	99,673	169,234
TOTAL GENERAL FUND		2,825,483	7,865,187	10,656,299



**CITY OF PEARLAND
FISCAL YEAR 2015 ADOPTED BUDGET
WATER AND SEWER FUND
SUPPLEMENTAL AND CAPITAL REQUESTS *NOT* FUNDED**

<u>DEPARTMENT</u> <u>DESCRIPTION</u>	<u>REVENUES</u>	<u>RECURRING</u>	<u>EXPENSES NON- RECURRING</u>	<u>TOTAL</u>
Public Works W/S Admin				
Heavy Equipment Operator cell phone		396		396
Vactor Truck Maintenance Worker cell phone		396		396
		<u>792</u>		<u>792</u>
Water & Sewer Distribution				
Employees for Vactor Truck		84,692	900	85,592
Jet Eye Television Conversion for Vactor Truck (1)			64,200	64,200
		<u>84,692</u>	<u>65,100</u>	<u>149,792</u>
 TOTAL WATER AND SEWER FUND		 <u><u>84,692</u></u>	 <u><u>65,100</u></u>	 <u><u>149,792</u></u>



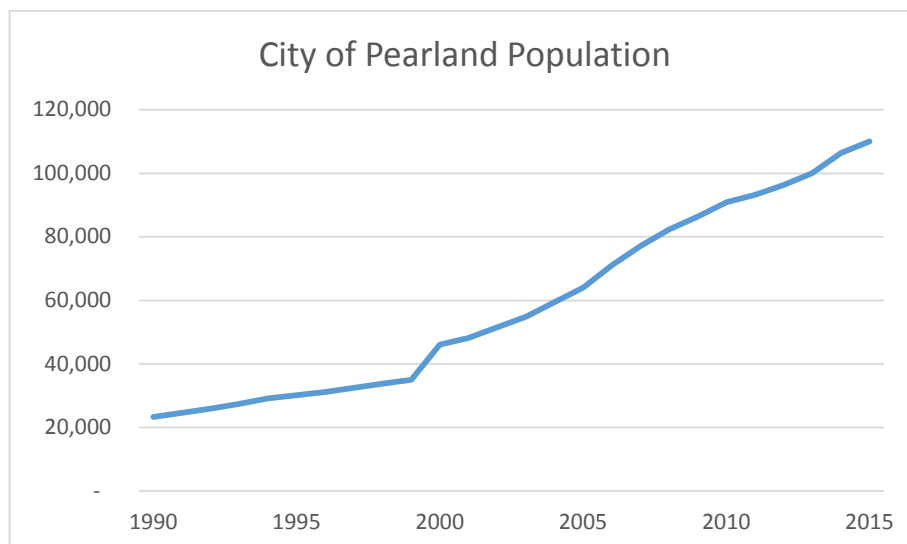
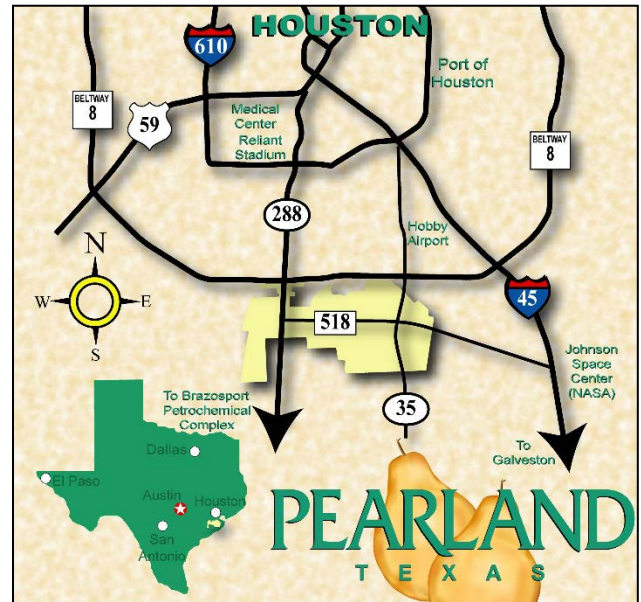
About the City of Pearland Where Town and Country Meet

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

A full range of municipal services is provided by the City of Pearland, including public safety (police, fire and emergency medical services), animal control, solid waste, traffic operations, water and wastewater utilities, public improvements, repair and maintenance of infrastructure, recreational and community activities, general administrative services, and two library locations through a cooperative effort of the City of Pearland and the County of Brazoria. Pearland is ranked the 5th safest city in Texas.

Located across the northern end of Brazoria County, and sharing a common border with Houston, Texas to the north, Pearland is the fastest growing City in Brazoria County. From 2000 to 2010, Pearland's population increased by 142.4%, from 37,640 to 91,252, compared to a national increase of 9.7%. According to US News, the City of Pearland is currently the 7th fastest growing city in Texas and the 15th fastest growing city in the country. The total area of the City is 72.68 square miles, 48.39 within City limits, and 24.29 in the Extra-Territorial Jurisdiction (ETJ).

Pearland's location, coupled with its expressed goals of long-term planned growth, is propelling the City's rapid economic growth and development, from \$6.3 million property valuation in 2010 to \$7.6 million in 2015, a 21% increase. According to the American Community Survey of 2013 (U.S. Census Bureau), on average, home ownership in the City of Pearland increased by 80.9% from 2008 to 2012, 17% above the state average.



Sources: 1990-2010 U.S. Census Bureau
2014-2015 City of Pearland Planning Dept.

