

Building **MOMENTUM**



Fiscal Year Adopted Budget

2015 - 2016

pearlandtx.gov



CITY OF PEARLAND, TEXAS

**CITY OF PEARLAND, TEXAS
ANNUAL BUDGET AND TAX RATE
OCTOBER 1, 2015 – SEPTEMBER 30, 2016
In accordance with SB 656**

This budget is estimated to raise more revenue from property taxes than last year's budget by \$3,018,968, which is a 7.4% increase from last year's budget. Of that amount, \$1,251,970 is estimated property tax revenue to be raised from new property added to the tax roll this year.

Property Tax Comparison:

	<u>FY 2015</u>	<u>FY 2016</u>
Adopted and Proposed Tax Rate	0.7121	0.7053
Effective Tax Rate	0.6742	0.66037
Effective Maximum Operating Rate	0.2057	0.206029
Maximum Operating Rate	0.222156	0.222511
Debt Tax Rate	0.4900	0.4828
Rollback Tax Rate	0.712156	0.705311

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

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

Total amount of outstanding municipal debt obligations secured by property taxes for fiscal year 2016 is \$24,384,798.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

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**City of Pearland
Texas**

For the Fiscal Year Beginning

October 1, 2014

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, 2014. 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, 2015 - SEPTEMBER 30, 2016**



Left to Right: Gary Moore, Council Member, Position 3
Derrick Reed, Council Member, Position 2
Tony Carbone, Council Member, Position 1, Mayor Pro Tem
Tom Reid, Mayor
Keith Ordeneaux, Council Member, Position 4
Greg Hill, Council Member, Position 5

Prepared by:
Claire Bogard, Director of Finance
Tara Kilpatrick, Budget Officer
Paulette Englund, Budget Analyst
Neelie Walker, Budget Analyst
Joel Hardy, Grants Coordinator



Clay Pearson,
City Manager



Jon Branson,
Deputy City Manager



Trent Epperson,
Assistant City
Manager

**CITY OF PEARLAND
ADOPTED BUDGET FY 2016
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City of Pearland

3519 Liberty Drive
Pearland, Texas 77581
Tel: 281.652.1600
pearlandtx.gov

July 27, 2015

To: Mayor Reid and City Council members

Once something has started, good or bad, there is momentum to continue. A body in motion tends to stay in motion, *until another external force is applied*. So says one of Newton's physical laws of motion. In government organizations, corporate life, homes, and schools, we are all subject to momentum. We "get on a roll" and keep going (even accelerating) for as long as we can. We can be a force to continue the things headed in good directions or push a different way against unfavorable trends.

At the City of Pearland, we have a lot of energy gathering for more forward motion. We watch the trend lines stoke upwards on sales tax revenue and property valuation. Strategically, we have people in the right places within our City organization. Our crack staff is gathering momentum for the next wave of opportunities facing the community and leveraging momentum into forward progress in the right direction. Especially after the July 2014 City departmental reorganization, we have more opportunities for collaborations and focus. The Public Works, Projects and Engineering groups are uniting to think about long-term asset management after the projects are built. Economic development is approached by acknowledging the attraction and interest from firms is ultimately successful when we conduct the planning and permitting process with a sense of urgency and focus on high quality development, and stay in touch for retention and expansion.

The City of Pearland's FY 2015/16 and multi-year financial plan here represents continuing the energy of quality growth and development within our organization and throughout our community. Our seeds for the future (referenced in last year's budget transmittal) are being planted with new roads, pipes and parks. Our staff is collaborating with community partners including schools and other government agencies to move Pearland forward. With the growth, there is also cost concerns building that we point out and are working to manage over the near term.

Part of the phrase on the law of motion was italicized above. We can influence momentum with our efforts. We can take advantage of a trend with good policy and program execution. We can help encourage Pearland to be the place of choice around Houston with our own assets and mobility network, perfectly positioned between NASA, downtown Houston, the Port of Houston, Hobby International Airport, the Texas Medical Center, and The Port of Freeport.

The March 25th early budget input meeting of the City Council was pivotal in terms of identifying the Strategic Priorities, *what* we want to accomplish and make better. Background materials for March were a book of white papers prepared by our in-house expert professionals, who know both their line of work and know Pearland. We also provided results from an updated, comprehensive citizen survey. Such surveys are sound private sector

“market research” to know perspectives from our community members who we may not come across in our regular circles of influence. The 2015 Citizen Survey (prepared by the National Research Center) shared the broad cross-section of Pearland resident perceptions.

We charged a cross-section of Pearland City staff to take the Citizen Survey results and make recommendations for action. The members took on the challenge to “move the needle” so when we do the next formal citizen survey in 2017, we will see noticeable differences. The philosophy of creating and using good information, bringing on top-flight City staff, and supporting them with tools, training, and technology is going to give Pearland the best chance for remaining a foremost-city in a competitive urban environment. We have consistently involved and asked the engagement of our City staff members from all parts of the organization. For instance, immediately after the City Council’s early budget input, we held a Staff Budget Workshop, “Opportunities and Gaps”, to share the road ahead. The recommended budget you hold here is the work of many minds who know cities and municipal operations and are fine-tuning it to have a nimble City organization that can keep us safe, engage with the community, build a broad economy of quality investments, support sustainable infrastructure, and feature a variety of parks and recreation activities which attracts people here versus somewhere else. Especially in Texas where we are dependent upon our own resources without the State most-often devolving responsibilities, all is dependent upon maintaining our fiscally responsible local government.



In March, we discussed a number of topics, including trends for employee health care, property valuation for bonding capacity needs, squeezed property tax rate for operations, unmet needs for infrastructure recapitalization, and the long-term look at best deploying our public safety resources for the best results. These topics, among others, will be covered here in summary as they are in the actual budget.

Economic Development

Commercial and residential development continue at a strong pace in all areas of our community. Our retail continues to grow with the additional phases being added to the Center at Pearland Parkway and the 288 corridor will be home to 160,000 square foot Costco in fall 2015. Residential development is already over 1,538 permits through three quarters of FY 2014/15 which will make this the strongest housing year since 2008.

Another area where we have tremendous forward inertia is the implementation of our Pearland 20/20 Community Strategic Plan, spearheaded by our Pearland Economic Development Corporation. Since the launch of implementation in 2013, Pearland 20/20 has resulted in a number of successful outcomes that demonstrate the community’s commitment to implementing the strategy.

Two major beautification strategy efforts from 20/20 have been completed: the 288 Master Plan and Gateway features. PEDC, KPB and the City continue working on plans to implement an entry feature and landscaping on

Cullen. In addition, PEDC and the City have begun design and engineering of entry gateways at both Pearland Parkway and Dixie Farm Road. Work also continues on the SH 288 Master Plan implementation to be done in coordination with the toll lanes which will be a mobility boon *and* enhance the corridor into a first-class entry to our community for our residents and visitors.

Our economic development marketing efforts are resulting in multiple announcements that are demonstrating our community's attractiveness as a place to invest and create jobs. Recent project announcements include Keystone Engineering's new facility on North Main, which is expected to bring \$6M in investment and 70 new jobs to the community. Shale-Inland will construct a \$14M new facility on South Main of 210,000 SF and employ 80. In the Lower Kirby District, Tool-Flo Manufacturing will invest \$36M for an 80,000 SF headquarters and manufacturing facility that will have 188 employees and Mitsubishi Heavy Industries (MHI) Compressor International opened their new Pearland Works facility that is another 180,000 square feet of office and manufacturing space. MHI has already begun expanding the facility to include an additional 85,000 SF of warehouse space.

The Lower Kirby District continues to be an area of focus resulting in significant investments in FY 2015-16. Regional detention in the Lower Kirby area was one of the major recommendations of the infrastructure build-out plan that includes utilizing the existing TxDOT drainage ditch and the City's existing pond for detention east of Kirby. After many years of planning, construction began in May, 2015 upon the first phase of the regional detention system. The City, PEDC and District are working on the reconstruction of Hooper Road with construction to begin in the fall of 2015. The extension of underground electricity on Kirby Drive is currently under construction with additional extensions budgeted for by PEDC in FY 2015-16. Planning for South Spectrum Drive is also included in this year's budget.

Optimizing the development potential of our major commercial corridors was a focus of the 20/20 plan. In addition to the enhancements planned on SH 288, PEDC is also in the process of completing a development strategy for Main Street and will look to begin a plan for Broadway Street in FY 2015/16.

Revenues and Expenditures Trends

This recommended budget represents a continuation of the progress started by Pearland's founders and successive elected leaders, staffs, and community partners. It can be difficult to communicate the connection between line items in governmental funds and long-term priorities. We began discussing those connections at the March retreat. We continue that discussion throughout the budget process, equipped with data, forecasts and research.

Lewis McLain is a data and finance expert on Texas municipalities and a resource we often look to on large scale trends in the region, many of which will have an impact on our momentum for years to come. A former finance director, he suggests looking at “channels” between which trends move, historically. Another tip is a long-term look, but being honest about the numbers and adjusting for real dollar terms using the Consumer Price Index (CPI). Pearland’s actual expenditures for the last eight years shows the expected growth as reflected below:

CITY OF PEARLAND, TEXAS
SPENDING AND GROWTH ANALYSIS

Last Eight Fiscal Years

(Modified Accrual Basis of Accounting)

Amounts in (000's)

Expenditures	Actual							Unaudited		% CHG	Average Compounded Growth Rate
	2007	2008	2009	2010	2011	2012	2013	2014	2015		
General Gov't	\$6,363	\$7,406	\$8,423	\$19,561	\$10,877	\$7,797	\$7,958	\$8,027	\$9,642	52%	5%
Public Safety	14,598	19,604	22,310	23,784	23,926	25,372	26,204	29,171	31,702	117%	10%
Public Works	6,278	7,536	12,051	7,108	6,505	5,533	7,812	8,121	8,796	40%	4%
Community Services	3,102	3,426	3,386	3,839	3,376	4,246	3,523	3,960	4,070	31%	3%
Parks & Recreation	<u>4,908</u>	<u>6,605</u>	<u>5,789</u>	<u>6,305</u>	<u>7,539</u>	<u>7,499</u>	<u>7,244</u>	<u>7,816</u>	<u>5,882</u>	20%	2%
Operations subtotal	\$35,249	\$44,577	\$51,959	\$60,597	\$52,223	\$50,447	\$52,741	\$57,095	\$60,092	70%	7%
Economic Development	14,391	16,899	18,730	15,426	17,391	20,397	17,414	25,248	31,621	120%	10%
Debt Service - principal	5,183	4,265	7,517	8,525	10,847	12,893	15,637	15,815	17,488	237%	16%
Debt Service - interest	13,483	15,688	15,704	17,096	17,154	15,534	15,859	16,373	16,597	23%	3%
Capital Outlay	28,530	27,777	75,490	64,563	25,768	9,201	22,101	15,536	21,127	-26%	-4%
Intergovernmental	<u>14,699</u>	<u>3,434</u>	<u>7,630</u>	<u>4,234</u>	<u>4,127</u>	<u>4,158</u>	<u>4,058</u>	<u>4,307</u>	<u>4,792</u>	-67%	-13%
Other subtotal	\$76,286	\$68,063	\$125,071	\$109,844	\$75,287	\$62,183	\$75,069	\$77,279	\$91,625	20%	2%
Total	\$111,535	\$112,640	\$177,030	\$170,441	\$127,510	\$112,630	\$127,810	\$134,374	\$151,717	36%	4%

Economic Development includes PEDC, Development Authority of Pearland, and TIRZ #2.

The information is portrayed again below, but in terms of the percentage of the total budget for each category. Public Safety expenditures has drawn about 1/2 of the City’s operational expenditures, the largest single operational category. Debt Service including principal and interest is another large portion of the actuals. It is

SPENDING % of TOTAL by CATEGORY

Distribution of Spending	Actual							Unaudited	
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Category as % of Operations									
General Gov't	18%	17%	16%	32%	21%	15%	15%	14%	16%
Public Safety	41%	44%	43%	39%	46%	50%	50%	51%	53%
Public Works	18%	17%	23%	12%	12%	11%	15%	14%	15%
Community Services	9%	8%	7%	6%	6%	8%	7%	7%	7%
Parks & Recreation	14%	15%	11%	10%	14%	15%	14%	14%	10%
Operations as % of Total	32%	40%	29%	36%	41%	45%	41%	42%	40%
Category as % of Other									
Economic Development	19%	25%	15%	14%	23%	33%	23%	33%	35%
Debt Service - principal	7%	6%	6%	8%	14%	21%	21%	20%	19%
Debt Service - interest	18%	23%	13%	16%	23%	25%	21%	21%	18%
Capital Outlay	37%	41%	60%	59%	34%	15%	29%	20%	23%
Intergovernmental	19%	5%	6%	4%	5%	7%	5%	6%	5%
Other as % of Total	68%	60%	71%	64%	59%	55%	59%	58%	60%

interesting within debt service how principal payments are caught-up, so that we are paying off the financing on par with interest costs. We would expect public safety to grow with FY 2015 and in FY 2016 as additions in personnel are made, new fire stations opened, etc.

The same can be said of economic development services (PEDC) to our ever-growing business community, but that category also includes the Shadow Creek Ranch TIRZ. The chart above graphically illustrates the City-wide historical *distribution* of funds on a percentage basis. The table reflects available actual expenditures, reflecting the trends and changes. Going forward, as mentioned, we would expect growth in the percentage of dollars dedicated to public safety, given increased staffing and associated costs for personnel's wages, benefits, and equipment.

Finally, there is a Per Capita Expenditures Adjusted for Consumer Price Index look at revenues and expenditures historically. The table builds on what we show above for the trends on where motion is *headed*. The per capita and real dollar term adjustments are the part that Lewis McLain encourages that is a bit unique. When one combines CPI for real dollars and adjust expenditures to per capita, the City of Pearland track record has actually been a slight *decrease* over time.

Per Capita Operating Expenditures Adjusted for CPI										Average
	2007	2008	2009	2010	2011	2012	2013	2014	2015	Unaudited Compounded Growth Rate
POPULATION	84,500	89,000	92,600	94,100	97,200	99,800	104,100	106,900	112,300	4%
PER CAPITA	\$1,320	\$1,266	\$1,912	\$1,811	\$1,312	\$1,129	\$1,228	\$1,257	\$1,351	0%
CPI INDEX (NATIONAL)	207	215	215	218	225	230	233	235	237	
PER CAPITA ADJ TO 2014	\$1,494	\$1,380	\$2,092	\$1,950	\$1,369	\$1,154	\$1,237	\$1,257	\$1,340	-1%
PER CAPITA ADJ TO 2007	\$1,320	\$1,219	\$1,848	\$1,722	\$1,209	\$1,019	\$1,093	\$1,110	\$1,184	-1%

So, the trend of overall, big picture investment of public dollars is that the City of Pearland continues to keep investing in long-term capital projects substantially funded by debt service, and making public safety and community growth/development a priority. We also balance expenditures programmatically with quality of life operations (i.e., parks and recreation, libraries) that draw people to choose Pearland for homes and investment. And, we are keeping local government expenditures steady.

Budget approach and highlights

In our approach to building this FY 2015/16 Budget, we started out with a bit of a change in instructions for departments. Rather than building upon the current year's budget as a base, we directed the prior FY 2013/14 actual expenditures be our base. We allowed including known increases such as the opening of Fire Station#2 and Shadow Creek Ranch Park. The purpose was to be more conservative and tighter on budgeting. The tradition here has been that staff managers are diligent and good stewards by keeping below budgeted expenditures whenever possible. In our changing dynamic environment here, there are more unknowns and assumptions than you would find in a built-out staid city, by comparison.

There is other growth in this budget. For instance, parks operations increased \$286,029 in this budget from prior, resulting from increases in the cost of business and large-scale investments like \$369,000 for Shadow Creek Ranch Park, \$259,000 for the Hickory Slough Sportsplex, and \$82,000 for Centennial Park. Those are all recurring cost centers that have expanded our recreation capacity offered to citizens. They will provide valuable opportunities for our residents and their families to enjoy City facilities right in their own neighborhood.

In this budget document, you will find a list of funding highlights that reflect a still-impressive inventory of things that we are recommending in furtherance of City Council priorities. Those highlights include beautification and enhancements of public property, reflecting expectations and standards being set by the private sector on their properties. We have added herein for eight more sworn police officers and a total of \$915,512 for street maintenance. There's also recognition of moving the operations of the Recycling Center to be under Keep Pearland Beautiful for their stewardship and removing that responsibility and upkeep from the City. Finally, there's continuation of the City's move of the base critical software systems for finance, purchasing, budgeting, permitting, and utility billing. The ERP software upgrade is a huge undertaking that was diligently vetted, prepared and is well underway thanks to much staff effort. The first module to "go live" is the finance portion on January 1, 2016.

I mentioned beautification above and the work for improving the City's entryways with landscaping and general conditions that show visitors and investors, as well as residents, that we are a community of quality. There's also the emphasis on code enforcement for basic minimum property maintenance standards and life/safety issues. Our code enforcement group has thrived in the Fire Department since those seeds were planted last year with the reorganization. The staff is diligently sharing positive options with the help of the HERO (Housing Enforcement & Rehab Opportunity) work and grants for those in our community that are most at risk and meet strict rules for eligibility. We also have an obligation to ensure that property owners can expect their investments are not unduly degraded with poor property maintenance down the block at somebody else's house that may have zoning or other issues. We have a small amount for the abatement option of the worst cases to demolition, but are most often focused on working with property owners, so long as they are moving toward compliance. That effort takes a concerted team approach of Code Enforcement, Legal, Police, Building, and Public Works officials. Our City SNAP team is making progress in ensuring that no matter where you own property in Pearland we can maintain some standards for property maintenance.

Employee health care

The City's payment towards employee and dependent health care coverage is one of our largest expense areas (contracts for purchasing water and for solid waste/recycling are the only two larger). The City Council reviewed projections for FY 2015/16 totaling \$7.8 million in total cost, an 18% increase over the prior year projections. Part of the increase in expense is the growing number of employees, but also the cost of the benefit grows each year. Plans are reviewed each year for plan design, but there are not major ways to reduce City cost without substantively altering the employee payment share which would be in context of minimal cost of living increases, 2% for each of the last two years.

Property valuation for bonding capacity needs

After sales tax revenue, the largest source of revenue to General Fund operations is property taxes. Moreover, property taxes provide nearly 100% of the money for debt service on bond financing. So, property taxes are the overall largest revenue source. The City rate is applied to the net taxable value. Frankly, the City rate may change slightly year-to-year, but the valuation changes drive the City of Pearland government's ability to invest and serve.

There are a lot of components of the table below. The first is about 2/3 of the total property valuation is taxable, supporting the operations and debt service. About 1/3 is exempt for homestead exemptions, over 65, and non-taxable exempt organization properties. Another component is the mix of residential and commercial. Residential remains the bulk of property tax valuations while **commercial pays 30%**, plus, of course the associated jobs and sales tax opportunities. The other positive fact is that valuation growth in Pearland is very strong after the 2008 financial crisis and its subsequent slow momentum coming out. The City needs quality growth reflected into its valuation to expand the tax base, and growth has been the recent story here with new housing and businesses accounting for \$353 million in the growth in valuation.

COMPARISON OF ADJUSTED TAX ROLLS VALUATION BY PROPERTY CATEGORY						
	Tax Year 2012 TOTAL FY 2013	(March 2014) TOTAL FY2014	(Dec 2014) TOTAL FY2015	Tax Year 2015 PROJECTED FY2016	'15 from '14 Percent Change	'16 from '15 Percent Change
Residential						
Land Homesite	\$ 827,212,274	\$ 913,489,825	\$ 940,964,793	\$ 971,323,974	3.0%	3.2%
Improvements	\$ 4,068,456,552	\$ 4,450,665,345	\$ 4,881,506,062	\$ 5,449,829,351	9.7%	11.6%
Exemptions (primarily Homestead and Over 65)	(316,665,698)	(387,961,685)	(427,494,934)	(513,878,906)	10.2%	20.2%
Net Residential	\$ 4,579,003,128	\$ 4,976,193,485	\$ 5,394,975,921	\$ 5,907,274,419	8.4%	9.5%
Commercial						
Land Non Homesite	\$ 683,647,492	\$ 704,042,903	\$ 723,660,136	\$ 771,522,746	2.8%	6.6%
Ag Market	\$ 67,355,452	\$ 66,940,961	\$ 60,259,595	\$ 65,406,844	-10.0%	8.5%
Improvements	\$ 1,204,491,853	\$ 1,358,521,201	\$ 1,482,073,000	\$ 1,848,204,766	9.1%	24.7%
Personal Property	\$ 530,775,973	\$ 650,453,238	\$ 728,842,336	\$ 714,441,627	12.1%	-2.0%
Exempt Properties (primarily exempt organizations)	(696,667,426)	(753,636,239)	(792,475,940)	(840,614,713)	5.2%	6.1%
Net Commercial	\$ 1,789,603,344	\$ 2,026,322,064	\$ 2,202,359,127	\$ 2,558,961,270	8.7%	16.2%
Gross Taxable Value	\$ 9,171,542,940	\$ 10,170,435,537	\$ 11,019,665,049	\$ 12,379,690,578	8.3%	12.3%
Net Taxable Value	\$ 6,368,606,472	\$ 7,002,515,549	\$ 7,597,335,048	\$ 8,466,235,689	8.5%	11.4%
Residential Taxable Value	\$ 4,579,003,128	\$ 4,976,193,485	\$ 5,394,975,921	\$ 5,907,274,419	8.4%	9.5%
Commercial Taxable Value	\$ 1,789,603,344	\$ 2,026,322,064	\$ 2,202,359,127	\$ 2,558,961,270	8.7%	16.2%
% Residential	72%	71%	71%	70%		
% Commercial	28%	29%	29%	30%		
2013 -2015 Based on Supplemental Roll prior to Final Roll Reported in CAFR						
2016 Based on Preliminary Numbers Used in FY2016 Adopted Budget						

The City has additional capital improvement needs to serve more residents and higher expectations. In this budget, we suggest a different approach on the next round of capital funding for the CIP projects. Rather than picking a year certain to ask voters to approve a new round of capital improvements, we could propose to wait until we hit a specific higher taxable value *and then* present a package to the voters. The logic, outlined in the CIP in more detail, is to time a future bond referendum when the City's property valuation can fund the new debt service with no (or very little) further increase in the debt service tax rate, growing into our needed capital improvements needs as our value grows.

Property valuation, net of TIRZ valuation, *would need to be approximately \$8.26 billion*, now estimated in 2020, to support additional debt of \$70 million with no debt service tax rate increase. The City's estimated valuation for FY 2015/16 net of TIRZ valuation is \$6.387 million. The March discussion of the City Council following our white paper discussion was to have a smaller bond program that could be reasonably completed in a three to five-year time frame. The alternative is to plan on a 2018 bond referendum. Based on a five-year window, an additional 2.5 cents would be needed in 2019. The alternatives are not overwhelming rate change, but something Council will want to consider.

Squeezed property tax rate for operations

The tax rate is essentially divided into two parts; debt service and operations. The debt service portion of the tax rate is dedicated to meeting the City's obligations for debt issuances made for critical long-term improvements that will give our community the foundation it needs to keep moving forward. The operations fuels progress on a day-to-day basis, giving our staff the tools they need to maintain the high service level our residents expect and deserve.

We are providing excellent value for the operations and sound investments for the capital projects financed with debt service.

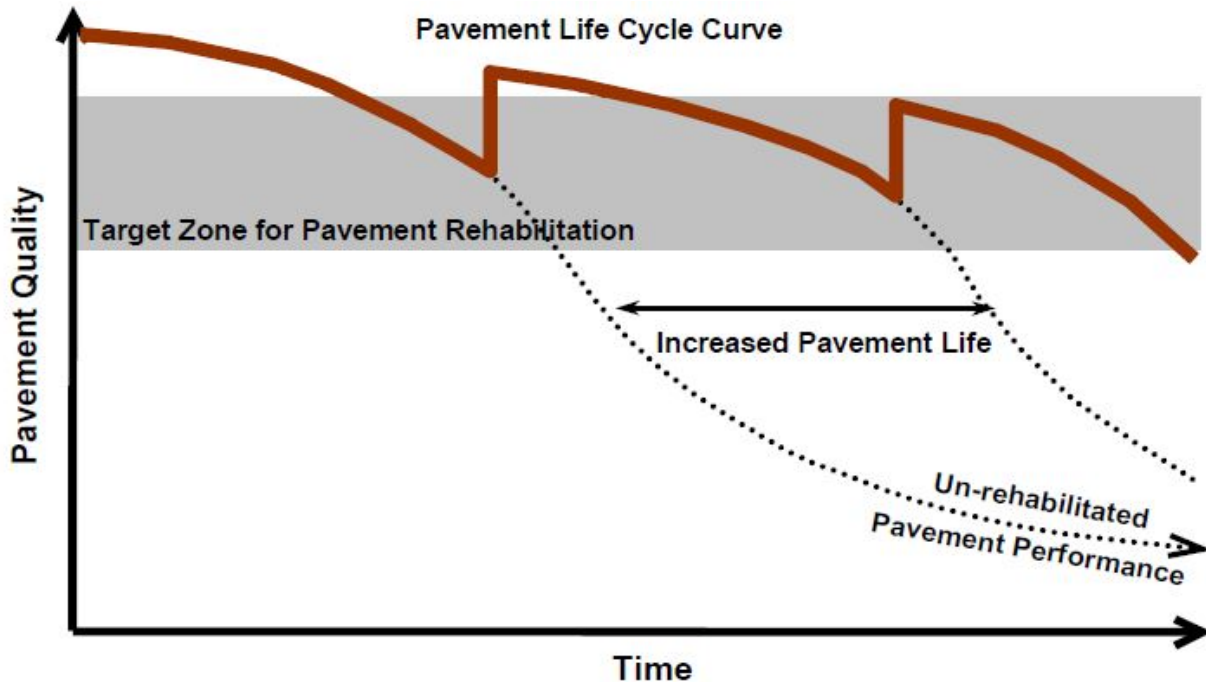
The debt service component, as shown by many measures and well-known and accepted as a part of Pearland's current point in its maturation, has been discussed and options provided. There was a scenario provided in the budget detail for the operations rate to *increase*. Although not recommended, this Scenario was an option to provide about \$1.1 million in additional recurring General Fund Revenue by adding \$01.5 to the operations tax rate, over the roll-back rate. Such an increase could sustain another \$650,000 towards street and sidewalk maintenance and the \$220,000 required for an additional 0.5% increase to City employee salaries, amongst other smaller inclusions.

Even with the amount required for capital project debt service, and keeping within the rollback rate, the General Fund's tax rate is helping fund an array of investments in this budget. The growth in value and the small increase in the operating rate, staying just below the roll-back rate, provides \$14.6 million in revenue. We are funding a solid list of departmental needs that directors and their teams have prioritized. But until the tax base grows even further, our ability to grow and support further services will be constrained.

Unmet needs for infrastructure recapitalization

Mobility was identified as one of the most important focus areas for the community in the City's 2015 Citizen Survey. Overall ease of travel rated 56%, travel by car 43% and traffic flow 24%; all lower when compared to national benchmarks. Nothing gets in the way of forward progress like a bump in the road. Roads, bridges, sidewalks, and pipes all have capital deterioration curves. Without maintenance, over time, the physical things we build, that we rely upon, deteriorate. Usage and weather wear down our public buildings, streets, and drains. The life cycle curve for pavement is another one of those physical laws.

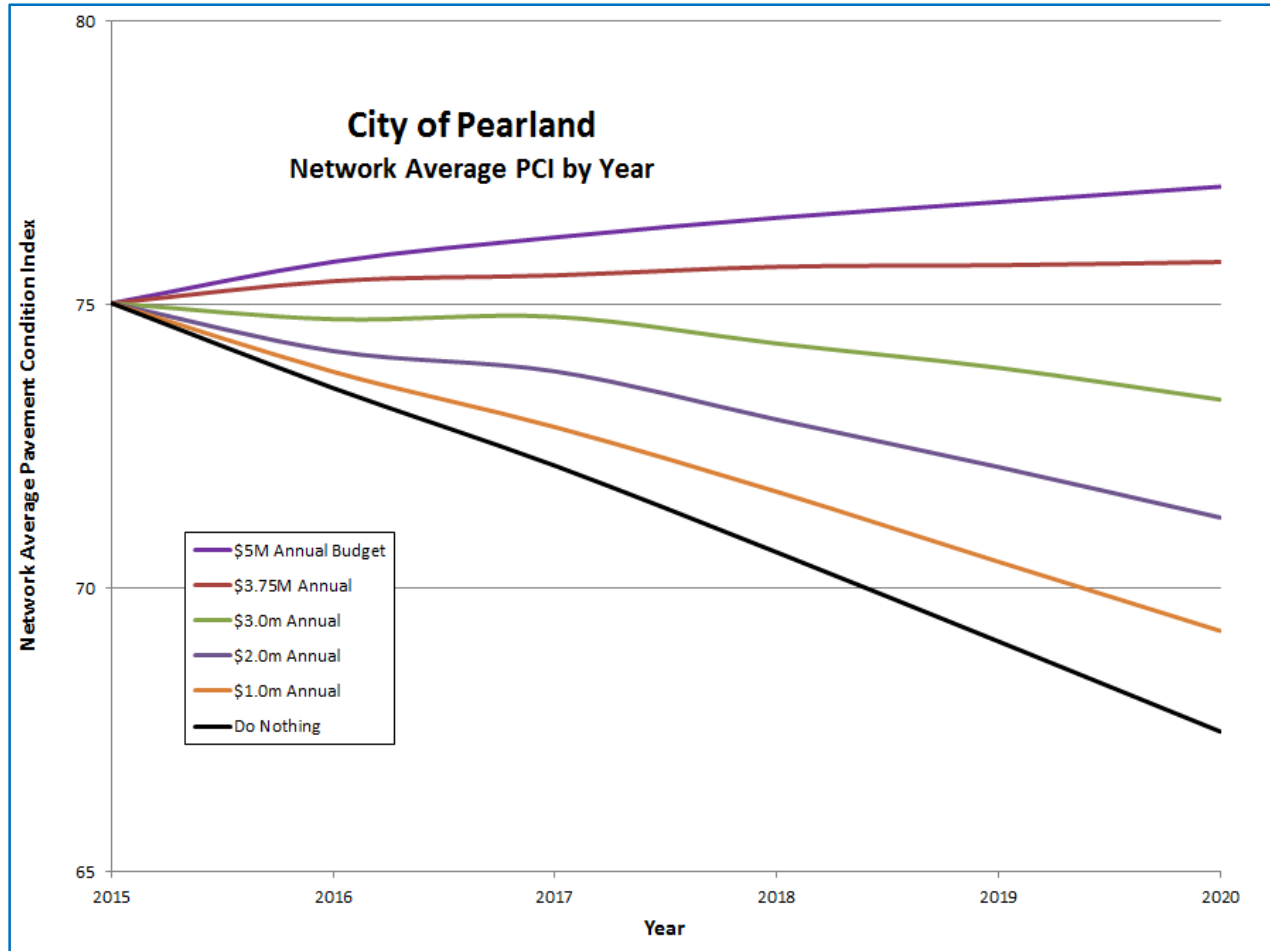
The graph below illustrates the natural progression of the pavement life cycle versus the life cycle of properly maintained pavement. With funding and regular inspections and maintenance, the red curve can be achieved, and increase pavement life. Without the appropriate investment, the natural momentum of pavement, and every other piece of infrastructure, follows a downward curve, illustrated by the dotted line.



At the City Council's early budget input in March 2015, the white paper on infrastructure recapitalization quantified the City's depreciable fixed infrastructure (roads, pipes, sidewalks, and land) and building assets at a combined net value of \$697 million. That's right. The City Council is Board of Directors for a complex municipal corporation *with just under three quarters of a billion dollars in value*. On the roads, thanks to a June 2014 right-of-way assessment, we know we have a fairly new inventory with overall conditions well above average. As we presented in April, if we were to reinvest a modest 1% of value into our roadways we would need to spend \$3.75 million annually. Additionally, within the ROW, are sidewalks, signage, and markings. Findings from the assessment recommend we should allocate between \$0.75 million and \$1.25 million annually for those improvements as well.

The higher level of investment is required to maintain our current condition rating index score, which is 76 on a scale of 0 to 100 (100 is pristine new). To be clear, most of the higher investment amounts do not *improve* the rating, it merely keeps the condition at its current level. Ideally, investments should be made in paving and sidewalk infrastructure before these assets have reached the end of their usable life to maximize their longevity.

It is far less expensive to strategically maintain a segment of road or sidewalk than it is to reconstruct it. For every dollar spent on maintenance one can expect to spend eight on reconstruction down the line. The curves below show different annual investment levels and the corresponding pavement network's condition average that is forecast.



With the momentum headed forward in this recommended budget, we have begun to make improvements toward backing up words with dollar investments, but we still have a long way to go. The investments here represent pay-as-you-go maintenance, putting off the major reconstruction that’s more expensive and requires more bonding. Staff is always perfecting our delivery mix of fixes with staff, contracts, and working with partners like Brazoria County. We are ready to make these improvements in neighborhood and City-owned major roads that Pearland residents use for their mobility to get to the major trunk lines of 288, I-45 and Beltway 8.

	2014 Adopted	2014 Actual	2015 Adopted	2015 Amended	2016 Proposed
Streets	600,000	547,636	432,139	1,232,139	915,512
Sidewalks	437,000	568,195	337,114	687,114	537,114
	\$ 1,037,000	\$ 1,115,831	\$ 769,253	\$ 1,919,253	\$ 1,452,626

To move towards increasing the budget for streets to \$3.4 million, a significant long-term positive, we have included the following amounts in the forecast:

	2016	2017	2018	2019	2020
Streets	915,512	915,512	1,750,000	2,932,000	3,432,000
Sidewalks	537,114	537,000	537,000	800,000	800,000
	\$ 1,452,626	\$ 1,452,512	\$ 2,287,000	\$ 3,732,000	\$ 4,232,000

Long-term look at best deploying our public safety resources for the best results

Pearland maintains its status as a safe community and was another important focus area for the community per the City's most completed Citizen Survey in 2015. With the collective efforts of police, fire, public works, constables, Brazoria County Sheriff, Texas Department of Public Safety, and citizens, there are resources for prevention, planning, and reaction. This is supported by the City's 2015 Citizen Survey results with overall positive service ratings of 88% and 93% for Police and Fire Service, respectively. Overall feeling of safety in the community also rated favorably with 87%. With continued investment and growth in public safety providing our organization with the momentum to move forward, it has become increasingly critical to direct that momentum in an efficient and effective way.

In June 2015, there was a bit of a modern milestone achieved within the City. We were at 100% staffing for sworn police officers and firefighters. Thanks to a great deal of concentrated effort and wisdom from staff across the City team, there has been successful recruitment rounds with ambitious numbers and impressive results. Interviews with the new additions show eager recruits who want to be a part of a dynamic City with opportunities for growth. The people we are bringing in to the City of Pearland, who are committed to public service, see the positive momentum of Pearland.

The achievement is great with the numbers that are actually in service. A count of personnel **actually on the payroll**, not just budgeted or planned, was taken from the second payroll of June in each of the last three years. The numbers here reflect actual numbers of public safety employees, not including the many non-sworn:

City of Pearland – sworn police officers and non-civilian Fire/EMS actual number on payroll for June of each year			
	June 2013	June 2014	June 2015
Police Peace Officers	141	144	155
Fire (reflects Fire and EMS)	42	53	73
Total and Change from prior year	183	196 +16	228 +32

When thinking about the next year in our public safety operations, five priorities come to mind:

1. **Conduct staffing and utilization study.** The Pearland community and its Police and Fire departments are very different from what they were ten or even five years ago. The departments and the City we serve are bigger and more complex, technology is different and ubiquitous. A look with fresh outside professional eyes to work with our staff and prepare a staffing and utilization study, with our Police Department in FY 2015/16 and then Fire in FY 2016/17 is anticipated. That study will provide a tool that police leadership can adjust and prioritize staffing levels and plan for future budget years.
2. **Integrate additional fire stations and associated additional people and equipment for prevention and response.** Within calendar year 2015, two new fire stations are being constructed and occupied. The numbers of actual firefighters, now predominantly cross-trained as paramedics, reflects a dramatic upgrade in coverage capability. Moreover, Pearland will have two hospitals up and running within its corporate limits, providing more nearby public health resources. Integrating the people, new stations and their equipment into the City hazard prevention and response network will take dedicated effort over the next year.

3. **Formalize and work with data analysis and accountability philosophy.** The City hired a civilian crime analyst who is dedicated to reviewing, compiling, and sharing timely and accurate information. Nationally, the Data-Driven Approaches to Crime and Traffic Safety (DDACTS) is an established approach. The National Highway Traffic Safety Administration describes in operational guidelines DDACTS as “Implementation of the DDACTS model is a starting point for achieving long-term change, where law enforcement professionals take a more evidence-based approach to the deployment of personnel and resources.”
4. **Continue City-wide preparation and hazard identification/mitigation.** Within the City, a cross-departmental team known as SNAP (Safe Neighborhoods Around Pearland) has been meeting over the course of the last year. That group is indicative of the needs for teams, such as our traffic committee, all our emergency preparedness work, etc. to identify, plan, and abate neighborhood detractors and hazard situations.
5. **Reduction in False Alarms. False alarms are the largest call type reported to our emergency dispatch center.** Of course, we do not know that they are false until it is confirmed. The required responses to false alarms often detract from personnel, equipment, and financial resources that could be better put to other work. There will be an element of alarms that are a part of our response, but by making rule and administrative changes over the next year, to educate the public and reduce false alarms will provide more time for other duties and more safety for our staff and the public.

The short-run trend for police calls is as follows:

Pearland Police Calls for Service			
	2013	2014	% Change
Officer Self-initiated	67,657	55,270	-22.4%
Citizen	29,599	30,012	+ 1.4%
Total	97,256	85,282	-12.3%
False alarm calls are the largest category of calls for service			

The City remains in outstanding position for its public safety provision and will continue to get better and adjust for the movement of our citizenry.

Multi-year financial planning

A highly effective tool in budgeting is multi-year financial planning. When policymakers have systems and attitudes to look at estimations of bottom lines three or so years out, you can make small adjustments now to address impacts of trends. When you take a regular multi-year view, a time horizon such as three to five years is reasonable for making good estimates, you can look ahead to avoid the accumulation of issues that “suddenly” become a crisis. Employee benefit costs such as pensions, are examples.

The City of Pearland has long been using such prognosis. The budget document shows in the multi-year financial plan section herein FY 16 plus two more years and is based on a set of well-reasoned assumptions, including operating costs of completed CIP, staffing, replacement of equipment, and other known costs. We have a separate CIP that is longer, and reflects operating, not just construction costs. The utility funds in particular, are important for their large quantity and scale of capital and operating revenues/costs.

The multi-year plan continues the momentum with growth and development in property valuations, completion of the 2007 voted bond authorization and plans for a future bond referendum as well as provides for mission

critical capital in the water/sewer fund all for the force (growth) that drives the City forward to keep it moving in the right direction. This momentum will drive the rate of change in the tax rate and in the water/sewer rates.

Structural Imbalance and fund balances

Maintaining a conservative approach, our General Fund's fund balance is something to maintain vigilance. The highest single revenue for operations is sales tax. Sales tax is volatile, subject to the economy. Taking the 2010 drop in sales tax, there was a 4.5% reduction from 2009 and an 8.5% reduction from budget.

Based on taking our 2015 year-end projections and 2016 base for the General Fund, if a similar drop as 2010 happened in 2015, the General Fund would see a drop in sales tax between \$1.7 million to \$2.1 million, excluding the increase for Costco. Thus, our \$909,544 fund balance over the two-month recurring expenditures minimum is *just* around a sound amount. There are many factors, of course, with growth and new taxpayers, and rooftops. But caution is the watchword on growing recurring costs, particularly with employee wages and benefits.

Moreover, the City in this General Fund budget has an FY 2015/16 recurring expenditures *in excess* of recurring revenue by \$110,918. That amount has been shaved from the prior year's estimate for FY 2015/16. Businesses or governments can handle planned expenditures in excess of revenue when times or resources require, as they do. As with the fund balance and sales tax reliance, the recurring operating net budget is something we have identified and discussed. We are working to bring the net General Fund amount to a regular near-balance.

Utility Enterprise Funds

The momentum of the City of Pearland's growth is perhaps most evident in the Utility Enterprise Funds. With growth comes the need for expanded capacity for water production and distribution and sanitary sewer collection and treatment. The accelerating growth of the past three years prompted the need for a temporary package plant at the Reflection Bay Water Reclamation Facility to handle the growth while the permanent 4.0 million gallons per day (MGD) permanent plant expansion is built over the next two years. Growth has also re-prioritized the expansion of the JHEC plant over the Barry Rose plant. Both projects are being developed to ensure the permanent expansions are completed when needed. On the horizon in 2017, is the first phase (10 MGD) of our first Surface Water Treatment Plant, which will be the largest single capital project in the City's history.

At the March retreat, after review of the recapitalization needs of the streets and sidewalks, the City Council asked what was needed for the water and sewer recapitalization. As with streets and sidewalks, the City's recapitalization efforts that maximize infrastructure life cycle costs in water and sewer are gaining momentum towards additional funding on a pay-as-you go basis. Analysis of water line failure data, has led to significant progress being made replacing older transite pipe. In addition, a comprehensive line cleaning program has been implemented to address water quality issues. The other areas where the seeds have been planted and momentum is gathering is developing a comprehensive inflow and infiltration (I&I) sanitary sewer program. With older systems, line breaks, open manholes and cleanouts, etc. contribute significant flows that must be processed at the plant, which increases operation and maintenance costs and drives the overall plant size. The recently purchased new vacuum truck was the first step in developing a program to examine the collection system to provide needed information that will lead to repairs, rehabilitation and replacement of these lines. With a comprehensive I&I program, the collection and treatments system will continue to capably serve the citizens of Pearland. The FY 2016 budget continues and expands upon these programs.

The new projects coupled with the rehabilitation projects equates to a 2016-2020 CIP with \$261.6 million of projects in the enterprise fund. These large capital expenditures are coupled with significant inflation in the construction industry, which has exceeded cost projections. As these projects are necessary capital costs associated with new development, consideration should be given to a new Impact Fee study and evaluation sooner than our normal five year cycle, which would be in 2018.

Revenues for FY 2015 have been less than budgeted due to the end of drought conditions for our area. This has been taken into account for the future revenue projections. Therefore, to operate the system, provide for debt service, cash reserves, meet bond coverage requirements, and achieve sustainable infrastructure while dealing with the revenue constraints, the Utility Enterprise Fund budget includes a 16% revenue increase, generating \$4.7 million in additional revenues. The user fee revenue increase for FY 2016 exceeds last year's forecast of a 5.5% increase due to the aforementioned cost increases and reduced revenues. The water/sewer rate model also shows additional annual revenue increases needed for the next four years of the model. However, the increases are necessary to carry forth the momentum that has been built with the new growth and to sustain our existing system to provide quality service and water to our customers.