Demographic Composition

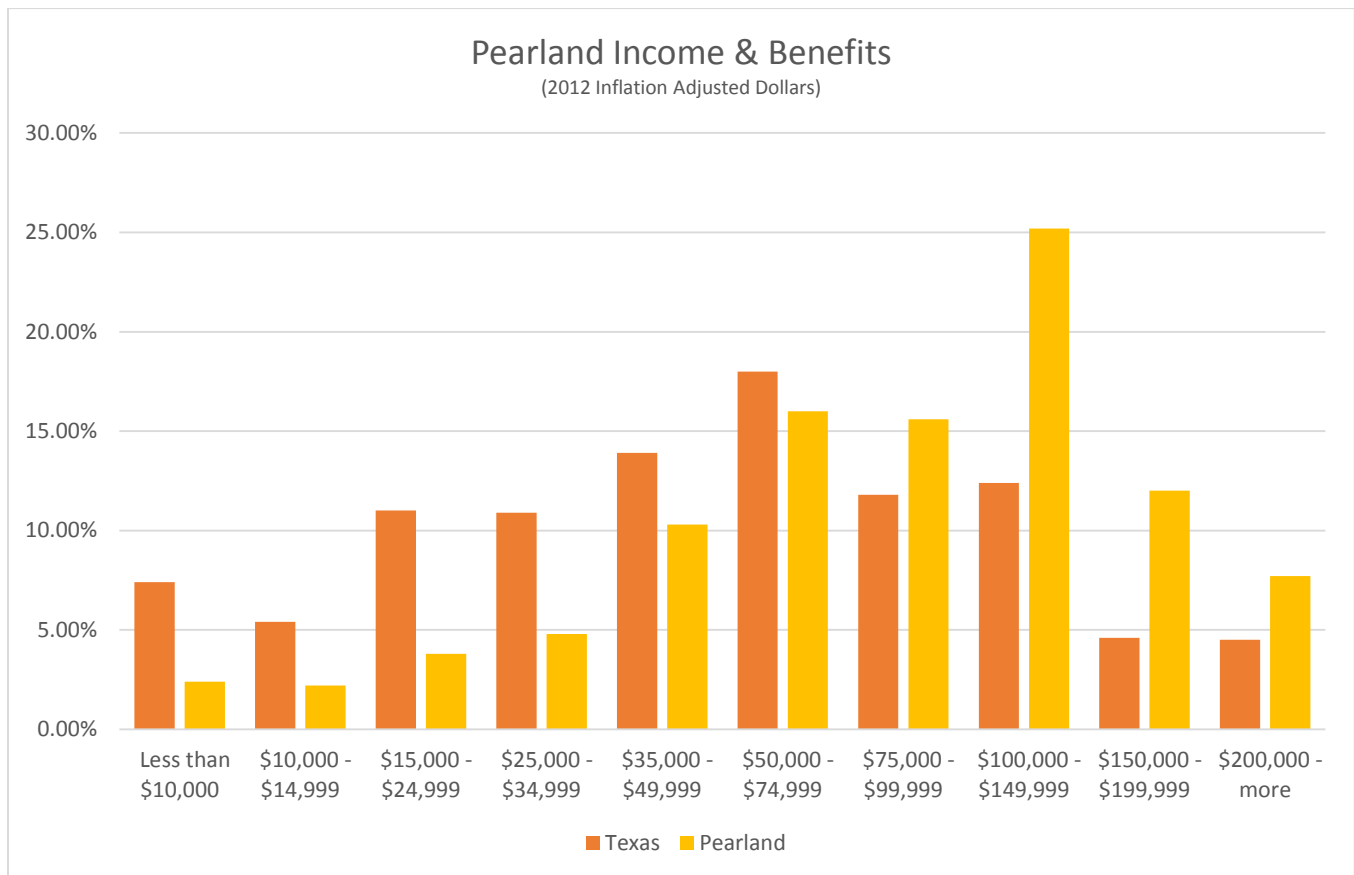
The median age in Pearland is 34.1, which is roughly on par with that of the State of Texas and the Nation as a whole. The percent of Pearland's citizens aged 65 and over is lower than both the State and Nation.

Population by Age Group			
Age Group	Pearland	Texas	Nation
Under 5 years, percent, 2010	9.1%	7.7%	6.3%
Under 18 years, percent, 2010	29.5%	27.3%	26.2%
65 years and over, percent, 2010	7.7%	10.3%	14.1%

Source: 2013 American Community Survey – U.S. Census Bureau

Median Household Income

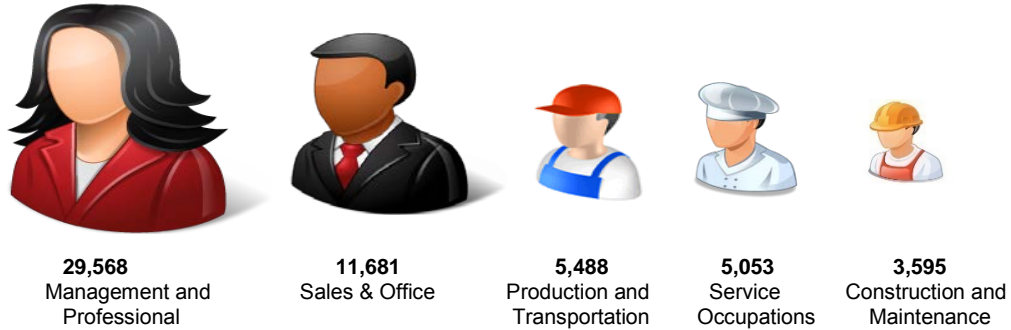
According to the US Census Bureau, Pearland's Median Household Income (MHI) is \$89,149. A total of 18,712, or 60% of households, earn \$75,000 or more; compared to an average of 33% Statewide. Home values have grown along with household incomes in Pearland. The estimated median home value is \$179,000, which is up from \$114,100 in 2000.



Source: US Census Bureau

Pearland Occupations

Pearland residents serve in a variety of occupations. The majority serve in management, business, science, and arts occupations. Sales and office jobs make up 21% of the occupations held by Pearland citizens in the workforce. More than one-half of the 55,385 employed Pearland citizens are in management, science, business, and arts occupations. The graph below shows Pearland occupations by type.



Source: 2013 American Community Survey – U.S. Census Bureau

Pearland Businesses

Industrial characteristics of the City of Pearland include companies that perform non-retail business operations typically associated with manufacturing, trade, machinery and chemical companies, allied product merchants, and mineral exploration. Manufacturing and fabricated metal producers total 91 employer establishments with 2,462 and 1,065 paid employees, respectively. They produce a value of sales, shipments, receipts, or revenue totaling \$449,994,000 in business.

The commercial characteristics of Pearland's private sector involve a total of 181 retail trade businesses, and include automobile dealers, motor vehicle parts retailers, furniture stores, electronics and appliance merchants, home centers, grocery stores, health and personal care merchants, restaurants, food and beverage stores, gasoline stations, sporting goods stores, used product merchants, miscellaneous vendors, and motion picture or sound recording entertainment businesses.

Realty offices, telecommunications vendors, and private providers of medical services and emergency care wrap up the mix of Pearland's commercial characteristics. Two hospitals and medical centers were added to the City's health care services.

The Pearland Economic Development Corporation (P.E.D.C., a non-profit Type B Corporation) has played a central role in the development of the City, providing incentives to new professional businesses, industry and development, as well as retaining those located in the City. The P.E.D.C. focuses on business attraction, retention, transportation and infrastructure, urban center development, attractive and welcoming corridors and City beautification.