A final piece of our utilities is storm water management. Based on the storms of this past spring and early summer, we have seen the fruits of our seeds planted over the past decade with very little structural flooding throughout the community, as compared to the past. We expect to build on that momentum with the Master Drainage Plan that is being planned for completion in FY 2016. The plan will provide the City a guide for future storm water projects and provide us the data to reap the benefits of past investment by potentially lowering the flood plain elevations on the Flood Insurance Rate Maps (FIRMs). This continues the direction established at the early budget input meeting to update our master plans to keep them living, breathing, and useful documents to guide the City's growth.

Conclusion

In a budget with overall expenditures of \$303 million, there are always going to be priorities of some included and not of others. Not to belabor the point of Pearland's positives, or in any way become complacent (that will not happen), the list of issues here are more along the lines of prioritizing opportunities. There are not major threatening trends or momentum-halting local crises. City staff here every day are great stewards of the public dollars and balancing different needs and wants in advancing the positive momentum of Pearland.

We look forward to the team of elected and appointed staff partnering with the broad Pearland community and getting after continuing our progress, to make the most of our being on a positive roll.

Respectfully submitted,



Clay J. Pearson
City Manager

Postscript: The annual City budget is my responsibility as City Manager to recommend to you. You know too that the budget plan is a work of professionals across the City of Pearland government who know and care about the community. The last 19 months in Pearland for us have been a professional and personal positive opportunity appreciated. I thank **Claire Bogard, Paulette Englund, Neelie Walker, Joel Hardy, Tara Kilpatrick** and all in our office (**Jon Branson, Trent Epperson, John McCarter, and Yvette Connevey**) on this budget and all who I work alongside -- the administrative, professional, and technical experts, who are the front smiling faces and the behind-the-scenes public servants that make this great place move forward The Pearland Way.

Pearland, Texas

Where Town and Country Meet

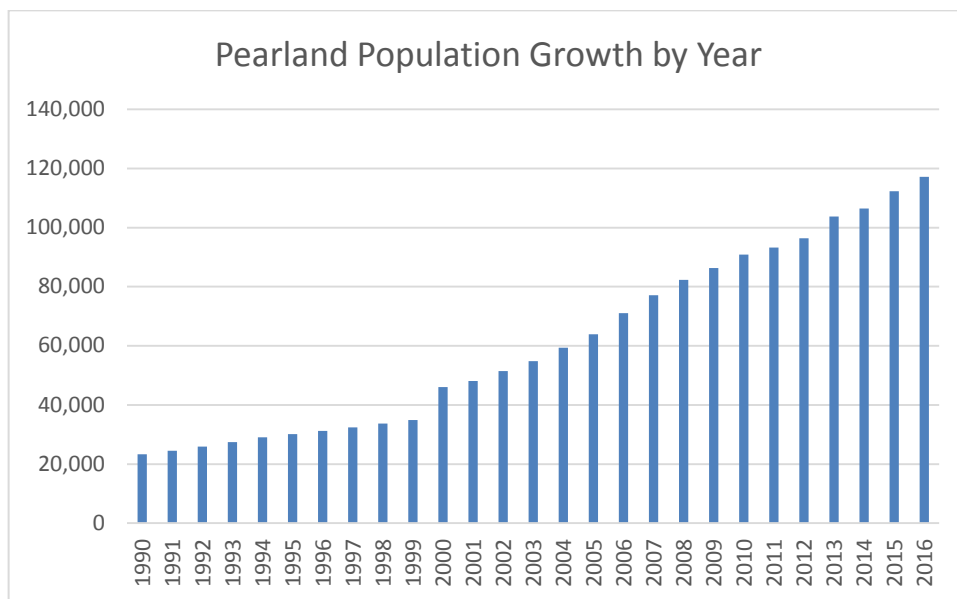
The City of Pearland, Texas was incorporated in December 1959 and adopted a Home Rule Charter on February 6, 1971, and is a home-rule City operating under a Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council consisting of the mayor and five other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

The City provides a full range of municipal services, including public safety, trash pickup, traffic management, wastewater treatment, street maintenance and repairs, road construction and improvements, and two libraries through a cooperative effort between the City of Pearland and Brazoria County. According to a recent survey published in USA Today, Pearland is the 6th 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 2015, based on U.S. Census population statistics, Pearland's population increased by 198%, from 37,640 to 112,300, making it consistently one of the fastest growing cities in Texas each year. The total area of the City is 69.8 square miles, 46.3 within City limits, and 23.5 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. Based on economic data from the U.S. Bureau of Labor Statistics, Pearland ranked 28th in the nation among cities with the fastest growing economies. For mid-sized cities, it ranked 11th, with seven Texas cities included in the top 10 nationwide.



Sources: 1990-2013 U.S. Census Bureau and 2014-2015 City of Pearland Planning Dept.

Demographic Composition

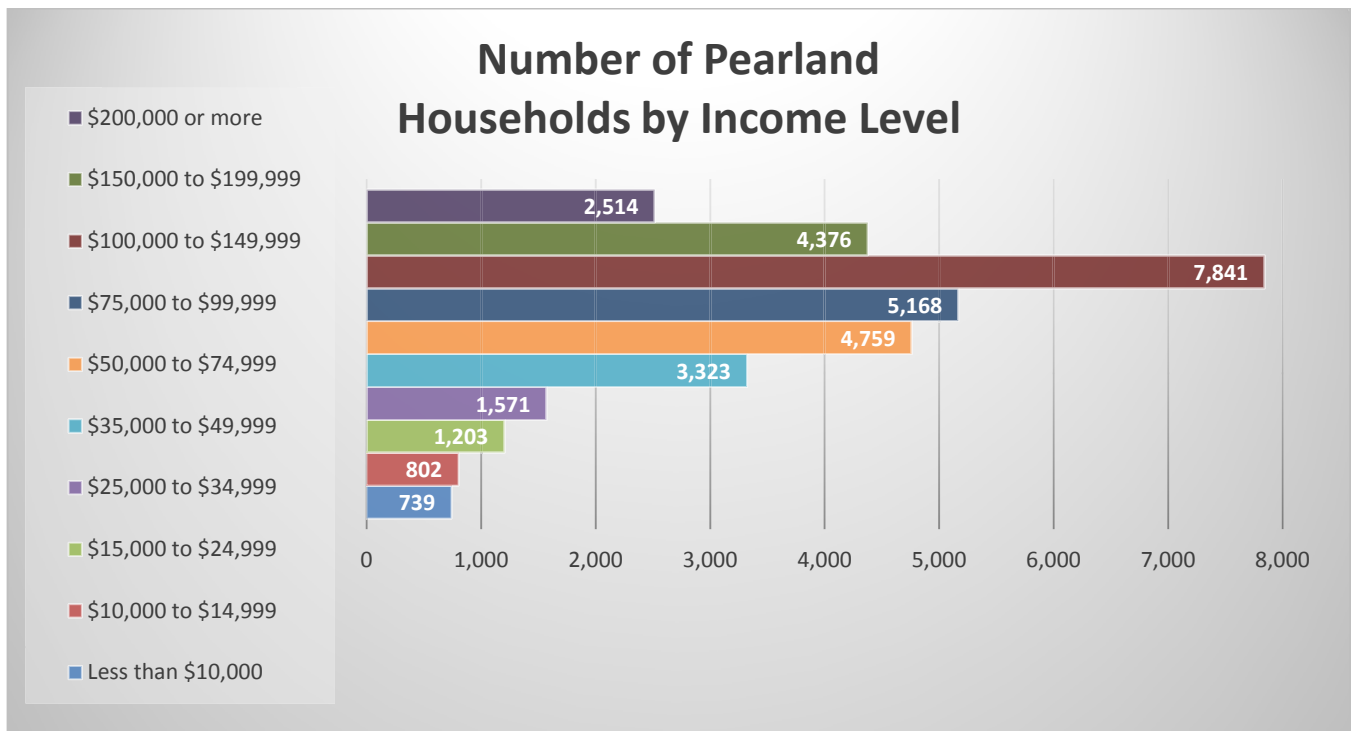
The median age in Pearland is 34.3, which is roughly on par with that of the State of Texas and the Nation as a whole. The percent of Pearland’s citizens aged 65 and over is lower than both the State and Nation, with 8.4% of its residents in this age group.

Population by Age Group - 2013			
Age Group	Pearland	Texas	Nation
Under 5 years,	9.1%	7.5%	6.4%
Under 18 years,	29.6%	27.0%	23.7%
65 years and over,	8.4%	10.7%	13.4%

Source: 2015 update to the 2009-2013 American Community Survey – U.S. Census Bureau

Median Household Income

According to the 2013 American Community Survey (ACS) results from the US Census Bureau, Pearland’s Median Household Income (MHI) is \$92,346, up from \$89,149 from the 2010 Census. A total of 19,899, or 61.6% of households, earn \$75,000 or more; compared to an average of 34.8% Statewide. Home values have grown along with household incomes in Pearland. Based on the 2013 ACS, the estimated median home value in Pearland was \$179,400, higher than the State’s average by more than \$50,000. For 2016, the average median taxable value is \$202,972.

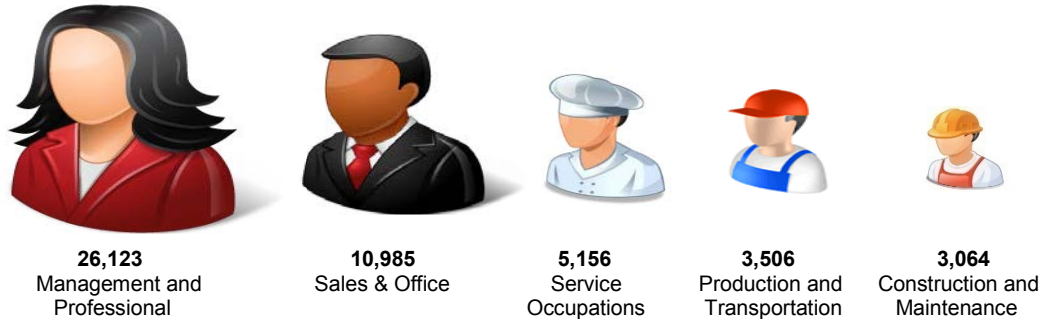


Source: 2015 update to the 2009-2013 American Community Survey – U.S. Census Bureau

The percentage of all people in Pearland reporting income below the poverty level was 4.5%, compared to 15.4% in the U.S. and 17.6% Statewide. According to the American Community Survey of 2013 (U.S. Census Bureau), home ownership in the City of Pearland was 79.7%, 16.4% above the State average.

Pearland Occupations

Pearland residents serve in a variety of occupations. The majority, 26,123 of the 48,834 in the Pearland civilian employed population, serve in management, business, science, and arts occupations. Sales and office jobs make up 22.5% of the occupations held by Pearland citizens in the workforce. The depiction below shows Pearland occupations by type. Of the total 51,331 in the Pearland civilian labor force, 2,497 reported to the Census Bureau as being unemployed.



Source: 2015 update to the 2009-2013 American Community Survey – U.S. Census Bureau

Pearland Businesses

The U.S. Census Bureau's 2013 American Community Survey also provides information about the industrial characteristics of the City of Pearland, which include companies that perform non-retail business operations typically associated with manufacturing, trade, machinery and chemical companies, allied product merchants, and mineral exploration. According to this most recent data, manufacturing firms total 191 employer establishments with 2,539 paid employees. They produce a value of sales, shipments, receipts, or revenue totaling \$476,666,000 in business.

The commercial characteristics of Pearland's private sector involve a total of 8,129 businesses and include automobile dealers, motor vehicle parts retailers, furniture stores, electronics and appliance merchants, home centers, grocery stores, health and personal care, apparel retailers, restaurants, food and beverage stores, gasoline stations, sporting goods stores, used product merchants, miscellaneous vendors, and motion picture or sound recording entertainment businesses.

Diversity is an attractive feature of the Pearland community's private sector population, with Census surveys showing that 29.4% of firms are women-owned, 12.8% Hispanic, 11.1% Asian, and 13.4% Black-owned. Retail sales were \$779,634,000, with a per-capita of \$10,110.

The Pearland Economic Development Corporation (PEDC), 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 PEDC 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	Number of Employees
Pearland Independent School District	2,472
Walmart	1,150
Kelsey-Seybold	850
City of Pearland	550*
Kemlon	390
HEB	375
Davis Lynch	300
Packaging Service Company	230
Bass Pro Shop	225
Home Depot	220

Source: Pearland Chamber of Commerce, as of January 2015.

*Full time employees only

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



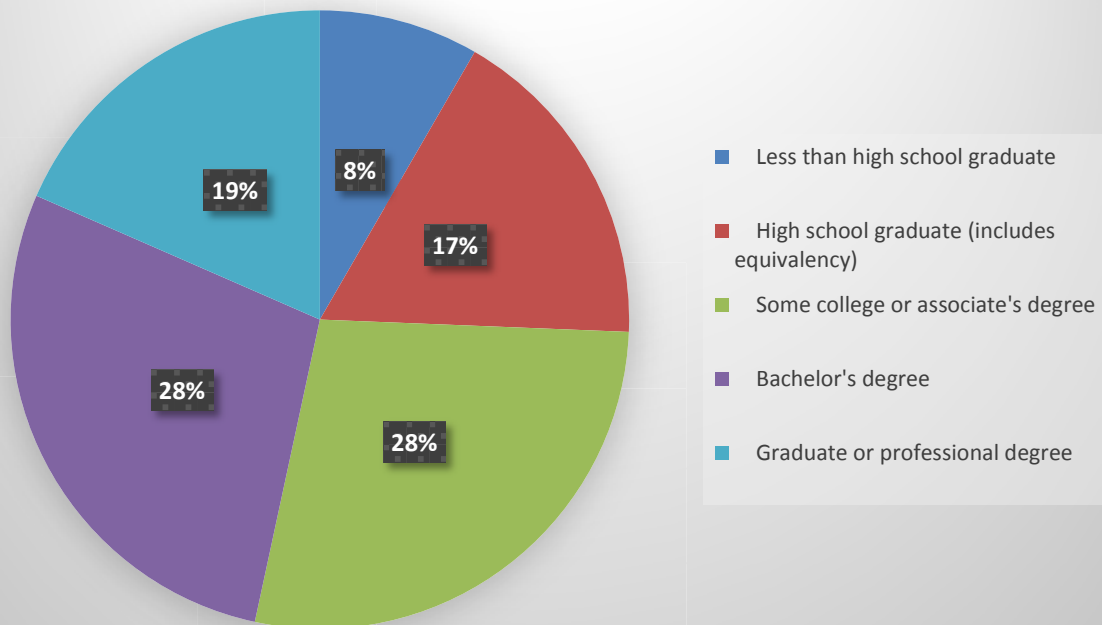
U.S.

Source: 2015 update to the 2009-2013 American Community Survey – U.S. Census Bureau

Education Levels

Pearland remains above average when it comes to education, as 47% of Pearland residents over the age of 25 possess a Bachelor's degree or higher. While only 8.3% 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, Pearland's "over 25" population that has not earned a high school diploma increased from the 6% reported in the 2010 Census. A total of 19% of Pearland citizens hold graduate or professional degrees, compared to 9% Statewide.

Educational Attainment



Source: 2015 update to the 2009-2013 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. In addition to exceptional academics, Pearland schools offer an array of exceptional athletics and extracurricular activities for students. The latest counts put total Pearland ISD enrollment at 21,111, with an additional 5,016 Pearland students enrolled in Alvin ISD schools, and approximately 50 being served by the Pasadena school district.

City of Pearland: Comparison - City Demographics for Benchmarking

Statistical Category	Dallas-Fort Worth MSA		Houston MSA				Austin MSA
	Frisco	McKinney	Pearland	Sugar Land	League City	Baytown	Round Rock
City Size (square miles)	61.80	62.21	48.39	32.38	51.29	35.45	34.11
Population Density	2,347	2,520	2,138	2,680	1,841	2,147	3,305
POPULATION (US CENSUS)							
2014 Estimate	145,035	156,767	103,441	86,777	94,403	76,127	112,744
% Change (10-14)	23.9%	19.6%	15.1%	10.4%	13.0%	5.7%	12.8%
2010 Census	116,989	131,117	91,252	78,817	83,560	71,802	99,887
% Change (00-10)	246.0%	140.5%	99.8%	20.0%	83.6%	9.9%	62.5%
2000 Census	33,808	54,518	45,681	65,697	45,517	65,332	61,484
DEMOGRAPHICS (2009-2013 American Community Survey - U.S. Census Bureau)							
Senior Citizens (x>65)	6.3%	7.4%	8.4%	11.0%	7.9%	9.7%	5.9%
Juveniles (x<18)	33.3%	31.6%	29.6%	23.6%	27.5%	29.2%	30.7%
Foreign Born Persons	14.8%	12.7%	17.2%	33.6%	9.0%	18.2%	13.7%
Language Other Than English Spoken at Home	20.2%	19.8%	28.2%	42.0%	17.0%	39.8%	27.0%
Race -- White	76.8%	79.8%	62.4%	52.2%	81.7%	67.2%	78.5%
Race -- African American	7.1%	11.3%	16.6%	7.8%	8.1%	16.2%	9.2%
Race -- Asian	10.3%	4.6%	13.7%	35.3%	5.5%	1.3%	5.2%
Hispanic Origin*	12.6%	19.6%	21.1%	10.3%	17.8%	44.1%	29.6%
HOUSING AND EDUCATION (2010 Census, or 2012 - 2013 American Community Survey)							
Homeownership Rate	75.5%	69.9%	79.7%	81.3%	74.1%	61.4%	59.5%
Persons Per Household	2.97	2.99	2.90	3.00	2.74	2.97	2.89
Median Household Income	\$ 108,284	\$ 81,118	\$ 92,346	\$ 104,702	\$ 89,339	\$ 46,939	\$ 69,533
Median Home Value	\$ 250,400	\$ 187,100	\$ 179,400	\$ 258,000	\$ 176,000	\$ 97,000	\$ 168,800
% Below Poverty Rate	4.4%	8.9%	4.5%	4.2%	5.0%	20.3%	8.6%
% of Housing Stock Built After 1980	96.4%	90.5%	84.7%	83.5%	85.1%	41.7%	87.5%
% Housing Units in Multi-unit Structures (2008-2012)	18.2%	21.6%	15.2%	9.7%	20.6%	31.0%	30.4%
% Bachelor's Degree or Higher	58.7%	46.2%	46.6%	53.9%	42.8%	13.6%	37.0%
PROFESSIONAL CHARACTERISTICS AND EMPLOYMENT BREAKDOWN BY INDUSTRY (2012 AMERICAN COMMUNITY SURVEY)							
Mean Travel Time to Work (min)	28.0	28.5	30.6	28.9	29.1	23.7	24.2
Agriculture, forestry, fishing and hunting, and mining	1.0%	1.0%	2.4%	4.9%	1.7%	1.1%	0.7%
Construction	3.6%	4.6%	4.4%	3.9%	6.6%	16.7%	5.7%
Manufacturing	8.8%	9.6%	11.2%	9.7%	14.4%	13.9%	12.3%
Wholesale trade	3.2%	2.9%	3.2%	4.0%	2.7%	2.9%	4.0%
Retail trade	12.4%	13.8%	9.7%	11.7%	9.1%	11.0%	13.0%
Transportation and warehousing, and utilities	3.5%	2.9%	4.6%	4.3%	6.6%	6.2%	3.3%
Information	4.1%	3.4%	1.8%	2.2%	0.9%	0.8%	2.6%
Finance and insurance, and real estate and rental and leasing	14.2%	10.2%	5.9%	8.8%	5.8%	3.4%	7.0%
Professional, scientific, and management, and administrative and waste management services	15.8%	13.7%	12.9%	16.4%	13.0%	9.7%	14.4%
Educational services, and health care and social assistance	18.5%	23.0%	29.2%	22.3%	25.2%	18.2%	19.4%
Arts, entertainment, and recreation, and accommodation and food services	7.9%	7.2%	6.0%	6.1%	4.2%	8.6%	7.7%
Other services, except public administration	4.2%	4.3%	4.0%	3.8%	4.0%	5.0%	4.1%
Public administration	2.6%	3.4%	4.8%	2.0%	5.9%	2.4%	5.8%
FINANCIAL CHARACTERISTICS (VARIOUS)							
Tax Backed Rating (Moody's)	Aa1	Aa1	Aa2	Aa1	Aa2	N/A	Aa1
Credit Rating of Last GO Issuance (S&P)	AA	AA+	AA-	AAA	AA	N/A	AA+
Total Net Position in thousands (2014 CAFR)	\$ 1,050,700	\$ 825,698	\$ 620,370	\$ 596,355	\$ 7,279	N/A	\$ 10,195
Sales Tax Revenue (2014 Actuals)	\$ 34,196,948	\$ 19,024,632	\$ 25,672,528	\$ 36,232,500	\$ 15,540,000	N/A	\$ 49,400,000
Sales Tax Revenue Per Resident	236	121	248	418	165	N/A	438

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

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.

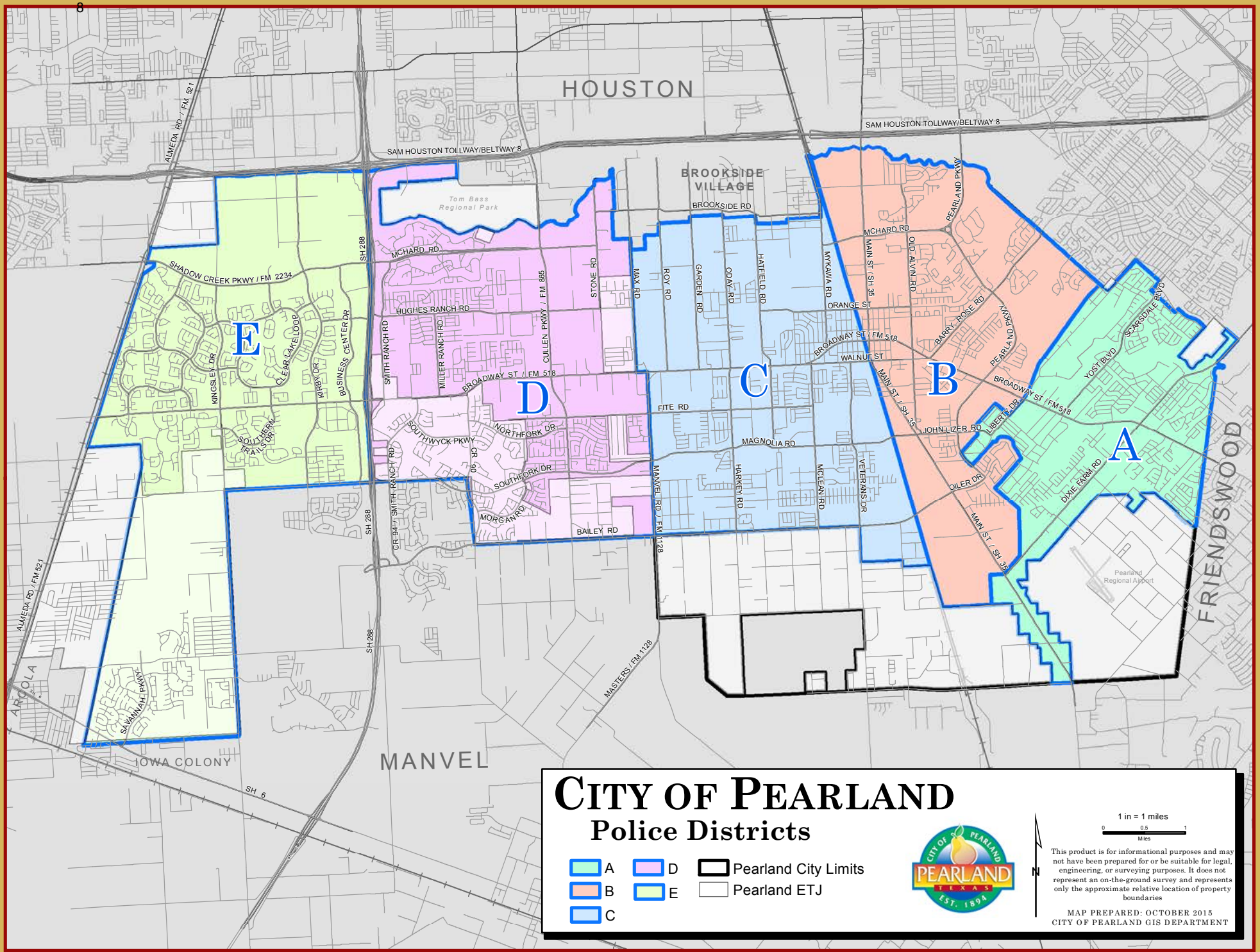
The City has a number of relatively quaint, yet historically significant points of interest. Old Settlers' Cemetery is one of notable significance. Gravestone styles range from simple stone markers to tombstones featuring elaborately carved decorations. Old Settlers' Cemetery remained the primary community burial ground until 1936. It continues to serve as a reminder of Pearland's early history. 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 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 public works are deployed from locations throughout the City. The City has one central public safety facility designated to house and deploy police services, six fire stations, two full-service library facilities, City Hall, the Knapp Senior Center, 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.





CITY OF PEARLAND

Police Districts

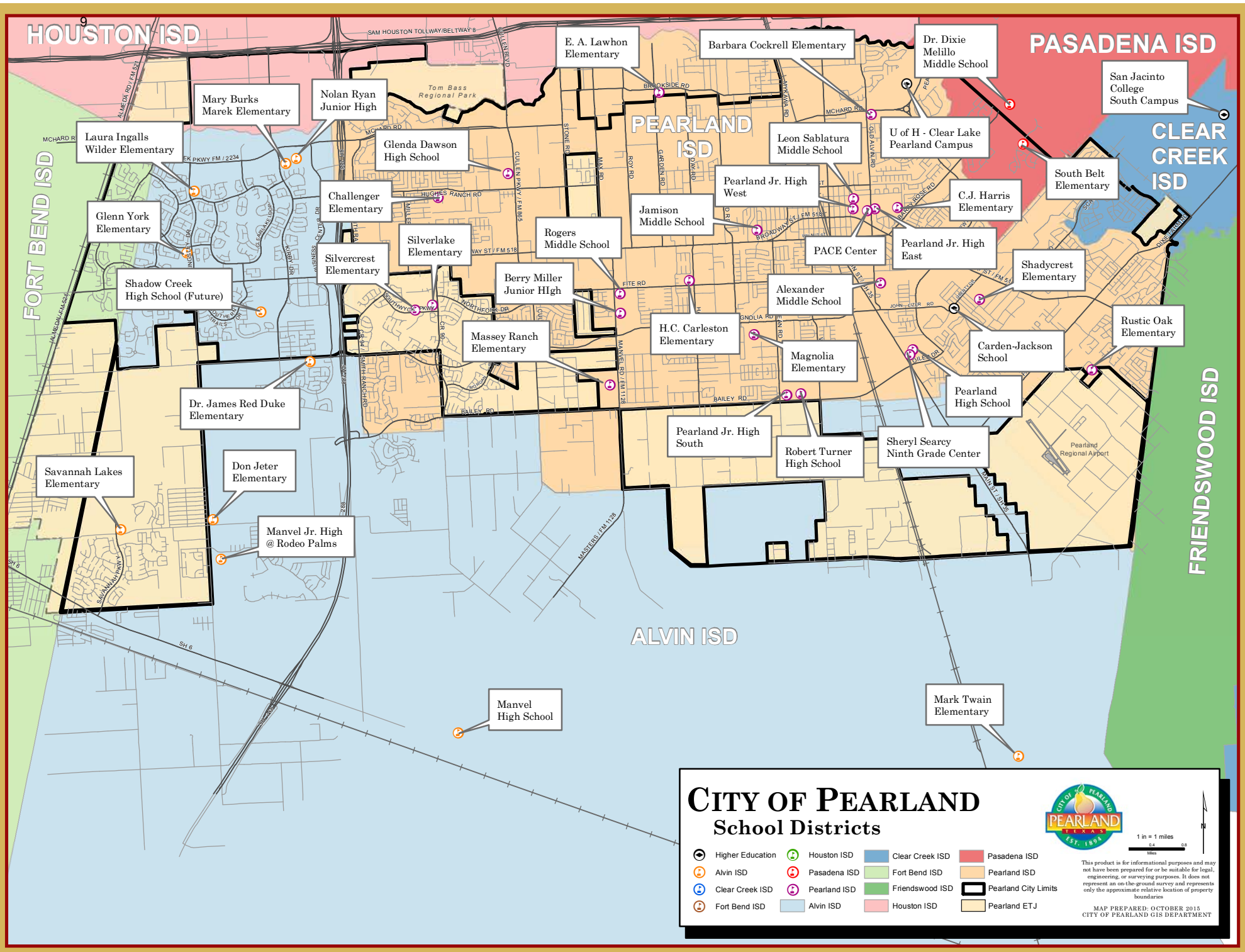
 A	 D	 Pearland City Limits
 B	 E	 Pearland ETJ
 C		

1 in = 1 miles

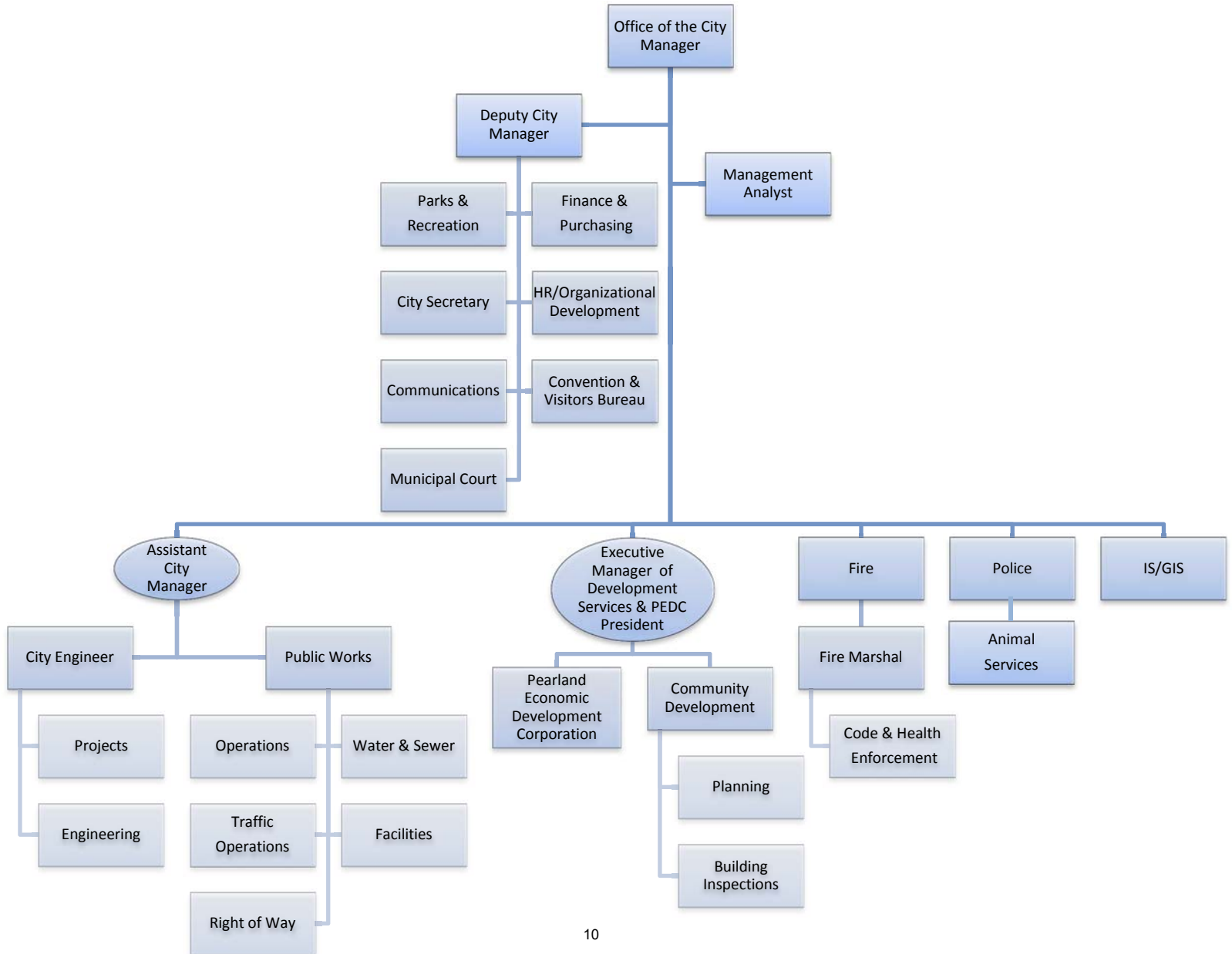
0 0.5 1
Miles

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

MAP PREPARED: OCTOBER 2015
CITY OF PEARLAND GIS DEPARTMENT



City of Pearland, Texas Organization Chart



**CITY OF PEARLAND, TEXAS
CITY MANAGEMENT**

Elected Officials

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

Position

Mayor
Councilmember, Position One (*Mayor Pro Tem*)
Councilmember, Position Two
Councilmember, Position Three
Councilmember, Position Four
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
Michelle Graham
Lata Krishnarao
Chris Orlea
Kim Sinistore

Andrew Fearn
Sparkle Anderson
Jennifer Huhn
Daniel McGhinnis

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
Chief Information Officer

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

CITY OF PEARLAND, TEXAS STRATEGIC PRIORITIES

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

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



The purpose of the City Council Strategic Priorities is to provide a framework of long-term goals for the future. The traditional Organizational Chart establishes the functional grouping of employees and the chains of command critical to productivity. Whereas these Strategic Priorities are designed to guide Pearland to the next level of success, as an economically, financially and structurally sustainable city and a high performing organization by linking long term goals to day-to-day inputs and outputs; establishing an intentional connection between actions and outcomes.

1. Fiscally Responsible Government

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

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

In support of this Priority, the FY 2016 General Fund recognizes successful growth in the City’s net property valuation increase. Included in the FY 2016 Water/Sewer Fund is a revenue and rate increase to meet the requirements of the Bond Coverage and cash reserve ratio. Also included in the Water/Sewer Fund is \$70,000 toward the purchase of a new water/sewer rate model to more efficiently calculate the rates.

The Comprehensive Plan and 20/20 Plan encompass this Council Strategic Priority via patterns of development that support the City’s long-term financial health; a commitment to sustained budget support for reinvesting in infrastructure maintenance, for public safety to maintain levels of service

and responsiveness commensurate with projected growth and resident expectations; and to identify sustainable funding sources to support the landscape maintenance protocol.

2. Sustainable Infrastructure

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

The FY 2016 General Fund budget includes \$915,512 for street maintenance and \$537,114 for sidewalk maintenance. The Water/Sewer Fund includes \$350,000 for 21 chemical containment walls at 11 plants and meter testing and replacement at \$74,433. In addition, \$35,000 is budgeted in a City-wide donation fund for the rehabilitation of the Animal Services building.

The Capital Improvement Program (CIP) addresses a majority of the City’s infrastructure. Included in the FY 2016 budget are two detention pond projects; four facility renovation/expansion projects, twelve street projects (widening, reconstructions and extensions), eight water and twelve wastewater projects.

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

3. Quality Parks, Recreation and Events

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

Included in the Capital Improvement Program for FY 2016 are three parks improvement projects, the building of a Nature Center, and the construction of a Trail. The General Fund includes funding for a full year of operations of two new parks – Shadow Creek Ranch Park and Hickory Slough Sports Park.

Priorities within the Comprehensive Plan include providing greater focus on early land acquisition to address future parkland needs in prime growth areas of the community, plus immediate developer provision of park facilities in new subdivisions versus land dedication; the ongoing implementation of the Trail Master Plan with a particular focus on connectivity improvements around residential neighborhoods; and the expanded recreation/cultural/entertainment amenities to enhance residents’ quality of life, reduce the “leakage” of such economic activity to destinations outside the City, and draw more visitors and tourism dollars to Pearland.

The 20/20 Plan includes the pursuit of a multi-purpose events venue in Pearland, with related lodging and hospitality uses, as well as locating and securing parcels for development of additional athletic fields for use by residents and competitive tournaments. This fiscal year, staff is working to update the Parks Master Plan, a critical planning document for parks, recreation and green space throughout the City and a necessary component of securing future grant funding.

4. Safe Community

The City works every day to maintain a high quality of life by providing a safe and peaceful environment within the City of Pearland for all residents and visitors. Police professionals work to analyze patterns and work with residents and businesses for preventing crimes and deter behaviors that lead to vehicle crashes that injure people and cause property damage. Our growing ranks of Fire staff work to educate residents about home safety and ensure compliant workspaces that are safe. The team looks at patterns to be in the best places for required response to fires and medical emergencies. Safe Community is more than traditional narrow definitions of Police and Fire. A Safe Community encompasses City's Animal Services, Health/Code Enforcement, Building Inspections – infrastructure and fire, and Public Works, with the maintenance of streets, sidewalks, water quality, and many others. Moreover, the safe community that Pearland is results from active neighbors who are informed and partnerships with the plethora of social service agencies, other law enforcement agencies and fire protection support through mutual aid and other public support.

In support of this priority, the adopted budget includes eight new Police Officers, four Sergeant upgrades, fifteen (9 full-time, 6 part-time/paid-volunteer) Firefighters, and one Health/Code Enforcement Officer were funded for FY 2016 to address this priority. In addition, a Fire ladder truck, an ambulance, eight Police vehicles, and two Animal Services trucks have been funded for FY 2016. This fiscal year, the Police Department will work with an outside consultant to conduct a full staffing & utilization study which will provide a planning tool to assess current practices and provide a customized approach to Pearland's situation for planning purposes. In Public Works, several water and wastewater projects are budgeted for FY 2016 within Capital Projects and are listed under the Sustainable Infrastructure priority, and a Chemical Feeder is budgeted in the Water/Sewer Fund at \$25,000.

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

5. Engaged Community

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

For FY 2016, the City has budgeted \$140,000 for the improvement of audio visual, public announcement system and other PEG capital needs associated with the renovation and expansion of the Council Chamber dais and chamber, and \$49,650 toward the build-out of the studio and purchase of equipment. The Visitors' Convention Bureau (CVB) will be working on a Pear Art Trail Project in the coming year to engage local artists in creating art throughout the City, and funding of \$60,000 in Hotel/Motel Funds for grants for artists and development of the project.

Supporting events and outreach to bring Pearlanders together as one community is one of the priorities of the Comprehensive Plan. The 20/20 Plan includes identifying the optimal location for a multi-use events center that will provide stakeholders with a dynamic local venue for performing arts, civic gatherings, special events, and touring acts; and creating, programming and staffing a unified arts organization in Pearland; engage local organizations, private businesses, and neighborhood groups as planning partners to establish a City-led task force to coordinate elements of a beautification strategy; and the City provides a mobile phone and tablet application enabling Pearland residents and businesses to report code violations wirelessly.

6. Healthy Local Economy

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

In FY 2016, a Small Business Coordinator and a Plans Examiner are budgeted for the Permits & Inspections department. These positions will assist developers and residents with the process from permit application to inspection, increasing efficiency and reducing the timeline from start to finish of a building project. The Pearland Economic Development Corporation has budgeted over \$3.5 million toward incentives for further commercial/business development, bringing jobs and tax revenues to the City.

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

STAFFING LEVELS FY 2016 ADOPTED BUDGET

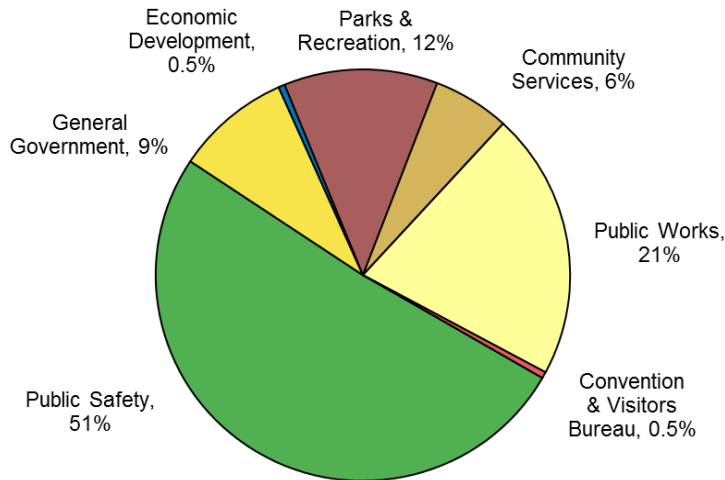
The number of budgeted Full-time Equivalent (FTE) positions totals 728, a net increase of 24.5 for FY 2016, a 3.5% increase in FTE, all in the General Fund. Of the 24.5, 22.0 are in Public Safety.

Employees by Service Area

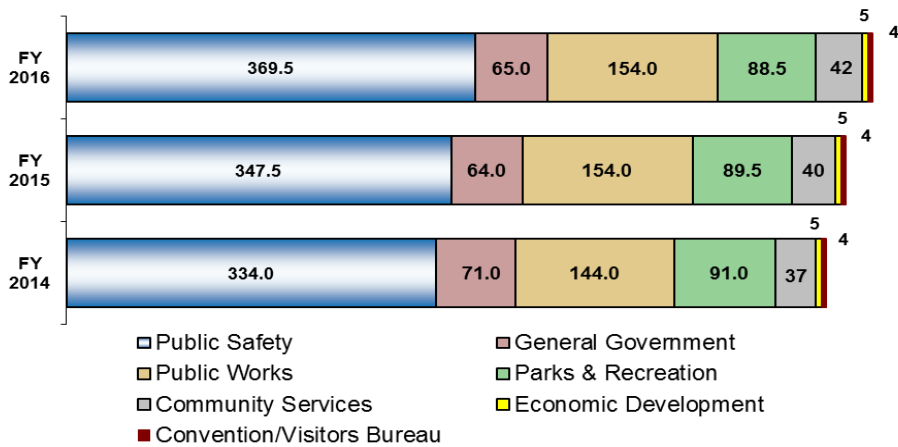
The chart below illustrates the 728 FTE count by Service Area. General Government is comprised of the City Manager’s Office, Finance, Human Resources, Information Systems, Legal, Utility Customer Service and the City Secretary’s Office. Community Services includes Municipal Court, Communications Office 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).

Public Safety accounts for 51%, or 369.5 FTE’s, for the City, as services are provided 24 hours a day, 365 days a year.