TOP TEN EMPLOYERS IN PEARLAND	
Overall Largest Employers	Manufacturing and Distribution
Pearland Independent School District	Kemlon
Wal-Mart Stores, Inc.	Packaging Service Company
Home Depot	TurboCare
City of Pearland	BrederoShaw
Target	ProFax
Kemlon	Aggreko
Packaging Service Company	Texas Honing
HEB	Third Coast Terminals
Lowe's	Weatherford
Dillards	Rollac Shutters

Source: U.S. Census Bureau, 2007 Economic Census, 2007 Economic Census of Island Areas, and 2007 Non-employer Statistics

Commute Times

Pearland is located approximately 10 minutes south of the City of Houston and many local residents commute to and from Houston daily. Pearland has a slightly higher commute time, compared to the State and Nation.



City of Pearland



State of Texas

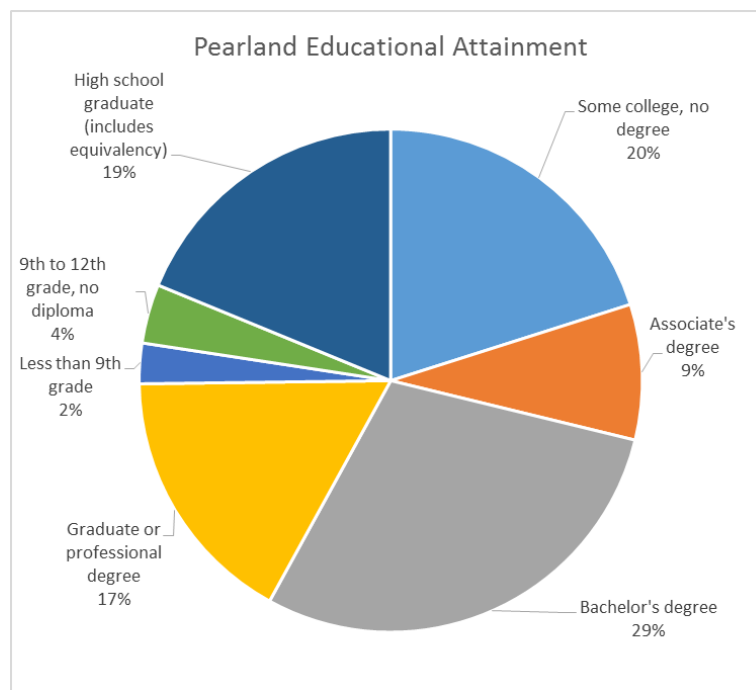


U.S.

Source: US Census Bureau

Education Levels

Pearland remains above average when it comes to education. 29% of Pearland residents over the age of 25 possess a Bachelor's degree or higher; compared to 26% across the State of Texas and 28% nationally. Only 6% of Pearland residents at least 25 years of age have not earned a high school diploma compared to 14% nationally and over 20% across the State of Texas.



Source: 2013 American Community Survey – U.S. Census Bureau

Pearland schools consistently rate among the best in the metro Houston region, including schools from both Pearland ISD and Alvin ISD. The latest counts put total enrollment at Pearland ISD over 20,000 and growing. In addition to exceptional academics, Pearland schools offer an array of exceptional athletics and extracurricular activities for students.