**City of Pearland
Employees by Service Area as % of Total
Fiscal Year 2016 Full-Time Equivalents**



**City of Pearland
Employees (FTEs) by Service Area
FY2014 - FY2016**

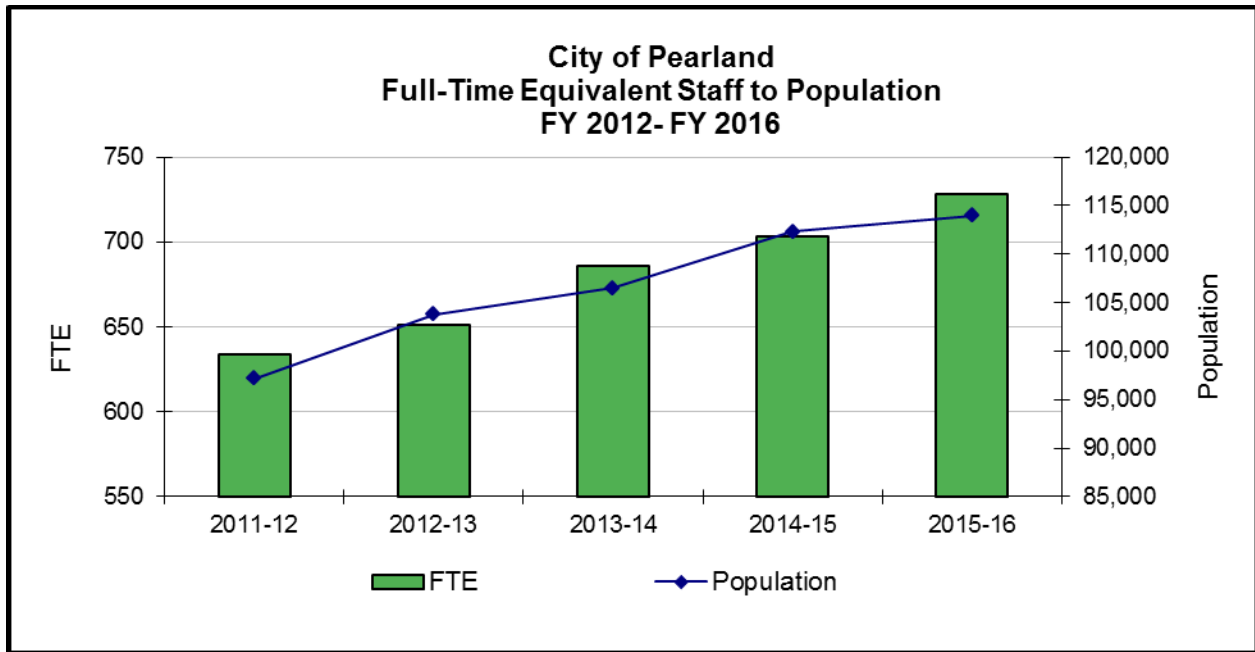


**STAFFING LEVELS
FY 2016 ADOPTED BUDGET**

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. FY 2016, population comes with an estimated moderate growth of 1.5%, while the Full-time Equivalent staff of the City of Pearland increases by 3.5%, particularly in Public Safety, due to the opening of a new Fire Station and additional Police Officers for visibility and response, which results in an increase of FTE per 1,000 population from 6.26 in FY 2015 to 6.39 in FY 2016.

Fiscal Year	FTE	Population	No. of Employees Per 1,000 Population
2011-12	633.5	97,200	6.52
2012-13	651.5	103,800	6.28
2013-14	686.0	106,500	6.44
2014-15	703.5	112,300	6.26
2015-16	728.0	114,000	6.39



**CITY OF PEARLAND
FY 2016 ADOPTED BUDGET
AUTHORIZED PERSONNEL BY DEPARTMENT**

Function/Department	Full-Time Employees				Part-Time Employees				FY 2016	FY 2016
	FY 2014 AMENDED	FY 2015 AMENDED	FY 2016 REQUESTED	FY 2016 ADOPTED	FY 2014 AMENDED	FY 2015 AMENDED	FY 2016 REQUESTED	FY 2016 ADOPTED	Total Headcount	Total FTE
General Government										
City Manager	4.00	4.00		4.00	2.00	2.00		2.00	6.00	5.00
City Secretary	4.00	4.00		4.00					4.00	4.00
Finance	17.00	17.00		17.00	1.00	1.00		1.00	18.00	17.50
Human Resources	7.00	7.00	1.00	8.00					8.00	8.00
Information Systems	6.00	7.00		7.00					7.00	7.00
Information Systems GIS - GF	2.00	2.00		2.00					2.00	2.00
Information Systems GIS - W/S	4.00	3.00		3.00					3.00	3.00
Legal	5.00	5.00		5.00	1.00	1.00		1.00	6.00	5.50
Utility Customer Services	18.00	11.00		11.00	4.00	4.00		4.00	15.00	13.00
General Government Total	67.00	60.00	1.00	61.00	8.00	8.00	0.00	8.00	69.00	65.00
Public Safety										
Fire Dept. Administration		9.00		9.00	1.00	1.00	2.00	3.00	12.00	10.50
Fire Operations*	82.00	75.00	9.00	84.00	59.00	62.00	6.00	68.00	152.00	118.00
Fire Marshal	7.00	7.00		7.00	2.00	2.00		2.00	9.00	8.00
Health & Code Enforcement	6.00	7.00	1.00	8.00					8.00	8.00
Police Department	194.00	203.00	8.00	211.00	7.00	7.00		7.00	218.00	214.50
Animal Services	10.00	10.00		10.00	1.00	1.00		1.00	11.00	10.50
Public Safety Total	299.00	311.00	18.00	329.00	70.00	73.00	8.00	81.00	410.00	369.50
Public Works										
Public Works Oper. Admin.	1.75	2.00		2.00					2.00	2.00
Facilities Maintenance	5.00	5.67		5.67					5.67	5.67
Custodial Services	2.00	2.00		2.00					2.00	2.00
Fleet Maintenance	7.00	4.00		4.00					4.00	4.00
Streets & Drainage	17.00	16.00		16.00					16.00	16.00
Public Works ROW		3.00		3.00					3.00	3.00
Traffic Operations	6.00	6.00		6.00					6.00	6.00
Public Works Water/Sewer Admin.		7.33		7.33					7.33	7.33
Lift Stations	10.00	7.00		7.00					7.00	7.00
Wastewater Treatment	14.75	15.00		15.00					15.00	15.00
Water Production	15.00	15.00		15.00					15.00	15.00
W&S Distrib. & Collect.	27.50	23.00		23.00					23.00	23.00
W&S Construction	13.00	9.00		9.00					9.00	9.00
Public Works W&S ROW Mow		7.00		7.00					7.00	7.00
Water Meter Service		7.00		7.00					7.00	7.00
Public Works & Engr. Admin.	3.00	2.00		2.00					2.00	2.00
Engineering	12.00	12.00		12.00					12.00	12.00
Capital Projects	9.00	10.00		10.00					10.00	10.00
Public Works Total	143.00	153.00	0.00	153.00	0.00	0.00	0.00	0.00	153.00	153.00
Community Services										
Community Develop. Admin.	3.00	3.00	1.00	4.00					4.00	4.00
Planning	4.00	4.00		4.00					4.00	4.00
Permits & Inspections	13.00	14.00	1.00	15.00	2.00	2.00		2.00	17.00	16.00
Municipal Court	9.00	10.00	0.52	10.52	2.00	1.00		1.00	11.52	11.02
Communications	3.00	4.00		4.00					4.00	4.00
Community Services Total	32.00	35.00	2.52	37.52	4.00	3.00	0.00	3.00	40.52	39.02

**CITY OF PEARLAND
FY 2016 ADOPTED BUDGET
AUTHORIZED PERSONNEL BY DEPARTMENT**

Function/Department	Full-Time Employees				Part-Time Employees				FY 2016	FY 2016
	FY 2014 AMENDED	FY 2015 AMENDED	FY 2016 REQUESTED	FY 2016 ADOPTED	FY 2014 AMENDED	FY 2015 AMENDED	FY 2016 REQUESTED	FY 2016 ADOPTED	Total Headcount	Total FTE
Parks & Recreation										
Parks & Rec. Admin.	7.00	7.00		7.00		1.00		1.00	8.00	7.50
Parks & Rec. Resource Dev.	1.00	2.00		2.00	1.00				2.00	2.00
Parks Maintenance East	30.00	27.00		27.00					27.00	27.00
Recreation Center/Natatorium	8.00	9.00	(1.00)	8.00	53.00	55.00		55.00	63.00	35.50
Westside Events Center	2.00				1.00				0.00	0.00
Athletics	2.00	2.00		2.00	4.00	4.00		4.00	6.00	4.00
Aquatics					4.00	4.00		4.00	4.00	2.00
Special Events	2.00	2.00		2.00					2.00	2.00
Senior Programs	2.00	3.00		3.00	3.00	3.00		3.00	6.00	4.50
Recycling	2.00	2.00		2.00	4.00	4.00		4.00	6.00	4.00
Parks & Recreation Total	56.00	54.00	(1.00)	53.00	70.00	71.00	0.00	71.00	124.00	88.50
Economic Development	5.00	5.00		5.00					5.00	5.00
Convention & Visitors' Bureau	3.00	3.00		3.00	2.00	2.00		2.00	5.00	4.00
U. of Houston-Pearland	1.00	1.00		1.00					1.00	1.00
Municipal Court Security Fund	1.00	1.00	0.48	1.48	2.00	2.00	(1.00)	1.00	2.48	1.98
Municipal Court Juvenile Services	1.00	1.00		1.00					1.00	1.00
Other Funds	11.00	11.00	0.48	11.48	4.00	4.00	(1.00)	3.00	14.48	12.98
General Fund	494.75	508.67	20.52	529.19	148.00	151.00	8.00	159.00	688.19	608.69
Water & Sewer Fund	102.25	104.33	0.00	104.33	4.00	4.00	0.00	4.00	108.33	106.33
Total Other Funds*	11.00	11.00	0.48	11.48	4.00	4.00	(1.00)	3.00	14.48	12.98
Grand Total	608.00	624.00	21.00	645.00	156.00	159.00	7.00	166.00	811.00	728.00

*Fire Operations - Paid Volunteer Firefighters are included in the part-time count.
Note: Seasonal positions are not included

FY 2016 ADOPTED BUDGET READER'S GUIDE TO THE BUDGET

The Fiscal Year 2015-2016 budget document has been prepared and presented in an effort to comply with the guidelines and recommendations of the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Awards Program. In order to be considered for the budget award, the following four areas must be included in the budget presentation: (1) the budget as a policy document, (2) the budget as a financial plan, (3) the budget as an operations guide, and (4) the budget as a communications device. A brief explanation of these criteria is presented below.

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

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

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

The budget as a communications device. The budget document is available to the public at the City Secretary's Office in City Hall and at the Pearland Branch Libraries, as well as on the City's website. 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, and included charts, graphs, and glossary for understandability and usability. Efforts are made to explain the basic units of the budget, including funds, departments or activities, and disclosing sources of revenues and explanations of revenue estimates and assumptions. This information is contained in the transmittal letter and budget summary sections.

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

Organization of the Budget Document

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

Introduction includes an introduction to Pearland, City demographics and statistics, and area maps, the City's Organization Chart, list of City Management, City Council Strategic Priorities, staffing levels, Reader's Guide to the Budget, and the fiscal year 2016 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, funded supplemental requests, staffing changes, 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.

READER'S GUIDE TO THE BUDGET

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

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

Property Tax Section includes an overview of the City's property taxes, levy and collections for fiscal year 2016. Historical Assessed Valuation, Taxes Levied and Taxes Collected, along with Tax Rate Distribution and Principal Taxpayers information are in this section.

Debt Service Fund Section includes an overview of the General Obligation Debt Service Fund, with revenue and expenditure summaries. Governmental and General Debt Schedules are included, with three graphs - government debt to maturity, debt to assessed value, and net bonded debt per capita.

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

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

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

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

Internal Service Fund Section includes an overview describing each Internal Service Fund – Property/Liability Insurance and Medical Self-Insurance. The revenue and expense summaries are also included.

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

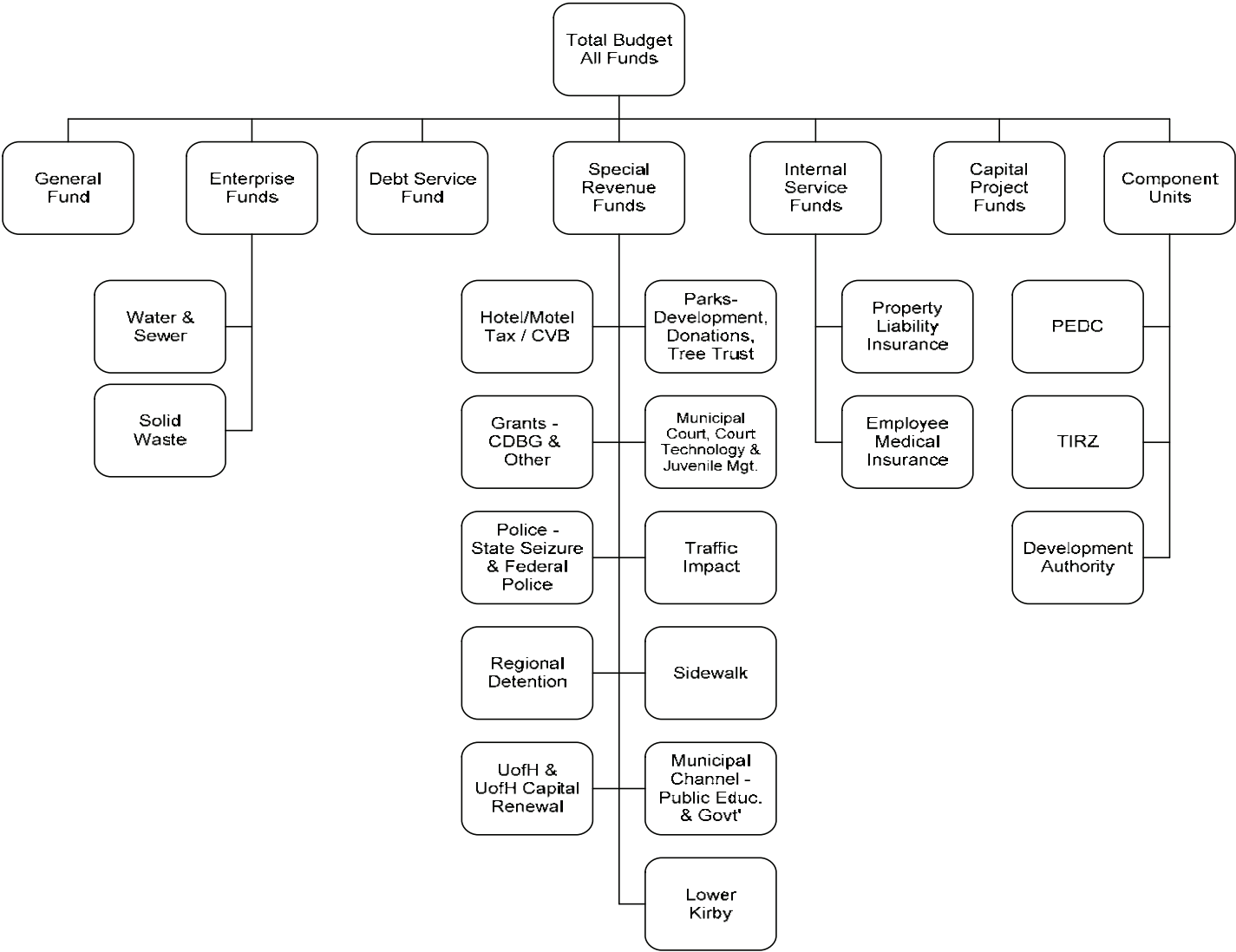
Appendix A includes the City's Charter Article 8, Municipal Finance; the adopted Tax and Budget Ordinances; the adopted General Staff, Police and Fire Pay Plans; the adopted Usage and Service Fees Ordinance; and Developmental Fees Ordinance.

Appendix B includes new personnel funded and a list of supplemental and capital requests received from departments and whether or not the requests were funded.

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 2016 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 2016 budget is similar to information presented in previous budget documents. The accounting and financial treatment that applies to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus.

BASIS OF BUDGETING

GOVERNMENTAL FUNDS

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

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

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

PROPRIETARY AND INTERNAL SERVICE FUNDS

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

BASIS OF BUDGETING AND ACCOUNTING

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

BASIS OF ACCOUNTING

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GASB 34)

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

BUDGET PROCEDURES

The budget process begins with the distribution of budget instructions to the department heads. Each department receives 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, and next fiscal year supplemental request, for a next year total request. This financial information is to be used by the department heads as a guide to complete the proposed budget. It is assumed that the prior year's financial needs are responsible indicators of future base financial needs and the budget is projected on this basis.

For FY 2016, departments' base operating budgets were calculated by the Budget Office and were based off of FY 2014 actual expenditures, less non-recurring expenditures, plus known impacts, such as operating costs from completed capital projects. Departments then allocated their base budget amount to their individual line items. Supplemental requests for capital, annexation, growth and development or other items that 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.

BUDGET PROCEDURES

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1, which must be adopted by the last regularly scheduled Council meeting 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.

**CITY OF PEARLAND
DETAILED BUDGET CALENDAR FOR FY 2016
CIP SCHEDULE IS IN BOLD-ITALICS**

JANUARY

- 5 ***Budget Office Distributes Five-Year CIP worksheets and instructions to all departments (2-phase approach for new and existing).***
- ***Call for new projects including timing, scope, justification, costs and O&M.***
- 5-30 Budget Office staff meets with department directors to explain process and work with departments on known FY16 financial impacts, reorganizations/changes.
- 30 ***New projects due to Finance***

FEBRUARY

- 2 ***Begin reviewing existing projects, including timing, scope and costs***
- 2-13 Update of price estimates for computers, vehicles, phones, copiers for budget instructions
- 23 ***Updates to existing projects due to Finance***
- 16-27 Budget Office prepares salary & benefit projections, replacement vehicle and computer lists

MARCH

- 2-31 Departments contact HR, Fleet, Facilities and IT if requesting:
- New positions (need Job Assessment Tool for positions not on the current salary schedules)
 - New vehicles
 - Facility repairs or refurbishing
 - New computer and computer-related software and equipment
- 2 ***Review projects with Assistant City Manager***
- 7 Council Retreat – Goals/Objectives, priorities, discussion and direction
- 9-13 Budget Office sets up HTE for entering budget FY2015-16; prepare instructions/powerpoint & screen shots for workshop; send reminder to departments of March 25 workshop
- 16-23 Budget Office enters base and projected personnel budgets into HTE
- 20 Budget Office prepares pre-preliminary Income Statements on major funds (General Fund, Debt Service, Water & Sewer)
- 23 Budget Office distributes to Directors/Department Heads budget instructions and allocations to base FY 2016 budgets
- 23 ***Meet with Assistant City Manager and City Manager for review of projects***
- 25 Budget Workshop (Kick-off) Noon-5:00pm
- 30 ***Make changes to CIP, compile list for P&Z review***

DETAILED BUDGET CALENDAR FOR FY 2016
CIP SCHEDULE IS IN BOLD-ITALICS

APRIL

- 2 Dept budgets due back to Finance with all supporting documents:
- Projections
 - Appeals to base
 - Supplemental requests (limited)
- 20 ***Present Five-Year CIP to Planning & Zoning Board – first review***
- 27-30 Management and Finance meet with departments to review supplemental requests and appeals to base to review for potential consideration/changes; begin preparing roll-ups and maintaining change sheet
- 29 Budget Office updates revenue projections/estimates for current and next fiscal year

MAY

- 1-29 Budget Office revises preliminary GF and W&S roll-up based on department submissions and discussions
- 4 ***P&Z second review and recommendation to the City Manager***
- 7 Budget Office receives PEDC budget for review
- 9 City Elections
- 11 ***Final changes made to CIP***
- 15 Budget Office finalizes small funds and inter-fund transfers
- 18 Swearing in of new Council Member(s)
- 18 ***Finance to finalize project funding sources and impacts to the annual budget***
- 25-29 Budget Office updates major funds (revenues and expenditures); gets current salary schedules from HR; gets updated Workers' Comp and SUI rates
- 28 PEDC Board review of budget
- 30 Preliminary property tax rolls received

JUNE

- 1-5 Budget Office reviews funds with CM and ACM/DCM with recommended funding list and funds availability
- Finalize projects, fund statements, and review with the City Manager***
- Build CIP into multi-year forecasts***
- 1-26 Budget Office reviews and updates revenues, payroll/salaries, benefits and meets weekly with CM, CDM/ACM
- 1-26 Budget Office prepares and finalizes multi-year forecast
- 29- July 3 Finance Office updates Water/Sewer Rate Model and finalizes budget for all funds and forecasts and submits to City Manager

DETAILED BUDGET CALENDAR FOR FY 2016
CIP SCHEDULE IS IN BOLD-ITALICS

JULY

- 1-24 Budget Office finalizes FY 2016 budget & ***CIP for Council***: budget document and power point for City Manager's signature/approval and Council presentation
- 14 First Reading of Ordinance to amend current year budget to reflect projections
- 27 City Manager's recommended budget filed with the City Council; ***CIP submitted to City Council***
Second and Final Reading of Ordinance to amend current year budget to reflect projections
- 28 Budget Office sends proposed budget document to Communications Office to post to City website

AUGUST

- 3 ***CIP workshop with City Council***
Budget Discussion #1: Overview and Highlights, Property Tax, Debt Service Fund, General Fund, General Fund Fee Increases, General Fund Five-Year Forecast, General Fund (Scenario 2) and Other Funds
- 10 Budget Discussion #2: Effective Tax Rate Information, ***Five-Year CIP for General Government***, Future Bond Referendum Scenarios – Potential Projects and Debt Service Fund Five-Year Forecast
- 17 Council Special Meeting: Record vote on proposed tax rate, schedule public hearings on tax rate and schedule public hearing on budget

Finance Office send Notice of Tax Rate Increase to newspaper, City website and municipal channel
Finance Office send Budget Public Notice to newspaper, City website and municipal channel
- 24 Budget Discussion #3: ***Five-Year CIP for water/sewer***, Water/Sewer Fund, Water/Sewer Five-Year Forecast and water/sewer rates and other water/sewer fees
- 31 Public Hearings and Budget Discussion #4: first public hearing on tax rate, public hearing on budget and follow-up budget discussion

Mission/Goals/Performance Measures due to Budget Office for inclusion in FY16 Budget document

Budget Office begins to finalize adopted budget document for printing, website and GFOA award application

SEPTEMBER

- 8 Public Hearing and Budget Discussion #5: second public hearing on tax rate and follow-up budget discussion
- 14 First reading of Ordinance to adopt tax rate, first reading of Ordinance to adopt budget and pay plans, and first reading to adopt fee changes
- 21 Second and final reading of Ordinance to adopt tax rate, second and final reading of Ordinance to adopt FY 2016 budget, pay plans, second and final reading to adopt fee changes and resolution to adopt ***Five-Year CIP***

Budget Office continues to finalize adopted budget document for printing, website and GFOA award application

OCTOBER-NOVEMBER

- TBD ***CIP book sent to printer, distributed***
Budget book sent to printer, distributed
Budget Office sends CIP and Adopted Budget to Communications to post to City website

**FUNDING HIGHLIGHTS
FY 2016 ADOPTED BUDGET**

Review of Funding Highlights
By Strategic Priorities

Funded Supplemental Requests
By Strategic Priorities

Revenue Enhancements
By Fund - By Department

Staffing Changes
By Fund

- ◆ General Fund
- ◆ Water / Sewer Fund – no changes
- ◆ Other Funds – no changes

FUNDING HIGHLIGHTS
FY 2016 ADOPTED BUDGET
By Strategic Priority

ENGAGED COMMUNITY

Pear Trail and Arts Grants – Hotel/Motel Occupancy Tax \$ 45,000

The creation of a Pear Art Trail would bring the “Pear” to the forefront as the symbol and brand of Pearland in addition to contributing to the arts in the City. The project will be led by a group of artists, art organizations, art-oriented leaders and certain City of Pearland departments. The project outline includes raising sponsorships, establishing partnerships, developing locations, finding artists and developing the standards/criteria for Pear designs. The request is to provide \$30,000 for the purchase of the pre-cast molds and \$15,000 added to the Arts Grants to provide funds towards a maximum of \$5,000 each grant for the Pear Art Trail Project.