Statewide Comparison City Demographics for Benchmarking													
	Dallas-Fort Worth MSA					Houston MSA				Austin MSA	No MSA		
	Carrollton	Frisco	Lewisville	McKinney	Richardson	Pearland	Sugar Land	League City	Baytown	Round Rock	Tyler	Odessa	Wichita Falls
City Size (square miles)	36.30	61.80	36.40	62.21	28.56	48.39	32.38	51.29	35.45	34.11	53.86	41.95	72.14
Population Density	3,490	2,213	2,777	2,388	3,658	2,068	2,590	1,774	2,127	3,220	1,861	2,639	1,454
POPULATION (US CENSUS)													
2013 Estimate	126,700	136,791	101,074	148,559	104,475	100,065	83,860	90,983	75,418	109,821	100,223	110,720	104,898
% Change (10-13)	8.4%	16.9%	6.1%	13.3%	5.3%	9.7%	6.4%	8.9%	5.0%	9.9%	3.4%	10.8%	0.3%
2010 Census	119,097	116,989	95,290	131,117	99,223	91,252	78,817	83,560	71,802	99,887	96,900	99,940	104,554
% Change (00-10)	8.4%	246.0%	22.7%	140.6%	8.2%	99.8%	20.0%	83.6%	9.9%	62.5%	14.3%	9.7%	0.4%
2000 Census	109,839	33,808	77,642	54,518	91,718	45,681	65,697	45,517	65,332	61,484	84,749	91,075	104,117
DEMOGRAPHICS (2010 Census)													
Senior Citizens (x>65)	8.0%	5.4%	6.5%	7.0%	12.6%	7.7%	10.4%	7.3%	10.1%	5.4%	14.4%	10.8%	12.4%
Juveniles (x<18)	26.0%	33.3%	25.7%	32.0%	23.2%	29.5%	24.6%	28.5%	29.2%	31.1%	24.3%	28.2%	22.7%
Foreign Born Persons	25.0%	14.3%	21.5%	12.9%	22.6%	16.0%	33.8%	9.8%	17.6%	12.8%	11.9%	11.8%	8.2%
Language Other Than English Spoken at Home	38.3%	19.6%	32.9%	20.3%	31.6%	26.1%	43.1%	17.1%	38.9%	25.4%	20.8%	39.5%	14.9%
Race -- White	63.6%	75.0%	65.3%	74.8%	67.1%	62.0%	52.0%	79.5%	62.9%	70.8%	60.5%	75.4%	73.2%
Race -- African American	8.4%	8.1%	11.2%	10.5%	8.6%	16.4%	7.4%	7.1%	15.5%	9.8%	24.8%	5.7%	12.7%
Race -- Asian	13.4%	10.0%	7.8%	4.1%	15.1%	12.4%	35.3%	5.4%	1.5%	5.2%	1.9%	1.1%	2.4%
Race -- Hispanic*	30.0%	12.1%	29.2%	18.6%	16.0%	20.5%	10.6%	17.3%	43.4%	29.0%	21.2%	50.6%	18.9%
HOUSING AND EDUCATION (2010 Census / 2012 American Community Survey)													
Homeownership Rate	64.1%	77.5%	45.6%	71.7%	61.9%	80.9%	81.0%	76.1%	62.1%	58.7%	54.0%	62.2%	59.9%
Persons Per Household	2.78	2.95	2.57	2.96	2.59	2.91	3.06	2.73	2.96	2.89	2.48	2.68	2.45
Median Household Income	\$ 69,592	\$ 108,428	\$ 57,278	\$ 81,894	\$ 68,806	\$ 89,149	\$ 107,149	\$ 88,289	\$ 48,782	\$ 69,998	\$ 42,729	\$ 51,251	\$ 44,390
Median Home Value	\$ 167,300	\$ 249,000	\$ 151,400	\$ 186,400	\$ 183,500	\$ 179,000	\$ 253,700	\$ 176,300	\$ 97,400	\$ 168,100	\$ 126,600	\$ 97,900	\$ 91,300
% Below Poverty Rate	8.6%	4.5%	10.5%	9.2%	11.0%	4.6%	4.4%	4.7%	19.3%	8.4%	20.1%	14.9%	15.6%
% of Housing Stock Built After 1980	68.1%	96.4%	79.9%	87.9%	42.3%	82.1%	81.3%	83.8%	41.5%	86.7%	40.5%	30.1%	30.8%
% Housing Units in Multi-unit Structures (2008-2012)	31.9%	14.1%	47.7%	20.6%	32.3%	14.1%	9.9%	17.8%	30.2%	30.1%	32.2%	25.9%	23.8%
% Bachelor's Degree or Higher	36.2%	58.3%	29.4%	46.1%	49.7%	45.4%	53.8%	42.1%	14.3%	37.0%	29.5%	16.1%	21.4%
EMPLOYMENT BREAKDOWN BY INDUSTRY (2012 AMERICAN COMMUNITY SURVEY)													
Mean Travel Time to Work (min)	24	27.8	25.4	28.3	23.6	30	28.5	28.9	23.7	23.9	18.7	17.8	14.7
Agriculture, forestry, fishing and hunting, and mining	0.7%	1.0%	1.0%	0.7%	0.5%	2.5%	5.2%	1.5%	1.1%	0.7%	3.0%	11.6%	2.0%
Construction	5.6%	3.4%	6.1%	5.1%	5.5%	4.6%	4.4%	7.1%	15.6%	5.7%	5.3%	7.4%	5.2%
Manufacturing	12.5%	9.0%	9.8%	9.9%	10.1%	10.1%	9.4%	15.0%	14.8%	12.3%	8.1%	8.4%	8.9%
Wholesale trade	4.4%	3.1%	4.0%	3.0%	2.4%	3.9%	3.7%	9.5%	3.3%	4.0%	3.0%	4.5%	2.8%
Retail trade	12.8%	12.0%	12.7%	13.8%	10.7%	9.9%	11.5%	9.5%	12.1%	13.0%	13.4%	10.9%	13.6%
Transportation and warehousing, and utilities	4.9%	3.5%	6.5%	3.0%	2.5%	4.4%	3.9%	6.3%	6.3%	3.3%	2.6%	5.2%	3.8%
Information	3.4%	4.5%	2.3%	3.8%	4.1%	1.9%	1.8%	1.0%	1.1%	2.6%	2.4%	1.8%	2.0%
Finance and insurance, and real estate and rental and leasing	10.6%	14.6%	8.6%	10.6%	10.9%	5.6%	8.1%	6.3%	3.2%	7.0%	4.8%	5.5%	4.9%
Professional, scientific, and management, and administrative and waste management services	13.7%	17.6%	13.4%	13.5%	16.9%	13.0%	18.5%	11.6%	8.8%	14.4%	9.4%	6.5%	7.5%
Educational services, and health care and social assistance	15.9%	17.3%	18.1%	21.9%	18.6%	28.9%	21.6%	25.1%	18.8%	19.4%	28.4%	19.5%	25.3%
Arts, entertainment, and recreation, and accommodation and food services	7.6%	7.1%	10.4%	7.2%	10.4%	5.9%	5.8%	5.3%	7.4%	7.7%	10.3%	10.3%	10.2%
Other services, except public administration	5.6%	4.3%	4.8%	4.6%	5.1%	4.3%	4.2%	3.8%	5.4%	4.1%	5.7%	5.3%	6.7%
Public administration	2.2%	2.6%	2.3%	3.0%	2.6%	5.0%	1.9%	4.7%	2.0%	5.8%	3.6%	3.2%	7.1%
FINANCIAL CHARACTERISTICS (VARIOUS)													
Tax Backed Rating (Moody's)	Aa2	Aa1	Aa2	Aa1	Aaa	Aa2	Aa1	Aa2	N/A	Aa1	Aa2	Aa2	A1
Credit Rating of Last GO Issuance (S&P)	AAA	AA	AA+	AA+	AAA	AA-	AAA	AA	N/A	AA+	AAA	AA	AA
Total Net Position (2013 CAFR; in thousands)	468,649	982,269	583,277	729,026	187,863	645,196	596,355	361,040	N/A	1,116,679	460,418	188,048	387,040
Sales Tax Revenue	25,446,798	29,158,661	27,451,139	20,364,000	26,600,000	23,600,000	39,790,000	12,645,222	N/A	66,216,000	40,582,134	31,807,000	22,062,000
Sales Tax Revenue Per Resident	201	213	272	137	255	236	474	139	N/A	603	405	287	210

Hispanic may be of any race, so also are included in applicable race categories
Prepared & Maintained by: John McCarter, Administration
Last Updated: 11/11/2014