SAFE COMMUNITY

Fire Department – General Fund \$2,313,685

Nine (9) full-time, 3 part-time, and 3 volunteer/paid Firefighters (12 FTE), including gear, are added to fulfill the need for additional personnel to staff Station #2 opening in fall 2015. In addition, a full year of funding for Station #3 is included, along with supplies and equipment for both stations, for a total of \$927,703, of which \$111,888 is non-recurring. In order to schedule and evaluate volunteer Firefighters and remain in compliance with the Fair Labor Standards Act (FLSA), volunteer Firefighters are to be converted to the classification of employee. Therefore, the City will convert volunteer Firefighters to part-time paid Firefighters - \$168,522. Volunteer Firefighters have been receiving a stipend, although at a lesser rate than a part-time employee. One ladder truck and one ambulance will be purchased to replace aged apparatus - \$1,160,000. The ladder truck will be funded via lease/purchase.

A new Health/Code Enforcement Officer is added to maintain/increase the frequency of food establishment inspections to twice a year, according to the City’s Code for food establishments and other businesses - \$57,460. This position is budgeted to begin 4/1/16.

Police Department – Patrol – General Fund \$ 875,015

Included in the budget are funds for eight (8) full-time Police Officers (funded for 6 months, beginning April 1, 2016) with 2 vehicles and the upgrade of 4 current Officers to Sergeant, with vehicles. There is a supervisory need for the Patrol Division squads; the allotment of personnel exceeds the span of control for the two current supervisors. The distances to be covered and the types of calls (disturbances, major accidents, pursuits, use of force incidents) necessitate scheduling a minimum of 3 supervisors daily. The addition of 8 full-time Police Officers fulfills the City goal of maintaining visibility and response in neighborhoods, shopping areas, and on the streets. In addition to increasing general patrol, the addition of officers will allow proactive patrol efforts and the ability to increase staff in the Crimes Investigation Unit with two Sergeants to focus on personal crimes and property crimes.

Police Staffing and Utilization Study – General Fund \$ 150,000

As the City of Pearland continues to develop and grow, Public Safety becomes a more complex task. Increased demands and changing expectations need to be met using limited resources. A comprehensive third-party review allows the City to benchmark operations to other agencies and objectively assess what is already working well and what needs refinement in order to provide responsive and cost-effective service to the community. The staffing part of the study will include the number of officers and the organizational structure, while the utilization portion of the study will review when, where and how all of the resources are allocated to accomplish the organization’s goals and objectives. The study will take a comprehensive view of the department including staff, equipment, training, software/technology, facilities and other resources.

FUNDING HIGHLIGHTS

HEALTHY ECONOMY

Community Beautification – Pearland Economic Development Corporation \$3,350,000

In fiscal year 2016, the Pearland Economic Development Corporation (PEDC) budget includes \$350,000 for design work for the Broadway/SH288 intersection as part of the SH288 intersection enhancement. This is in addition to \$319,500 projected for fiscal year 2015. \$1.1 million is also budgeted for community entryways and beautification improvements to corridors at Cullen, Pearland Parkway, Dixie Farm Road and Kirby Drive, and \$1.9 million is budgeted for SH35 streetscape design and construction and infrastructure improvements.

Small Business Coordinator – General Fund \$ 38,950

The City is creating a new position to focus on assisting small business entrepreneurs and developers from the planning process through obtaining building permits. The position is created to provide one-on-one assistance to streamline the process for the small developer/business owners. This position is budgeted to begin 4/1/16.

SUSTAINABLE INFRASTRUCTURE

Chemical Containment Wall – Water/Sewer Fund \$ 350,000

Replace 21 aging and deteriorating chemical containment structures at 11 of the City's water production facilities. TCEQ requires ground water to be treated and tested before it enters the public drinking water system. Chemicals used to treat the water are trucked to the sites in containers which are placed within the walls of the containment system.

Corridor Traffic Signal Timing – General Fund \$ 50,000

Fiscal year 2015 will mark the completion of an HGAC funded program to integrate all of the City's traffic signals into a single system with the capability to remotely monitor, change and adapt traffic signal timing. The signal system project provides the backbone from which significant traffic management efficiencies can be realized. New traffic signal plans are needed to utilize the high performance capabilities of the system.

Street Maintenance – General Fund \$ 915,512

In fiscal year 2015, Public Works presented the results of the ROW assessment study, where the results reflected that approximately \$3.75 million is required annually to maintain street paving infrastructure at its current condition (PCI) rating of 76. In an attempt to fund the entire \$3.75 million street maintenance in the operating budget, the City anticipates raising the street funds each year until reaching the needed funding level anticipated in 2020. The City has increased street funding from \$432,139 at the beginning of the 2015 fiscal year to \$915,512 for the 2016 fiscal year. The City anticipates spending 100% of the funds on subdivision streets such as Glenda Street, Robert Street, Nancy Street and Robinson Drive.

PARKS, RECREATION & EVENTS

New Park Openings – General Fund \$ 709,811

Two new parks will be open in FY 2016 – Shadow Creek Ranch and Hickory Slough Sportsplex. The budget includes funding for a full year of maintenance, utilities and equipment. There are no new personnel added to the budget. Existing personnel who previously maintained the detention ponds and rights-of-way that were transferred to Public Works will maintain the new parks. The Shadow Creek Ranch park includes a multi-purpose sports complex. The Hickory Slough Sportsplex includes 6 international sized soccer fields and pavilions, and softball fields for a total of 12 fields, approximately 4 of these are lighted.

FUNDING HIGHLIGHTS

Southdown Park Playground Surface Replacement – General Fund/Park Development Fund \$ 71,020

The current “fall zone” material for the play structures at Southdown Park are damaged and worn to the risk of injury. The current material will be removed and replaced with interlocking impact attenuating tiles, with a 10-year warranty. Purchasing interlocking tiles provides the opportunity to replace a specific area that is damaged without replacing the entire surface. This park is one of the City’s most heavily used parks. This project correlates with three of the strategic priorities: Safe Community, Sustainable Infrastructure and Parks, Recreation & Events. \$51,020 would be funded from the General Fund and \$20,000 from the Parks Development Fund for this zone.

FISCALLY RESPONSIBLE

Recycling Center – General Fund \$ 128,155

The City is working with Keep Pearland Beautiful (KPB) to take over the operations of the Recycling Center effective January 1, 2016. The City has budgeted \$200,000 for renovations at the Center for KPB offices, with KPB providing additional dollars for construction if needed. In addition, the City will provide up to \$50,000 for the first and second year of operations. After the second year, the City will see savings of approximately \$160,000 per year as a result of eliminating the costs of operating the Center, net the loss of associated revenues. In fiscal year 2015, \$221,635 was budgeted in the General Fund to operate the Recycling Center. The proposed agreement will have KPB taking over the day-to-day operations of the facility. By making this change, the City will be able to eliminate the need for approximately 2,000 sq. ft. of office space for KPB at the new Nature Center, which will decrease the initial cost considerably to construct the facility. The result is a net increase of \$128,155.

Compensation and Medical Benefits – General Fund and Water/Sewer \$1,619,811

A 2% cost-of-living increase for all employees has been budgeted for FY 2016 - \$737,079, as well as the 3% annual step advance for Police Officers - \$84,739. An additional \$97,047 is budgeted in the Water/Sewer Fund for the cost-of-living increase for those employees paid from that fund, and \$19,379 in other funds. In addition, a 2% increase in the minimum step on *all* pay plans, has been added at a cost of \$72,498. Only employees below the minimum of their pay plan will receive this increase. Medical Premiums increased by 23%, for \$499,086 budgeted in the General Fund, \$102,311 in the Water/Sewer Fund for fiscal year 2016, as well as \$7,672 in other funds, including PEDC.

Rate Model – Water/Sewer Fund \$ 70,000

The City’s current water-sewer rate model is seven years old. It is comprised of an Excel workbook with about 25 integrated worksheets and 3-year historical consumption information. Due to its age, convoluted integration, lack of room to grow and change in future assumptions (build-outs), staff is having to manually manipulate the calculations and information. The City is also getting a new utility financial system, the perfect time for a new rate model, possibly Windows based. Consumption and other assumptions would be updated along with staff training so that the model can be updated annually as part of the budget process.

Enterprise Resource Planning – ERP– General Fund and Water/Sewer Fund \$1,544,265

The City is replacing a 20-year old database system with a new system that will contribute to a more efficient workflow, eliminating duplication, reducing errors, and providing the ability to store data within a limited space. Fiscal year 2015 began the first of a 2-year implementation process. Fiscal year 2016 is the second and last year of implementation. The \$1.6 million budget includes one-time expenditures of \$867,265 for hardware and implementation of the software, and \$90,100 held in reserve and for overtime; also included is \$236,900 per year for a 5-year lease purchase. \$350,000 is budgeted in the Water/Sewer fund for a pro-rata portion of the cost.

Total Highlights \$12,231,224

Totals by Fund:

General Fund	\$ 7,819,815
Water/Sewer Fund	\$ 969,358
Hotel/Motel Occupancy Tax Fund	\$ 50,639
Park Development Fund	\$ 20,000
Pearland Economic Development Corporation	\$ 3,365,554
Other Funds (Special Revenues)	\$ 5,858

**CITY OF PEARLAND
FY 2016 FUNDED SUPPLEMENTAL REQUESTS BY
STRATEGIC PRIORITY**

Strategic Priority / Division	Supplemental Request Funded	General Fund	Water/Sewer Fund	Other Funds	Total
Healthy Economy					
Permits/Inspections	Plans Examiner to Assistant Building Official	\$7,085			\$7,085
Permits/Inspections	Plans Examiner - 9 months	53,059			53,059
Community Development	Small Business Coordinator - 6 months	38,950			38,950
	Sub-Total	99,094			99,094
Engaged Community					
Convention & Visitors' Bureau	Pear Trail			30,000	30,000
Convention & Visitors' Bureau	Arts Grants for Pear Trail Project			15,000	15,000
	Sub-Total			45,000	45,000
Safe Community					
Fire Operations	Convert Volunteer FF's to Paid	168,522			168,522
Health/Code Enforcement	Nuisance Abatement	25,000			25,000
Fire Operations	MDT's for apparatus - replacements	50,452			50,452
Fire Operations	SCBA Replacement Program (10% per year)	60,000			60,000
Health/Code Enforcement	Health Code Enforcement Officer & vehicle - 6 months	57,460			57,460
Fire Operations	Lucas Device (replacement)			15,000	15,000
Fire Operations	CPAP & Vent (2), Cardia Monitor (replacements)	12,704			12,704
Fire Administration	Receptionist – 2 part-time, 12 months	30,405			30,405
Fire Operations	Stryker stretcher, Stair Chair & Backboards (replacements)	38,636			38,636
Fire Operations	Replacement SUV - U141	52,175			52,175
Police Patrol	4 Police Sergeant upgrades - 2, 12 mos. & 2, 6 mos. & 8 Police Officers & 2 vehicles - 6 months	890,365			890,365
Police Investigations	Detective assignment pay	43,200			43,200
Police Traffic/Motorcycles	Pano-scan Pointgun Scanner			68,000	68,000
Information Systems	Semi-toughbooks for patrol cars	45,500			45,500
Information Systems	Replace docking stations for police vehicles	43,125			43,125
Traffic Maintenance	Annexation – Signs, Hardware, Lane markings & sign poles	34,144			34,144
Municipal Court	Part-time Bailiff to Full-time	21,553		5,239	26,792
Water Production	Chemical Feeder		25,000		25,000
	Sub-Total	1,573,241	25,000	88,239	1,686,480
Sustainable Infrastructure					
Capital Projects	Atser Software Upgrade	3,000		55,000	58,000
Animal Services/Facilities	Animal Services Facility Rehab			35,000	35,000
Traffic Maintenance	Corridor Traffic Signal Timing	50,000			50,000
Water Production	Water Facility Restroom at 518 water facility		15,000		15,000
Water Production	Chemical Containment Walls (21 walls at 11 facilities)		350,000		350,000
ROW	RD 7000 Plus Line Locator		8,000		8,000
Meter Services	Meter Testing/Meter Replacements		74,433		74,433
Information Systems (IS)	Coban Server Hardware Refresh	36,899			36,899
Information Systems (IS)	Backup Solution Replacement	26,193			26,193
Information Systems (IS)	Laserfiche Upgrade & Licenses	84,000			84,000
	Sub-Total	200,092	447,433	90,000	737,525
Fiscally Responsible					
Human Resources	Human Resources Generalist - 6 months	43,317			43,317
Other Requirements	Rate Model		70,000		70,000
	Sub-Total	43,317	70,000		113,317
Parks, Recreation & Events					
Parks Dept.	Cardio & Strength Equipment replacement - lease	103,000			103,000
Parks Dept.	Replace Playground surface at Southdown Park	51,020		20,000	71,020
	Sub-Total	154,020		20,000	174,020
	Total	\$2,069,764	\$542,433	\$243,239	\$2,855,436

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

**GENERAL FUND
FY 2016 ADOPTED BUDGET
STAFFING AND FTE CHANGES**

	<u>Headcount</u>	<u>FTE</u>
Full-Time	508.67	508.67
Part-Time	151	75.50
Total FY 15 Amended	659.67	584.17

Positions are budgeted to begin 10/1/15 unless otherwise noted.

FY 16 Changes

Department	Headcount		FTE	Position Title	Justification/Services Affected
	Full-Time	Part-Time			
Human Resources	1		1	Human Resources Generalist	A Human Resources Generalist is needed to perform duties associated with our growth and development as a workforce. Since 2012 there has been a 14% increase in the number of employees, but no growth in the number of Human Resources staff. This position will assist in the management of benefits, employee recruitment, policy implementation, city-wide professional development, analyses of employability for new/potential hires, and other needs to accommodate a growing employee base. The position is budgeted for 6 months, to begin 4/1/16.
Fire Operations	9	6	12	Firefighters	With Fire Station #2 opening in fall 2015, there is a need for additional Firefighting personnel to staff the station. Six part-time includes 3 volunteers.
Fire Administration		2	1	Receptionists	Due to controlled medical substances for EMS use, the entry to the offices is locked. The current configuration of the Fire Department Building requires visitors to search out staff behind windows. There is a need for the presence of a receptionist to greet visitors and assist them in finding the individual or department they need to see.
Police Patrol	8		8	Police Officers	The budget includes 8 Officers for 6 months, including upgrades for 2 Officers to Sergeant to begin 10/1/15 and 2 to begin 4/1/16. In 2014, Officers responded to fewer calls-for-service than in 2013; however, there was an increase in UCR (Uniform Crime Reporting) Part 1 offenses, from 1,161 in 2013 to 2,125 in 2014. The greatest increase was the occurrence of theft, 23% increase, due in large part to the increase in commercial development in the City. In 2012, theft comprised 34% of the City's UCR Part 1 crimes. In 2014, theft comprised 52%. There is a corresponding increase in criminal activity with growth. The addition of these 8 Officers will add to the goal of a safe community and contribute to sustainable staff levels.

**GENERAL FUND
FY 2016 ADOPTED BUDGET
STAFFING AND FTE CHANGES**

Department	Headcount		FTE	Position Title	Justification/Services Affected
	Full-Time	Part-Time			
Health/Code Enforcement	1		1	Health/Code Enforcement Officer	Within an 18-month period, 88 new restaurants opened in Pearland. With this degree of growth, the current number of staff are unable to maintain the required minimum of two inspections per year. The City has also added additional homes and businesses whose expectations are in higher demand for Code Enforcement, i.e., assisted living and daycare. The additional Officer will provide help in meeting the City's Code. This position is budgeted to begin 4/1/16.
Community Development	1		1	Small Business Coordinator	With the growth of the city (35,000 in 2000 to approximately 112,300 in 2015), Community Development has had a steady flow of workload come through the department. The complexity has grown due to annexations, UDC (Unified Development Code) updates, updates to the Comprehensive Plan, and International Building Code. This position will assist with the monitoring of projects from inception to completion and will field concerns, provide information, and assist small businesses and developers through the City's planning and permitting processes. The position is budgeted to begin 4/1/16.
Permits & Inspections	1		1	Plans Examiner	Due to the growth of the City, permits has seen a 25% increase in plan review from 869 to 1,088 from June 2014 to June 2015.
Municipal Court	0.52		0.52	Bailiff	To provide improved security while court is in session, increase the position from part-time to full-time, 52% from General Fund and 48% from the Court Security Fund. Trials are up 13.5% from fiscal year 2014 from 636 tp 722 through June 2015.
Parks & Recreation	-1		-1	Recreation Specialist	Elimination of a vacant position.

Total Changes	20.52	8	24.52
FY 16 Base	<u>Headcount</u>		<u>FTE</u>
Full-Time	529.19		529.19
Part-Time	159		80
Total FY 16 Base	688.19		608.69

**GENERAL FUND
REVENUE ENHANCEMENTS - BY DEPARTMENT
FY 2016 ADOPTED BUDGET**

The budget includes fee increases listed below based on cost of service as well as ensuring the City is competing with the marketplace. It is also recommended that there be a review and update of all fees annually versus sporadically to ensure the fees cover the cost of providing the services or at least by the annual CPI increase, as the cost of the providing the same services increase each year.

Department	Revenue Enhancement	Revenue By Category	Details of Enhancements
Parks and Recreation Center/Natatorium	127,000	Memberships	In FY2015, the Recreation Center/Natatorium celebrated it's 6th birthday. The cost to run the facility increases annually with personnel as well as operating, repair and now replacement costs of equipment. The membership fee has not been increased in 5 years and the budget increases the annual and monthly fees by 10%. For example, the individual membership would increase from \$300 to \$330 and individual monthly would increase from \$32 to \$35. The fees would still be under the market pricing in comparison to the YMCA and LA Fitness.
Parks and Recreation Administration	26,000	Facility Rental Fees	The cost recovery model that Parks completed in 2014 recommends increasing the outdoor rental fees in order to cover costs. Though not recouping all of the costs, the budget prices Centennial and Southdown Pavilions at \$120 and \$180 per day, currently \$30/day; Independence BBQ and Pavilion at \$360 per day, currently at \$60 and \$130 per day, respectively. In addition, the budget adds rental fees for half days at \$60 for Centennial Park Pavilion, \$90 for Southdown Park Pavilion, and \$180 for the Independence Park Pavilion and BBQ Shelter.
Permits/Inspection	60,785	Electrical Fees	The increase is needed to cover the cost of service. In addition, there is a large disparity between the current Mechanical fee and the Plumbing and Electrical fees for commercial property. Currently, the Plumbing fee is \$135, budgeted to increase to \$613. This would increase it to the same as the current Mechanical fee. The residential fee would increase from \$135 to \$145. The new fee amount, when compared to other local jurisdictions, is in line with the typical fee charged.
Permits/Inspection	30,253	Plumbing and Gas Fees	An increase is needed to cover the cost of service. In addition, there is a large disparity between the Mechanical fee and the Plumbing and Electrical fees for commercial property. Currently the Plumbing fee is \$135, proposed to increase to \$613. This proposal would increase it to the same as the current Mechanical fee. The residential fee would increase from \$135 to \$145. The new fee amount, when compared to other local jurisdictions, is in-line with the typical fee charged.