Legend: Highest Numerical Value
Lowest Numerical Value

Points of Interest

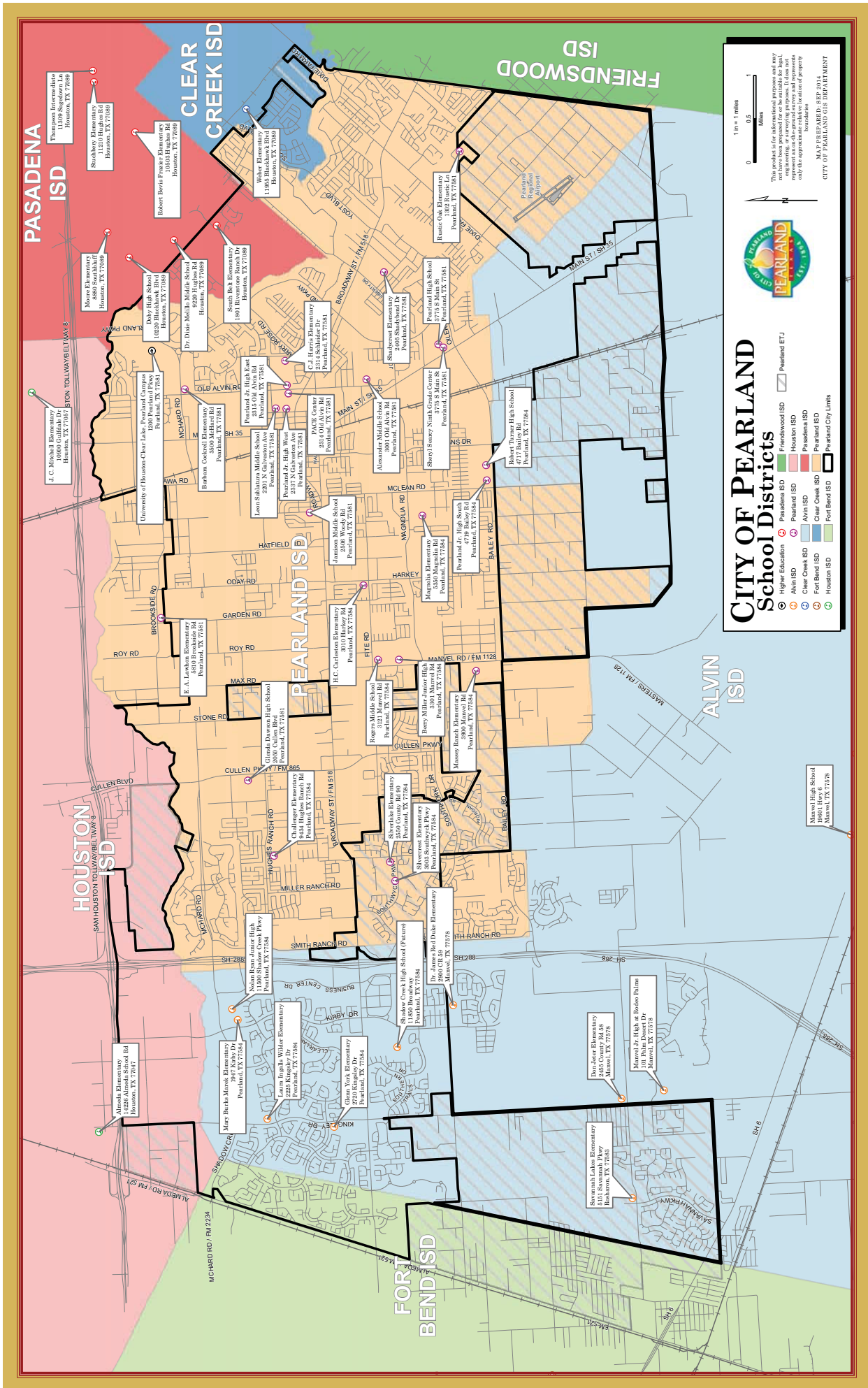
First known as Mark Belt, the town site was platted in 1894 and named Pearland because of the abundance of pear orchards in the vicinity. Settlement of this area began as a result of railroad development through north Brazoria County in 1882. An advertising campaign featuring favorable farm conditions brought many settlers to the area in the 1890s.

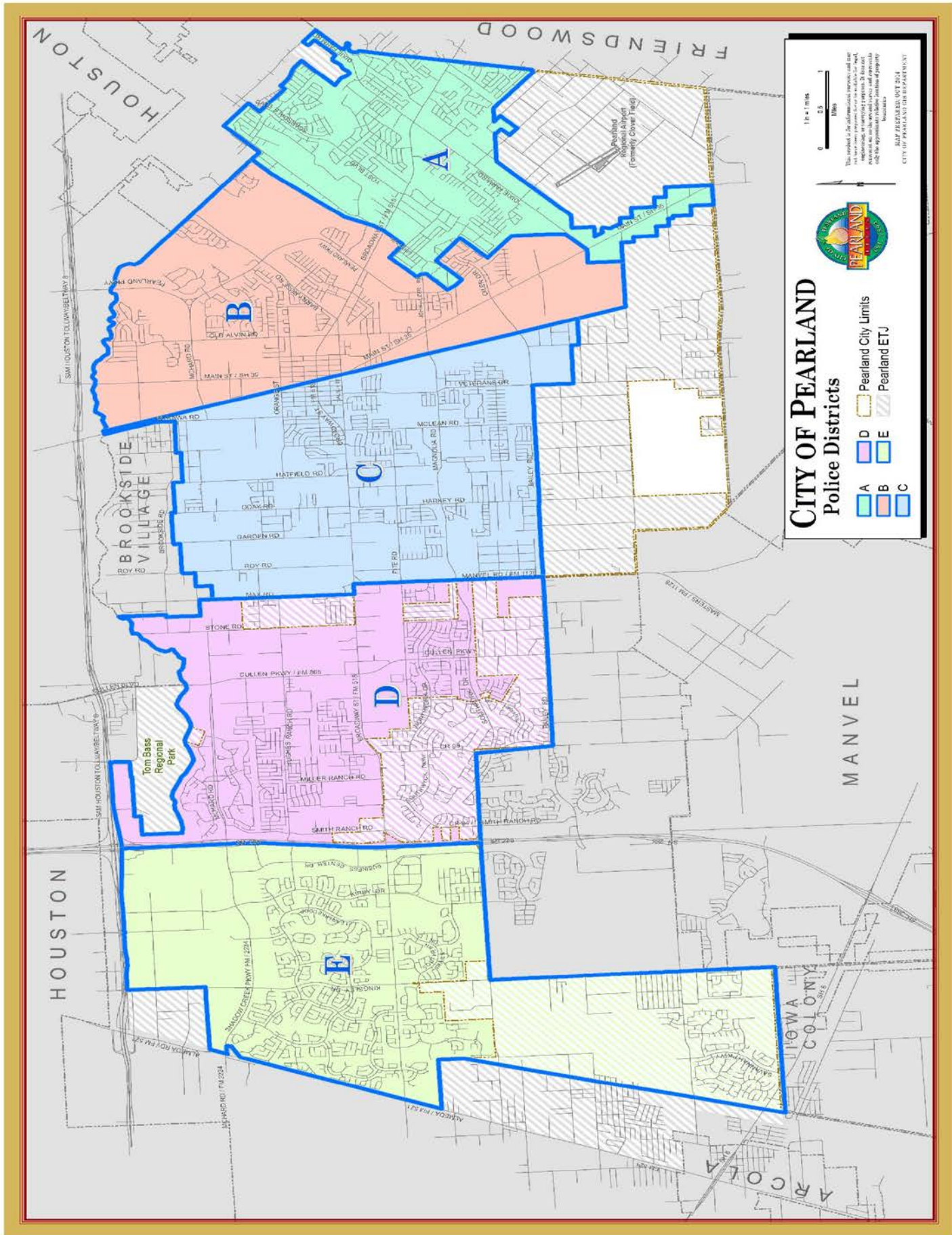
The City has a number of relatively quaint, yet historically significant points of interest. Old Settlers' Cemetery is one of notable significance. Gravestone styles range from simple stone markers to tombstones featuring elaborately carved decorations. Old Settlers' Cemetery remained the primary community burial ground until 1936. It continues to serve as a reminder of Pearland's early history. The In 1900 the Santa Fe Railroad built a depot in Pearland. Locally produced cotton, hay, cattle, fruit and vegetables were shipped to market from the depot. In 1972, the depot closed and was donated to the City. It is now located next to the City Hall.

Located in the Pearland Town Center shopping center, the Pearland Convention & Visitors' Bureau promotes the City's hotels, cultural activities, and amenities available in Pearland. Our hotels, in close proximity to Houston, Galveston, and numerous beaches, provide the impetus for Pearland to attract more interest and visitation from a travel and tourism perspective. The successful youth sports leagues of Pearland attract athletes from outside the City.



From a modern perspective, the City has grown tremendously and has a vibrant compendium of public facilities designed to serve its growing population in a variety of ways. General government, community services, public safety, parks and recreation, and fire safety are deployed from locations throughout the City. The City has one central public safety facility designated to house and deploy police services, 6 fire stations, two full-service library facilities, City Hall, the Pearland Recreation Center & Natatorium, and a number of community and neighborhood parks. The following maps show the police districts and school zones within the City. For a map of the City Parks, please refer to the Special Revenues Section, Park Development.





GLOSSARY

ABATEMENT – A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to tax levies, special assessments and service charges.

ACCOUNT – A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.

ACCOUNTS PAYABLE – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNT RECEIVABLE – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government.

ACCOUNTING SYSTEM – The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL ACCOUNTING – A basis of accounting in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred instead of when cash is actually received or spent.

ACCRUED INTEREST – Interest that has been earned and recorded, but has not been received.

AD VALOREM TAX – A tax based on value of land and improvements (property tax).

AGENDA – A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the open meetings act.

APPROPRIATION – An authorization granted by City Council to make expenditures and to incur obligations for a specific purpose. Usually limited in amount and as to the time when it may be expended.

ARBITRAGE – With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn positive arbitrage in connection with tax-exempt bonds.

ASSESSED VALUATION – A valuation set upon real estate or other property by government as a basis for levying taxes.

ASSETS – Property owned by a government, which has economic value, especially which could be converted to cash.

AUDIT – A standardized, systematic and independent examination of data, statements, records, operations and performances of an enterprise for the purpose of examining for compliance with standardized procedures for managing cash on hand, receipts, payments, investments, and other allocations of monetary resources, capital assets or the use of personnel time and expertise.

BALANCE SHEET – A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

BALANCED BUDGET – Total recurring expenditures for any fiscal year shall not exceed total recurring revenues for that same fiscal year.

BOND – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

BOND REFERENDUM – A bond referendum is an opportunity for voters to decide if the city will be authorized to borrow funds to address specific capital project needs for which ad valorem taxes are pledged for repayment.



BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term is also sometimes used to denote the officially approved expenditure ceiling under which a government and its departments operate.

BUDGET CALENDAR – The schedule of key dates or milestones, which a government follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget making authority to present a comprehensive financial program to the appropriating governing body.

BUDGET INSTRUCTIONS – The guidance document produced by the City's financial management unit, for use by departmentally-authorized personnel, establishing the annual practices and procedures for developing and submitting a proposed budget for approval by the City's governing body.

BUDGET MESSAGE – A general discussion of the adopted budget presented in writing as a part of or supplement to the budget document.

BUDGETARY CONTROL – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within limitations of available appropriation and available revenues.

BUILT ENVIRONMENT – Human-made (vs natural) improvements such as infrastructure, buildings, parks, etc.

CAPITAL ASSETS – Long-term assets, such as buildings, equipment, and infrastructure, intended to be held or used in operations.

CAPITAL PROJECTS – Acquisition or construction of major capital facilities.

CAPITAL IMPROVEMENT PROGRAM – A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAY – Expenditures for the acquisition of capital assets.

CAPITAL PROJECT FUNDS – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

CASH BASIS – A method of accounting in which revenues and expenses are recognized and recorded when received, not necessarily when earned.

CERTIFICATE OF DEPOSIT – A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

CERTIFICATE OF OBLIGATION – A debt instrument that is issued by the City and has the same legal status as a general obligation bond. Proceeds from the issuance of the certificates may be used for the construction of public works or payment of contractual obligations for professional services. These certificates do not require voter approval.

CHARTER – Written instrument setting forth principles and laws of government within boundaries of the City.

CHART OF ACCOUNTS – The classification system used by the City to organize the accounting for various funds.

CHECK – A bill of exchange drawn on a bank and payable on demand.

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

CONTINGENCY – Funds set aside in a reserve account for major expenditures or for emergencies.



CURRENT ASSETS – Cash and other assets expected to be converted to cash, sold, or consumed either in a year or in the operating cycle.

CURRENT LIABILITIES – Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded within one year.

DEBT SERVICE FUND – A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal interest, and related costs. Also called a Sinking Fund.

DEFICIT – The excess of expenditures over revenues during an accounting period; or in the case of Enterprise and Intra-governmental Service Funds, the excess of expense over income during an accounting period.

DEPARTMENT – A distinct, usually specialized division of a large organization. A principal administrative division of a government normally under the oversight of an Executive Director, Assistant City Manager or City Manager.

DELINQUENT TAXES – Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached.

DEPRECIATION – A non-cash expense that reduces the value of an asset as a result of wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

DEVELOPER REIMBURSEMENT – Reimbursement to a developer from the City for infrastructure developed on behalf of the City.

EFFECTIVE TAX RATE – The tax rate required to generate the same amount of revenue as in the preceding year on the same properties.

ENTERPRISE FUND – A fund used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The significant characteristic of Enterprise Funds is that the accounting system must make it possible to show whether the activity is operated at a profit or loss, similar to comparable private enterprises. Thus, the reports of enterprise funds self-contained and creditors, legislators or the general public can evaluate the performance of the municipal enterprise on the same basis as they can the performance of investor-owner enterprises in the same industry.

EXPENDITURES – Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FIDUCIARY FUND – A fund used to account for assets held in trust by the City for the benefit of individuals or other entities and is responsible for handling the assets placed under its control.

FISCAL YEAR – A twelve-month period of time to which the annual budget applies, and at the end of which, the City determines its financial position and results of operations.

FIXED ASSETS – Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, and improvements other than buildings and land.