**GENERAL FUND
REVENUE ENHANCEMENTS - BY DEPARTMENT
FISCAL YEAR 2015-2016**

Department	Revenue Enhancement	Revenue By Category	Details of Enhancements
Permits/Inspection	14,520	Mechanical Fees	The increase is needed to cover the cost of service. There is no change to the commercial property fee, currently at \$613. The residential fee would increase from \$132 to \$145, in-line with other local jurisdictions.
Animal Services	2,000	Licenses and Shelter Fees	Increases in some fees to help cover the continual increase in providing services. Fees have not been increased for several years. The fees that are increased are those most likely to discourage those who do not spay/neuter their pets and encourage them to do so.
Health and Environmental Services	31,200	Inspection Fees	Increase fees on inspections of food establishments by \$25 each inspection fee to assist in covering the cost of service. When compared to other local jurisdictions, current fees are lower, anywhere from a \$25 to \$125 difference on establishments with 1-100 employees.

Total General Fund Revenue Enhancements: \$291,758

**WATER/SEWER FUND
REVENUE ENHANCEMENTS - BY DEPARTMENT
FISCAL YEAR 2015-2016**

Department	Revenue Enhancement	Revenue By Category	Details of Enhancements
Water and Sewer Revenue	7,200	Reconnect Service Fee	Increase in the 1st tier of the reconnect service fee from \$25 to \$30 to cover the cost of service, including manpower and vehicle.
Water and Sewer Revenue	100	Temporary Connection/ Disconnection Fee	The City receives requests from realtors and residents to have the water turned on or off on a specific date/time. Currently there is no fee for a one day appointment or if a customer is leaving town and requests the water be turned off. The budget includes a \$10 fee to recoup the cost of service.
Water and Sewer Revenue	2,450	Red Flag Inspection Report	In 2008, the federal government passed what is called "Red Flag" which says that utilities must put in place a means to identify the person requesting service to assist with verifying identity. The City requests certain documentation to comply with the law. In order to continue to allow on-line application and service requests, the City gives 10-days for the customer to provide this information. In some cases the City never receives the information but cannot cut-off the water for failure of non-payment. As such, the budget includes a pass-through fee, currently at \$3 + administrative fee, to the customer who does not provide this information to support RedFlag regulations. The City would use a 3rd party provider to run verification reports.

Total Water/Sewer Revenue Enhancements: \$9,750

CITY OF PEARLAND, TEXAS
COMPREHENSIVE FINANCIAL MANAGEMENT POLICY STATEMENTS

ADOPTED
SEPTEMBER 2011

Purpose

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

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

Objectives

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

I.
ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

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

A. *Accounting Practices and Principles*

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

B. *Financial and Management Reporting*

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

C. *Annual Audit*

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

D. *Signature of Checks*

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

E. *Compliance with Council Policy Statements*

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

II.
BUDGET AND LONG RANGE FINANCIAL PLANNING

A. *Balanced Budget*

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

B. *Current Funding Basis (Recurring Revenues)*

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

C. *Use of Non-Recurring Revenues*

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

D. *Tax Rate*

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

1. *Homestead Exemption*

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

2. *Over-Age and Disabled Persons Exemptions*

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

E. *Pay As You Go Capital Projects*

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

F. *Revenue Estimating for Budgeting*

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

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

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

H. *Budget Preparation*

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

I. *Budget Management*

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

J. *Amended Budget*

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

K. *Performance Measurement*

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

L. *Operating Deficits*

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

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

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

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

M. *Long-Range Financial Plans*

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

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

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

III. REVENUES

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

A. *Balance and Diversification in Revenue Sources*

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

B. *User Fees - General Fund*

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

C. *User Fees - Enterprise Funds*

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

D. *One-Time/Unpredictable Revenue Sources*

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

E. *Revenue Collection*

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

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

F. *Write-Off of Uncollectible Receivables*

(excludes property taxes, court fines and warrant)

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

IV.
EXPENDITURES

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

A. *Maintenance of Capital Assets*

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

B. *Periodic Program/Services Reviews*

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

C. *Purchasing*

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

V.
FUND BALANCE AND RESERVES

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

A. *General Fund Unrestricted Fund Balance*

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

B. *Water/Sewer Unreserved Working Capital*

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

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

C. *Use of Fund Balance/Working Capital*

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

- D. *Debt Service Fund Unrestricted Fund Balance*
The City shall maintain the debt service fund balance at 10% of annual debt service requirements OR a fund balance reserve as required by bond ordinances, whichever is greater.
- E. *Property/Liability Insurance Fund Unrestricted Fund Balance*
The Property/Liability Insurance Fund accounts for uninsured and deductible claims for the City's property and liability insurance. Claims cannot be reasonably predicted and budgeted for; therefore the fund will maintain a balance that approximates the prior average annual expense for the last three years, excluding extra-ordinary expenses in the fund.
- F. *Employee Benefits Fund Unrestricted Fund Balance*
The Employee Benefits Fund is funded through City and employee contributions. Estimated costs shall be determined during each budget year and the contributions adjusted accordingly. There is no minimum balance for this fund.
- G. *Economic Development Corporation*
As sales tax revenue fluctuates due to changes in economic conditions, the PEDC shall maintain a fund balance of no less than 10% of budgeted sales tax revenues.
- H. *Water/Sewer Revenue Debt Coverage Reserves*
Revenues shall be maintained at 1.15 times coverage in a fiscal year where the water/sewer fund is not issuing additional debt and 1.4 times coverage in a year where debt is anticipated to be issued.
- I. *Bond Issuance Reserves*
Debt service reserves should be maintained for each bond issue as required by bond covenants.
- J. *Contingency Fund*
Pursuant to the City Charter, a provisions shall be made within the annual budget for a contingency fund in an amount not more than seven percent of the total budget (General Fund) to be used in case of unforeseen items of expenditure.
- K. *Fund Balance Classification*
The governmental fund financial statements will present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor certain constraints on the use of the financial resources within the governmental funds. The classifications used will be as follows:
- **Nonspendable:** Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples include Inventories, prepaid items, and long-term receivables.
 - **Restricted:** Amounts for which constraints have been placed on the use of resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balances include but may not be limited to: Debt Service Reserves, Special Court Funds created by State Statute, Debt Service Funds, Hotel Occupancy Tax, State and Federal Forfeitures/Seizures, Parkland, Detention, Sidewalk, Tree Trust, and Park and City-Wide Donation revenues, University of Houston Fund, Unspent bond proceeds, Unspent grant funds, Unspent Capital Lease proceeds, and Unspent funds received pursuant to funding, developer, and/or TxDOT agreements.
 - **Committed:** Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.
 - **Assigned:** Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. In governmental funds other than the general fund, assigned fund balances represents the amount that is not restricted or committed. This indicates that those resources are, at a minimum, intended to be used for the purpose of that fund. Examples include: residual funds in all governmental funds except the General Fund and outstanding encumbrances at year-end.
 - **Unassigned:** Is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Commitment of Fund Balance:

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

Assignment Fund Balance:

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

Order of Expenditure of Funds:

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

VI.

CAPITAL EXPENDITURES AND IMPROVEMENTS

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

A. *Capitalization Threshold for Tangible Capital Assets*

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

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

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

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

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

C. *Infrastructure Evaluation and Replacement/Rehabilitation*

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

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

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

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

E. *Capital Expenditure Financing*

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

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

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

G. *Capital Improvements/Project Reporting*

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

VII.
DEBT

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

A. *Use of Debt Financing*

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

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

B. *Affordability*

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

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

C. *Types of Long-Term Debt*

1. General Obligation Bonds (GO)

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

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

2. Certificates of Obligation

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

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

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

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

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

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

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

3. Revenue Bonds

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

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

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

D. *Debt Structures*

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

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

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

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

E. *Debt Refunding*

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

F. *Interest Earnings on Debt Proceeds*

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

G. *Bond Elections*

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

H. *Sale Process*

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

I. *Underwriting Syndicates*

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

J. *Bond Ratings*

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

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

K. *Covenant Compliance*

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

L. *Arbitrage Rebate Monitoring and Reporting*

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

M. *Lease/Purchase Agreements*

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

VIII.

CASH MANAGEMENT AND INVESTMENTS

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

A. *Investment Management*

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

B. *Investment Strategy*

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

C. *Interest Income*

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

D. *Arbitrage Investments*

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

E. *Depository*

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

F. *Collateralization of Deposits*

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

IX.

GRANTS AND INTERGOVERNMENTAL REVENUES

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

A. *Grant Guidelines*

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

B. *Grant Review Process*

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

C. *Budgeting for Grant Expenditures*

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

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

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

X.
FINANCIAL CONSULTANTS

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

A. *Selection of Auditors*

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

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

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

B. *Arbitrage*

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

C. *Delinquent Tax Collection Attorney*

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

D. *Bond Counsel*

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

E. *Financial Advisory Services*

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

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

F. *Depository Bank*

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



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**CITY OF PEARLAND
FY 2016 ADOPTED BUDGET
SUMMARY ALL FUNDS
REVENUES AND EXPENDITURES**

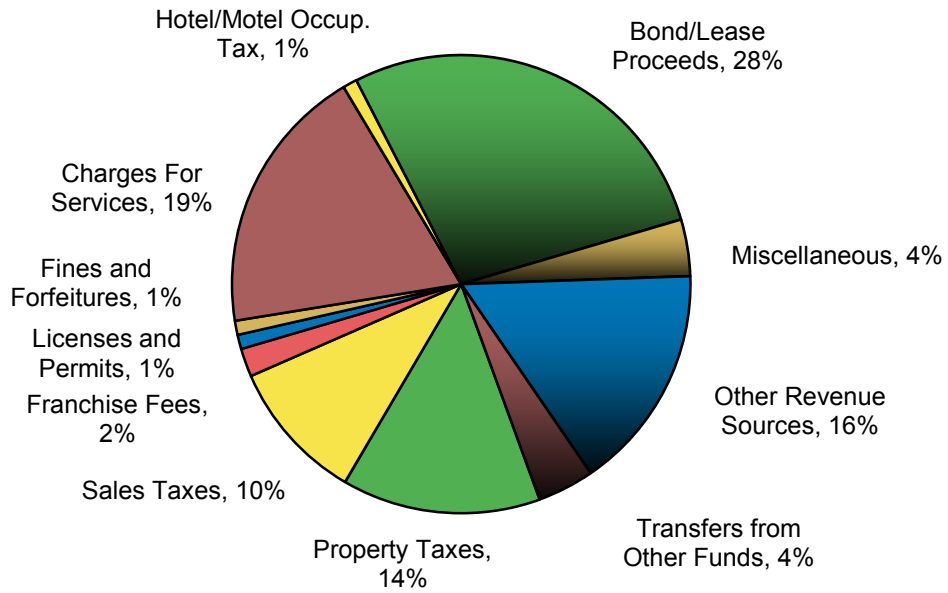
REVENUES	FY2014 ACTUAL	FY2015 AMENDED BUDGET	FY2015 YEAR END PROJECTION	FY2016 ADOPTED BUDGET
Property Taxes	\$39,226,953	\$41,560,765	\$41,793,788	\$44,483,896
Sales Taxes	\$25,890,292	\$26,985,303	\$28,267,160	\$30,753,978
Franchise Fees	\$6,483,961	\$6,916,438	\$6,935,878	\$7,317,454
Licenses and Permits	\$4,148,763	\$3,922,331	\$3,928,395	\$3,961,789
Fines and Forfeitures	\$3,120,522	\$3,265,997	\$3,066,840	\$3,069,250
Charges For Services	\$49,014,847	\$52,931,381	\$49,890,638	\$58,498,959
Interest Income	\$375,498	\$158,993	\$382,789	\$330,994
Hotel/Motel Occupancy Tax	\$1,404,306	\$1,383,078	\$1,507,942	\$1,525,233
Bond/Lease Proceeds	\$47,046,545	\$36,001,933	\$93,894,310	\$85,077,939
Grant Revenue	\$1,981,690	\$1,598,424	\$2,237,555	\$496,919
Miscellaneous	\$9,338,889	\$13,673,037	\$13,569,785	\$11,659,772
Other Revenue Sources	\$9,431,763	\$27,964,334	\$31,108,029	\$50,248,336
TOTAL REVENUES	\$197,464,028	\$216,362,014	\$276,583,109	\$297,424,519
Transfers from Other Funds	\$15,245,397	\$12,762,939	\$15,604,103	\$12,374,868
TOTAL AVAILABLE RESOURCES	\$212,709,425	\$229,124,953	\$292,187,212	\$309,799,387
EXPENDITURES				
General Government	\$7,234,797	\$10,552,334	\$11,034,865	\$11,606,002
Public Safety	\$29,219,292	\$36,547,415	\$35,552,904	\$38,786,756
Community Services	\$4,195,671	\$3,454,569	\$3,440,961	\$3,726,753
Public Works	\$30,967,257	\$41,347,920	\$39,228,148	\$38,361,137
Parks & Recreation	\$7,526,334	\$7,005,419	\$6,763,986	\$6,885,387
Utility Billing	\$1,779,110	\$1,353,777	\$1,090,447	\$1,173,683
Debt Service	\$70,093,541	\$44,395,527	\$98,969,554	\$43,124,453
Construction ¹	\$24,048,581	\$114,065,283	\$91,414,182	\$119,397,911
Insurance Coverage	\$7,795,690	\$8,196,248	\$7,807,246	\$9,183,853
Economic Development Corporation	\$2,999,109	\$3,819,544	\$5,969,966	\$10,772,230
Other ²	\$5,610,414	\$6,508,960	\$8,522,481	\$7,665,436
TOTAL EXPENDITURES	\$191,469,796	\$277,246,996	\$309,794,740	\$290,683,601
Transfers to Other Funds	\$15,245,397	\$12,762,939	\$15,604,103	\$12,374,868
TOTAL EXPENDITURES AND OTHER USES	\$206,715,193	\$290,009,935	\$325,398,843	\$303,058,469
Revenues Over/(Under) Expenditures ³	5,994,233	(60,884,982)	(33,211,631)	6,740,918

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

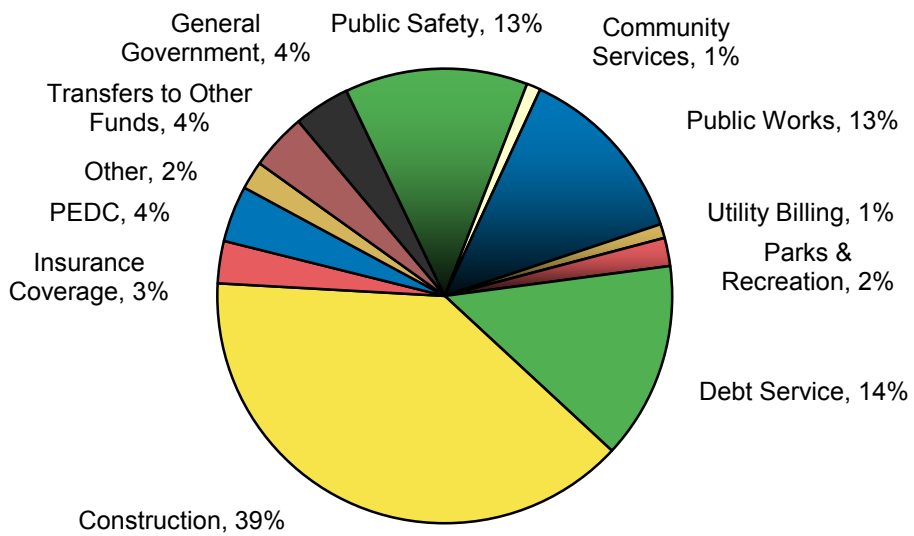
²Other includes expenditures for Special Revenue Funds, excluding transfers.

³Expenditures under Revenues in 2016 as \$13.7 million in bond proceeds will be spent in 2017.

**Revenue Summary All Funds
Adopted 2016 Budget**



**Expenditure Summary All Funds
Adopted FY 2016 Budget**



**CITY OF PEARLAND
FY 2016 ADOPTED BUDGET
SUMMARY ALL FUNDS
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

FUND	FY 2016 ADOPTED BEG BALANCE	FY 2016 ADOPTED REVENUES	FY 2016 ADOPTED EXPENDITURES	FY 2016 ADOPTED END BALANCE
General Fund	\$15,559,633	\$69,791,421	\$73,272,942	\$12,078,112
Special Revenue Funds	6,782,547	5,868,598	5,489,316	7,161,828
Governmental Capital Project Funds	1,918,605	79,616,326	80,657,360	877,571
Governmental Debt Service Fund	4,988,996	31,687,635	31,528,207	5,148,424
Proprietary Funds	12,008,916	45,397,272	45,254,223	9,528,742 *
Proprietary Capital Project Funds	11,053,052	55,738,595	45,479,880	7,611,767 **
Internal Service Funds	218,635	9,383,591	9,183,853	418,373
PEDC Fund	13,117,177	12,315,949	12,192,688	13,240,438
FY 2016 BUDGET	\$65,647,561	\$309,799,387	\$303,058,469	\$56,065,255

*Exclusive of \$2,623,222 reserved for debt service pursuant to bond covenants.

**Exclusive of \$13,700,000 in bond proceeds reserved for Reflection Bay Plant expansion deducted from ending fund balance in Utility Impact Fee - Fund 42.

**SPECIAL REVENUE FUNDS
ANALYSIS OF FUND BALANCE**

FUND	FY 2016 ADOPTED BEG BALANCE	FY 2016 ADOPTED REVENUES	FY 2016 ADOPTED EXPENDITURES	FY 2016 ADOPTED END BALANCE
17 Court Security	\$66,054	\$52,920	\$114,350	\$4,624
18 City Wide Donation	57,180	20,350	50,477	27,053
19 Court Technology	22,601	60,020	69,865	12,756
23 Court Juvenile Management Fund	46,005	37,060	44,435	38,630
33 Street Assessment Fund*				
35 Traffic Impact Improvement Fund	590,662	3,000	46,800	546,862
43 Regional Detention*				
45 Hotel/Motel Tax	3,601,621	1,535,233	927,604	4,209,249
46 Park Donations	14,132	101,050	105,636	9,546
47 Park & Recreation Development	1,045,391	103,000	231,000	917,391
49 Tree Trust	6,225	8		6,233
55 Sidewalk	17,495	5,034		22,529
60 Police State Seizure	184,328	200	36,320	148,208
62 Federal Police	72,053	55	68,000	4,108
101 Grant	64,154	177,834	177,834	64,154
111 Community Development		319,085	319,085	
140 University of Houston		319,260	319,260	
141 U of H Capital Renewal	248,469	55,489		303,958
145 Municipal Channel	746,177	314,700	214,350	846,527
199 Lower Kirby		2,764,300	2,764,300	
TOTAL	\$6,782,547	\$5,868,598	\$5,489,316	\$7,161,828

*No activity

FY 2016 ADOPTED BUDGET

**GOVERNMENTAL CAPITAL PROJECT FUNDS
ANALYSIS OF FUND BALANCE**

FUND		FY 2016	FY 2016	FY 2016	FY 2016
		ADOPTED BEG BALANCE	ADOPTED REVENUES	ADOPTED EXPENDITURES	ADOPTED END BALANCE
50	Capital Projects General	\$375,626	\$2,747,963	\$2,790,968	\$332,621
68	Capital Projects-CO	92,458	17,955,062	17,999,337	48,183
203	Capital Projects-GO	1,450,521	58,913,301	59,867,055	496,767
TOTAL		\$1,918,605	\$79,616,326	\$80,657,360	\$877,571

**PROPRIETARY FUNDS
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

FUND		FY 2016	FY 2016	FY 2016	FY2016*
		ADOPTED BEG BALANCE	ADOPTED REVENUES	ADOPTED EXPENDITURES	ADOPTED END BALANCE
30	Water & Sewer Fund	\$11,940,401	\$38,566,275	\$38,422,759	9,460,694
31	Solid Waste Fund	68,515	6,830,997	6,831,464	68,048
TOTAL		\$12,008,916	\$45,397,272	\$45,254,223	\$9,528,742

*Net of any reserve requirements.

**PROPRIETARY CAPITAL PROJECT FUNDS
ANALYSIS OF FUND BALANCE AND CASH EQUIVALENTS**

FUND		FY 2016	FY 2016	FY 2016	FY 2016
		ADOPTED BEG BALANCE	ADOPTED REVENUES	ADOPTED EXPENDITURES	ADOPTED END BALANCE
42	Utility Impact Fee Fund*	7,385,443	52,311,333	40,020,852	5,975,924
44	Shadow Creek Impact Fee	923,912	890,270	670,416	1,143,766
67	W & S Revenue Bonds	859,207	2,032,692	2,748,875	143,024
301	Water/Sewer Pay As You Go CIP	1,114,453	503,300	1,268,700	349,053
302	MUD 4 Capital Program	770,037	1,000	771,037	
TOTAL		\$11,053,052	\$55,738,595	\$45,479,880	\$7,611,767

*Reserves of \$13,700,000 are deducted from fund balance for Utility Impact Fee - Fund 42.