FRANCHISE – A special privilege granted by a government, permitting the continued use of public property, such as City streets, and usually involving the elements of monopoly and regulation.

FUND – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objective.

FUND BALANCE – The excess of an entity's assets over its liabilities.

FUND BALANCE POLICY – A minimum fund balance that is required to be kept in reserve as defined in financial policy statements. Fund balances over the policy requirements may be appropriated in the budget.



GENERAL FIXED ASSETS – Capital assets that are not assets of any particular fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental (as opposed to proprietary or fiduciary) funds.

GENERAL FUND – The General Fund is the general operating fund of the City. It is used to account for the resources devoted to finance the services traditionally associated with local government, except those activities that are required to be accounted for in another fund. Transactions are recorded on the modified accrual basis.

GENERAL OBLIGATION BONDS – When a government pledges its full faith and credit to the payment of the bonds it issues, that those bonds are general obligation bonds.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting.

GOVERNMENTAL FUNDS – Funds generally used to account for tax-supported activities. The acquisition, use and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects and Debt Service).

GRANTS – A contribution by one government unit to another. The contribution is usually made to aid in the support of a specific function, purpose, activity or facility.

IMPACT FEES – Fees charged to developers to cover in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

INCOME – A term used in proprietary fund-type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

INFRASTRUCTURE - Fixed assets that are immovable and have value only to the governmental unit. Common examples of infrastructure include roads, sidewalks, bridges and streetlights.

INTERGOVERNMENTAL REVENUE – Revenue received from another governmental unit for a specific purpose.

INTERNAL SERVICE FUND – Internal Service Funds are used to account for the financing of goods or services provided by one fund or department to another fund or department on a cost reimbursement basis.

ISO RATING – The Insurance Service Office (ISO) performs surveys to assist insurance organizations with setting up the insurance ratings for the communities. The ISO will perform a survey to assign a public protection grade to each fire department, which is used in the development of insurance rates for all properties within the protected area. Grading starts at 1, which is the best possible score and ends at 10, which is considered unacceptable.

LEASE/PURCHASE – A financing tool utilized to fund large capital outlays where the city may not have cash immediately available for purchase. This arrangement allows the city to use the item while payments are being made.

LEDGER – A group of accounts in which are recorded the financial transactions of a governmental unit or other organization.

LEVY - To impose taxes or special assessments. The total of taxes or special assessments imposed by a governmental unit.

LIABILITIES – Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

LONG-TERM DEBT – Debt with a maturity of more than one year after date of issuance.

MODIFIED ACCRUAL BASIS – The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.



NOTE PAYABLE – An unconditional written promise signed by the maker, to pay a certain sum in money on demand or at a fixed or determinable future time, either to the bearer or to the order of a person designated.

OPERATING BUDGET – Plans of current expenditures and the proposed means of financing them.

ORDINANCE – A formal legislative enactment by the governing body of a municipality.

ORGANIZATIONAL UNIT – A responsibility center within a government.

PERFORMANCE MEASURES – Specific quantitative measures of work performed within an activity or program. They may also measure results obtained through an activity or program.

PROJECTION – A forecast of future trends in the operation of financial activities done through the remainder of the fiscal year to gain a better picture of the City's finances. The projections are adopted as the revised budget during the budget adoption process.

PROPERTY INSURANCE FUND – Accounts for the activities of the city's property and casualty insurance.

PROPERTY TAX – An annual or semi-annual tax paid to one or more governmental jurisdictions based on the real and personal property's assessed valuation and the tax rate, done in compliance with the State Property Tax Code.

PROPRIETARY FUND – A governmental accounting fund having profit and loss aspects; therefore, it uses the accrual rather than modified accrual accounting method. The two types of proprietary funds are the Enterprise Fund and the Internal Service Fund.

PURCHASE ORDER – A document issued to authorize a vendor or vendors to deliver specified merchandise or render a specified service for a stated estimated price.

RATINGS – Designations used by credit rating agencies to give relative indications of credit quality. Municipal bonds rated Baa or BBB and above are considered to be investment-grade.

REFUNDING BONDS – Bonds issued to retire bonds already outstanding.

RESERVE – An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

RETAINED EARNINGS – The accumulated earnings of an enterprise or internal service fund which have been retained in the fund and which are not reserved for any specific purpose.

REVENUES – The term designates an increase to a fund's assets. An item of income.

REVENUE BONDS – Bond whose principal and interest are payable exclusively from earnings of an enterprise fund.

ROLLBACK RATE – If a unit adopts a tax rate that is higher than the rollback rate, voters in the unit can circulate a petition calling for an election to limit the size of the tax increase.

SALARIES & WAGES – Fixed compensation paid to employees for work or services provided.

SALES TAX – A state tax of 6.25% is imposed on all retail sales, leases and rentals of most goods, as well as taxable services. Texas cities and counties have the option of imposing additional local sales taxes for a combined total of state and local taxes of 8.25%.

SHORT-TERM DEBT – Debt with a maturity of one year or less after the date of issuance.

SPECIAL ASSESSMENT – Used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

SPECIAL REVENUE FUNDS - Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.



STRUCTURAL IMBALANCE – In the budgetary process of matching ongoing expenditures with ongoing revenues, a condition that occurs when expenditures exceed revenues.

TAX LEVY – The total amount to be raised by general property taxes for intentions specified in the Tax Levy Ordinance.

TAX LEVY ORDINANCE – An ordinance through which taxes are levied.

TAX RATE – The rate at which a municipality may levy a tax. Tax levied for each \$100 of assessed valuation. The amount of tax stated in terms of a unit of the tax base.

TAX ROLL – The official list showing the amount of taxes levied against each taxpayer or property.

TAXES – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

VENDOR – The seller of merchandise or services.

VOUCHER – A document, which evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.

WORK ORDER – A written order authorizing and directing the performance of a certain task and issued to the person who is to direct the work.

WORKING CAPITAL – A financial metric which represents operating liquidity available to an organization or governmental entity. Net Working Capital is calculated as current assets minus current liabilities.

YIELD – The rate earned on an investment based on the price paid for the investment, the interest earned during the period held and the selling price or redemption value of the investment.



ACRONYMS

<u>ACM</u> - Assistant City Manager	<u>CJD</u> – Criminal Justice Division
<u>ADA</u> – Americans with Disabilities Act of 1990	<u>CMV</u> – Commercial Motor Vehicle
<u>AFG</u> – Assistance to Firefighters Grant	<u>CO's</u> – Certificates of Obligation and Certificates of Occupancy
<u>AFIS</u> – Automated Fingerprint Identification System	<u>CPI</u> – Consumer Price Index
<u>AICP</u> – American Institute of Certified Planners	<u>CR</u> – County Road
<u>AISD</u> – Alvin Independent School District	<u>CVB</u> – Convention and Visitors' Bureau
<u>ALPRS</u> – Automatic License Plate Recognition System	<u>CVE</u> – Commercial Vehicle
<u>AO</u> – Administrative Order	<u>DAP</u> – Development Authority of Pearland
<u>APA</u> – American Planning Association	<u>DCM</u> – Deputy City Manager
<u>AVL</u> – Automatic Vehicle Locator	<u>DHS</u> – Department of Homeland Security
<u>BCAD</u> – Brazoria County Appraisal District	<u>DOE</u> – Department of Energy or Department of Education
<u>BCDD4 & BDD4</u> – Brazoria County Drainage District #4	<u>DOT</u> – Department of Transportation
<u>BCLS</u> – Brazoria County Library System	<u>DPS</u> – Department of Public Safety
<u>BCMUD</u> – Brazoria County Municipal Utility District	<u>EDC</u> – Economic Development Corporation
<u>BJA</u> – Bureau of Justice Assistance	<u>EECBG</u> – Energy Efficiency and Conservation Block Grant
<u>BVP</u> – Bulletproof Vest Partnership	<u>EFT</u> – Electronic Funds Transfer
<u>BW 8</u> – Beltway 8	<u>EMPG</u> – Emergency Management Program Grant
<u>CAC</u> – Community Action Center	<u>EMS</u> – Emergency Medical Services
<u>CAD</u> – Computer-Aided Design	<u>EMT</u> – Emergency Medical Technician
<u>CAFR</u> – Comprehensive Annual Financial Report	<u>EOC</u> – Emergency Operations Center
<u>CAPER</u> – Consolidated Annual Performance Evaluation Report	<u>EPA</u> – Environmental Protection Agency
<u>CAPRA</u> - Commission for Accreditation of Park and Recreation Agencies	<u>ERP</u> – Enterprise Resource Planning
<u>CBCMUD</u> – Clear Brook City Municipal Utility District	<u>ETJ</u> – Extra Territorial Jurisdiction
<u>CDBG</u> – Community Development Block Grant	<u>FBCAD</u> – Fort Bend Central Appraisal District
<u>CH</u> – City Hall	<u>FEMA</u> – Federal Emergency Management Administration
<u>CID</u> – Criminal Investigation Division	<u>FM</u> – Farm-to-Market Road
<u>CIP</u> – Capital Improvement Program	<u>FMLA</u> – Family Medical Leave Act of 1993



FOIA – Freedom of Information Act of 1966

FT – Full-Time

FTE – Full-Time Equivalent

FTO – Field Training Officer (Police)

FY – Fiscal Year

GAAP – Generally Accepted Accounting Principals

GASB – Governmental Accounting Standards Board

GEC – General Engineering Consultant

GFOA – Government Finance Officers Association of the United States and Canada

GIS – Geographical Information Systems

GO's – General Obligation Bonds

GCWA – Gulf Coast Water Authority

GPS – Global Positioning System

HCAD – Harris County Appraisal District

HGAC – Houston-Galveston Area Council

HHW – Household Hazardous Waste

HR – Human Resources

HTE – Harward Technology Enterprise (The City's current ERP, by Sungard)

HVAC – Heating, Venting & Air Conditioning

ICMA – International City/County Management Association

IFMA – International Facility Management Association

I&I – Inflow and Infiltration

ISD – Independent School District

ISO – Insurance Service Office

IT – Information Technology

ITS – Intelligent Traffic System

JAG – Justice Assistance Grant

JHEC – John Hargrove Environmental Complex

KPB – Keep Pearland Beautiful

LF – Linear Feet

LS – Lift Station

LTD – Limited

LUCAS – Lund University Cardiac Arrest System

M – Millions

MDT – Mobile Data Terminal

MGD – Million Gallons per Day

MHI – Mitsubishi Heavy Industries

MIUs – Mobile Information Units

MRE – Meals Ready-To-Eat

MSA – Metropolitan Statistical Area

MUD – Municipal Utility District

NCIC – National Crime Information Center

OAG/OVAC – Office of Attorney General/Other Victim Assistance Grants

OPEB – Other Post-Employment Benefits

OTS – Old Town Site

PER – Preliminary Engineering Report

P&Z – Planning & Zoning

PC - Personal Computer

PD – Police Department

PDM – Project Delivery Model

PEDC – Pearland Economic Development Corporation

PEG – Public, Educational and Government Channel (television)

PFIA – Public Funds Investment Act

PIM – Pearland In Motion (publication)

PISD – Pearland Independent School District

PM – Preventive Maintenance or Project Management



PS – Public Safety

PTC – Pearland Town Center

PSB – Public Safety Building

RFP – Request for Proposal

ROWS – Right of Ways

S&P – Standard & Poor's

SCADA – Supervisory Control and Data Acquisition

SCR – Shadow Creek Ranch

SEFA – Schedule of Expenditures of Federal Awards

SETRAC – Southeast Texas Regional Advisory Council

SH288 – State Highway 288

SIU – Special Investigations Unit

SOP – Standard Operating Procedure

SPA – Strategic Partnership Agreement

S.P.O.R.T.S. – Southeastern Program of Recreation Team Sports

SQ.FT. - Square Foot/Feet

SRF – State Revolving Fund

SRO – School Resource Officer

SRTS – Safe Routes To School

SWEC – South West Environmental Center

TAAF – Texas Amateur Athletic Foundation

TCEQ – Texas Commission on Environmental Quality

TCIC – Texas Crime Information Center

TCLEOSE – Texas Commission on Law Enforcement Officers Standards and Education

TCO – Telecommunications Operator

TDEM – Texas Division of Emergency Management

TEEX – Texas A&M Engineering Extension Service

TIA – Traffic Impact Analysis

TIFMAS – Texas Intrastate Fire Mutual Aid System, Grant Assistance Program

TIP – Transportation Improvement Plan

TLETS – Texas Law Enforcement Telecommunications System

TML – Texas Municipal League

TMRS – Texas Municipal Retirement System

TIRZ – Tax Increment Reinvestment Zone

TxDOT – Texas Department of Transportation

TWDB – Texas Water Development Board

UDC – Unified Development Code

UofH – University of Houston

VoIP – Voice over Internet Protocol

W&S – Water & Sewer

WEC – Westside Events Center

WL – Water Line

WWM – Waste Water Management

WWTP – Waste Water Treatment Plant

ZBA – Zoning Board of Adjustment



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Fiscal Year Adopted
BUDGET
2014-2015



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