FY 2016 ADOPTED BUDGET

**INTERNAL SERVICE FUND
ANALYSIS OF FUND BALANCE**

FUND		FY 2016 ADOPTED BEG BALANCE	FY 2016 ADOPTED REVENUES	FY 2016 ADOPTED EXPENDITURES	FY 2016 ADOPTED END BALANCE
95	Property Liability Insurance	\$82,529	\$1,315,507	\$1,311,977	\$86,059
99	Medical Self-Insurance	\$136,106	\$8,068,084	\$7,871,876	\$332,314
TOTAL		\$218,635	\$9,383,591	\$9,183,853	\$418,373

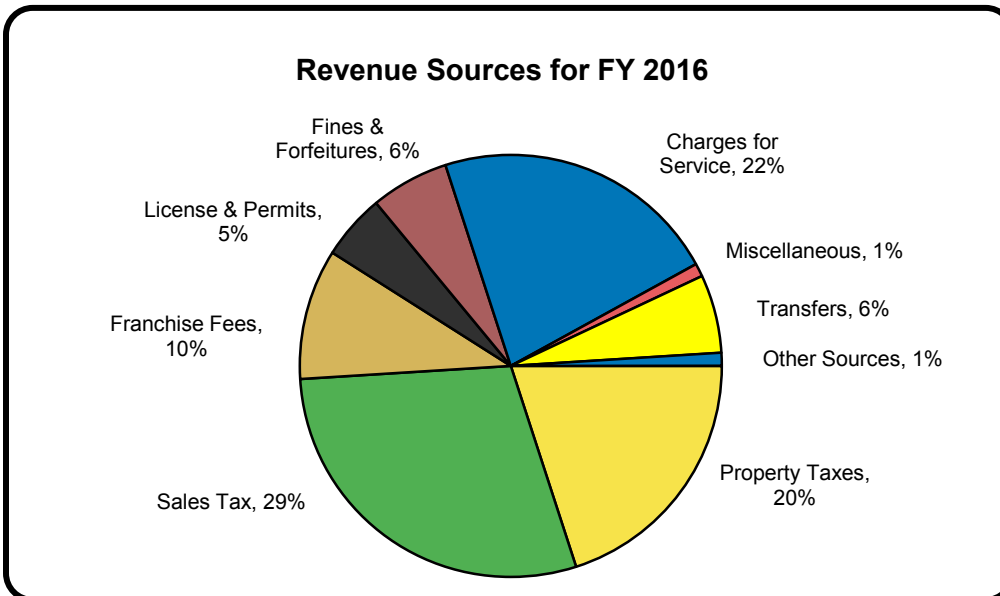
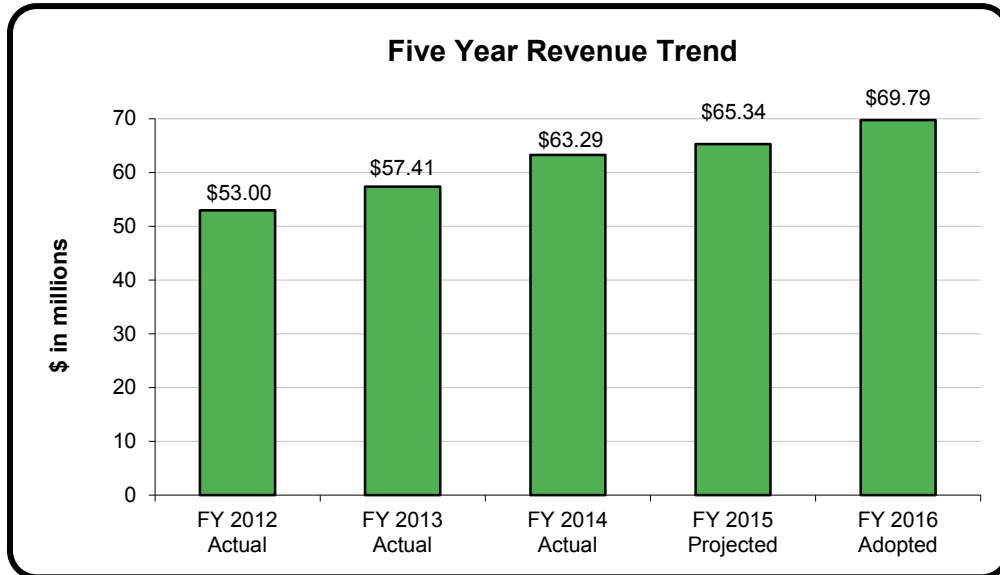
**PEARLAND ECONOMIC DEVELOPMENT CORPORATION (PEDC)
ANALYSIS OF FUND BALANCE**

FUND		FY 2016 ADOPTED BEG BALANCE	FY 2016 ADOPTED REVENUES	FY 2016 ADOPTED EXPENDITURES	FY 2016 ADOPTED END BALANCE
15	Economic Development Fund	\$13,117,177	\$12,315,949	\$12,192,688	\$13,240,438
TOTAL		\$13,117,177	\$12,315,949	\$12,192,688	\$13,240,438

**GENERAL FUND AND WATER & SEWER
REVENUES, EXPENDITURES AND OTHER SOURCES
TRENDS FOR FISCAL YEAR 2016**

GENERAL FUND REVENUES

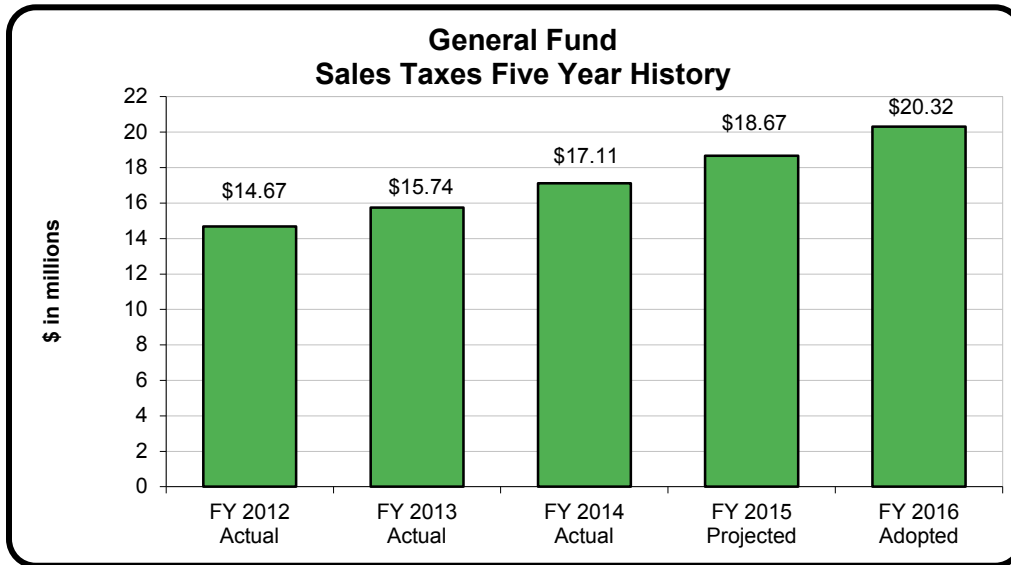
General Fund revenues and other sources are projected to increase from \$65,341,507 in FY 2015 to \$69,791,421 in FY 2016, an increase of \$4,449,914, or 6.8%, mainly due to an increase in Property Tax, Sales Tax and TIRZ Administration Fees.



General Fund Current Property Taxes are expected to increase from a projected \$12,817,498 in FY 2015 to \$13,809,808 in FY 2016, an increase of \$992,310 or 7.7% due to new development, revaluation and an increase in the operating property tax rate of \$0.0004, from \$0.2221 to \$0.2225.

Other Taxes, primarily composed of sales taxes, are estimated to increase from a projected \$18,929,697 in FY 2015 to \$20,594,329 in FY 2016, an increase of \$1,664,632, or 8.8%. The sales tax increase is the result of the improvement in the local economy, increased consumer confidence, and continued new development. Employment in the Houston MSA grew 2% for the 12 months ending September 2015, adding 48,631 new jobs.

GENERAL FUND REVENUES



Franchise Fees are expected to increase from a projected \$6,635,878 in FY 2015 to \$7,003,454 in FY 2016, an increase of \$386,576, or 5.5%, due to anticipated growth in Electric, Cable Television and Sanitation Fees from new development.

Licenses & Permits are estimated to increase from a projected \$3,928,395 in FY 2015 to \$3,961,789 in FY 2016.

Fines & Forfeitures are expected to stay relatively flat, from a projected \$2,917,038 in FY 2015 to \$2,919,450 in FY 2016, an increase of \$2,412, or 0.1% as the number of charges have declined and dismissal rates increased.

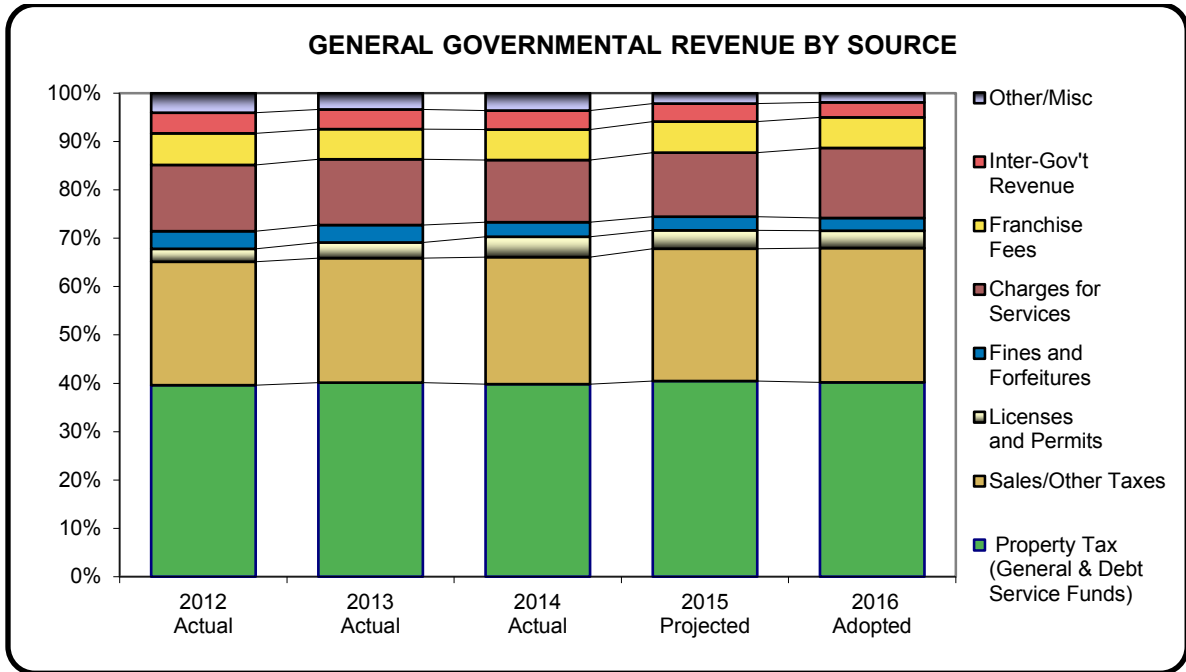
Charges for Services are estimated to increase from a projected \$13,686,120 in FY 2015 to \$16,034,797 in FY 2016, an increase of \$2,348,677, or 17.2%. There is an increase of \$1,797,256 due to growth of assessed valuation in the TIRZ, of which the City receives 64% of the tax increment for services.

Miscellaneous Revenue is anticipated to decrease from a projected \$842,880 in FY 2015 to \$745,914 in FY 2016, a decrease of \$96,966, or 11.5%. The decrease is due to a reduction in recycling revenues as the recycling center will be operated by Keep Pearland Beautiful (KPB), a one-time reimbursement from PISD for repairs to the Recreation Center/Natatorium, and a one-time reimbursement of \$100,000 in FY 2015 from AmReit, the landlord toward the westside library lease expansion costs.

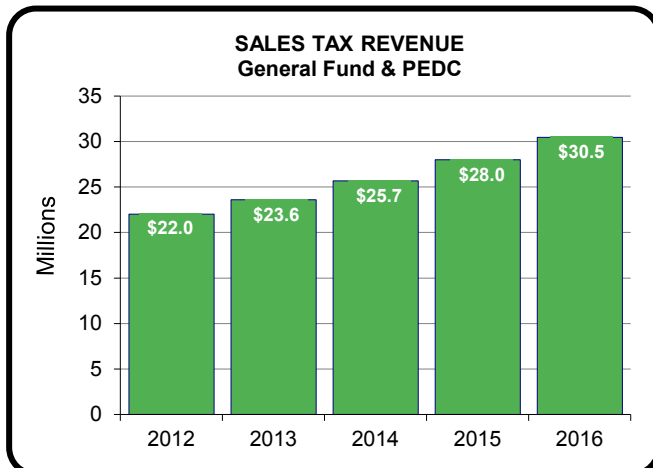
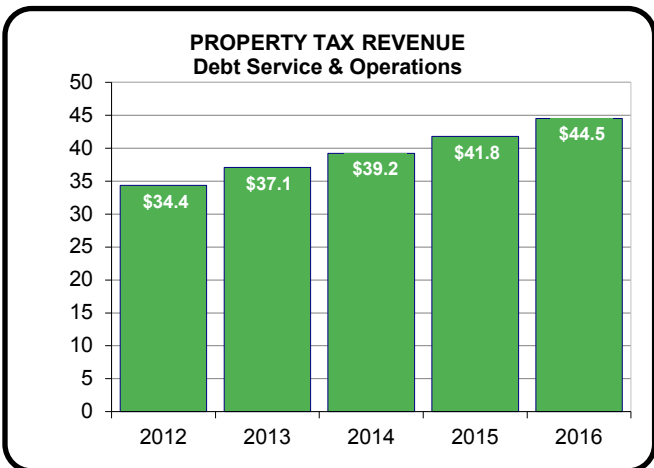
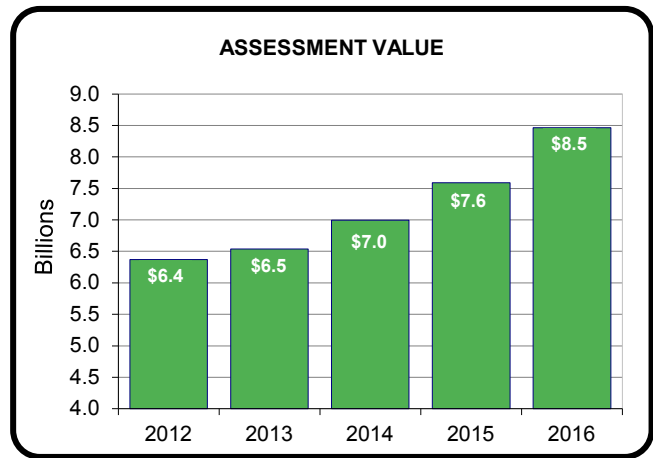
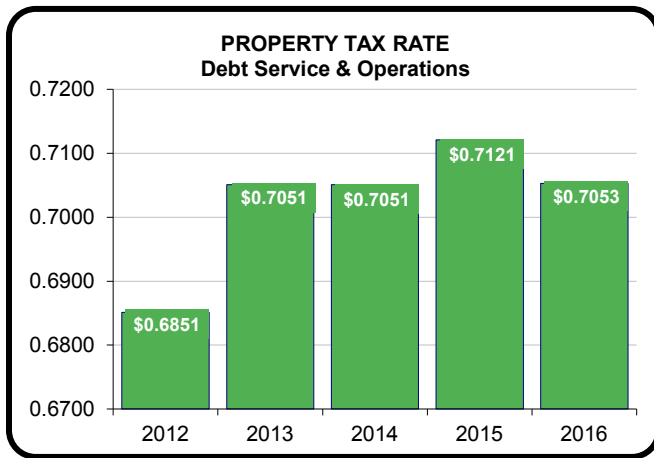
Inter/Intra Governmental Revenues decrease from a projected \$3,849,597 in FY 2015 to \$3,441,391 in FY 2016, a \$408,206, or -10.6%, decrease, mainly due to one-time transfers from the Sidewalk Fund and the Solid Waste Fund.

Other Financing Sources is budgeted at \$900,000 in FY 2016, a decrease of \$456,049, or 33.6%, from FY 2015. The decrease is due to one-time lease proceeds for a new ERP in FY 2015. The FY 2016 financing is for the purchase of a Fire ladder truck.

GENERAL FUND REVENUES



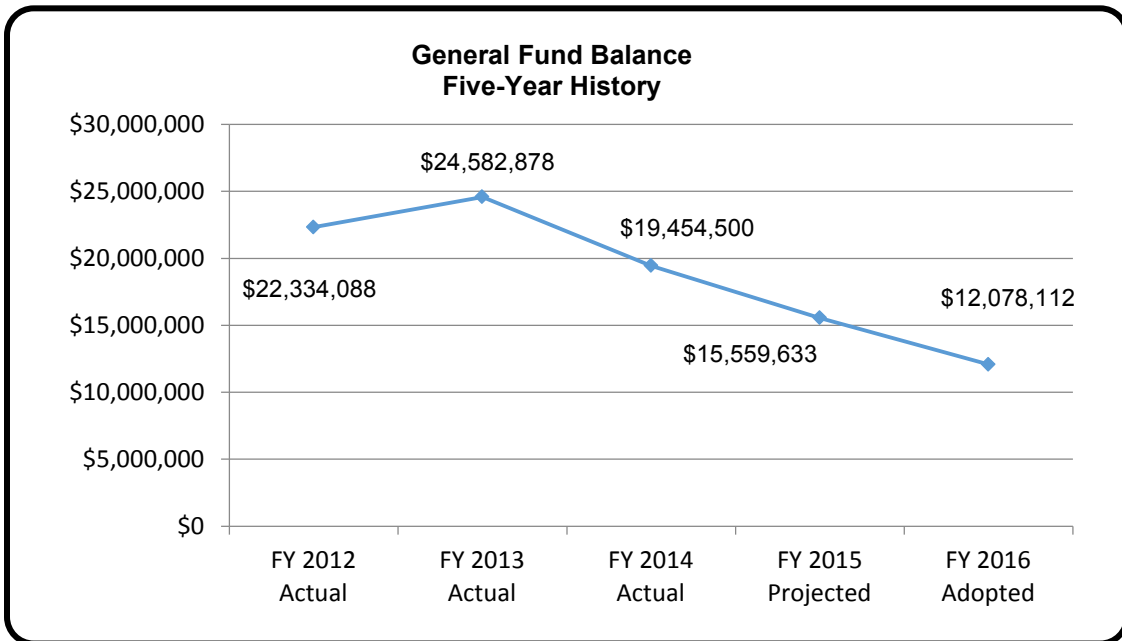
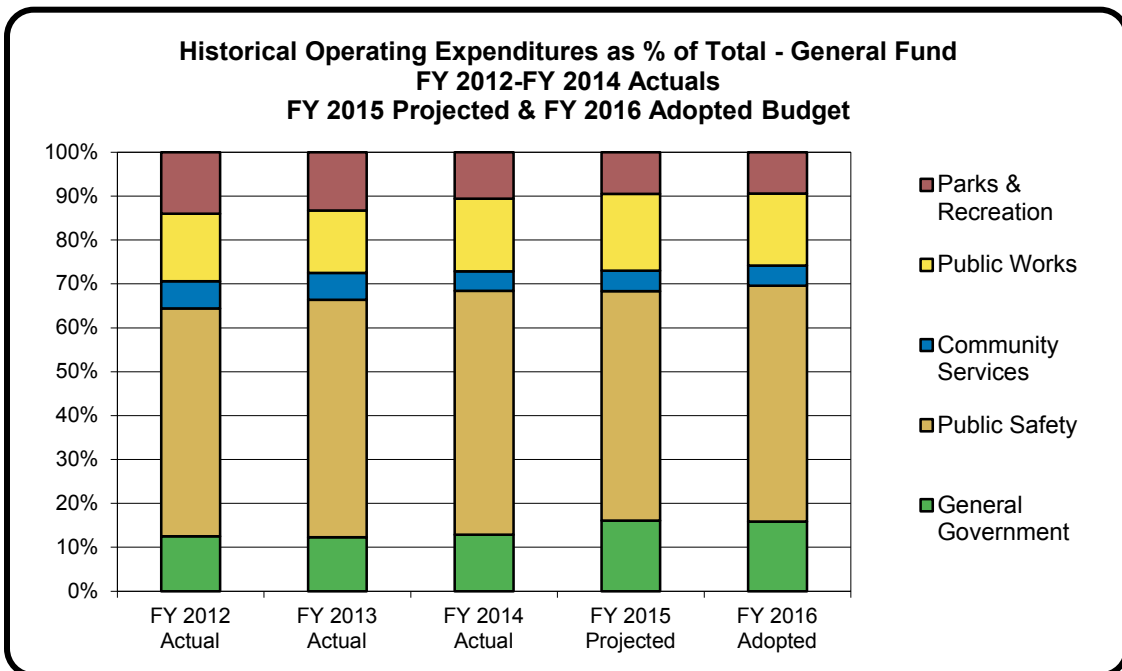
Property Tax includes General Governmental Revenue of the General Fund and Debt Service Fund
 Sales/Other Taxes is primarily sales tax



GENERAL FUND EXPENDITURES

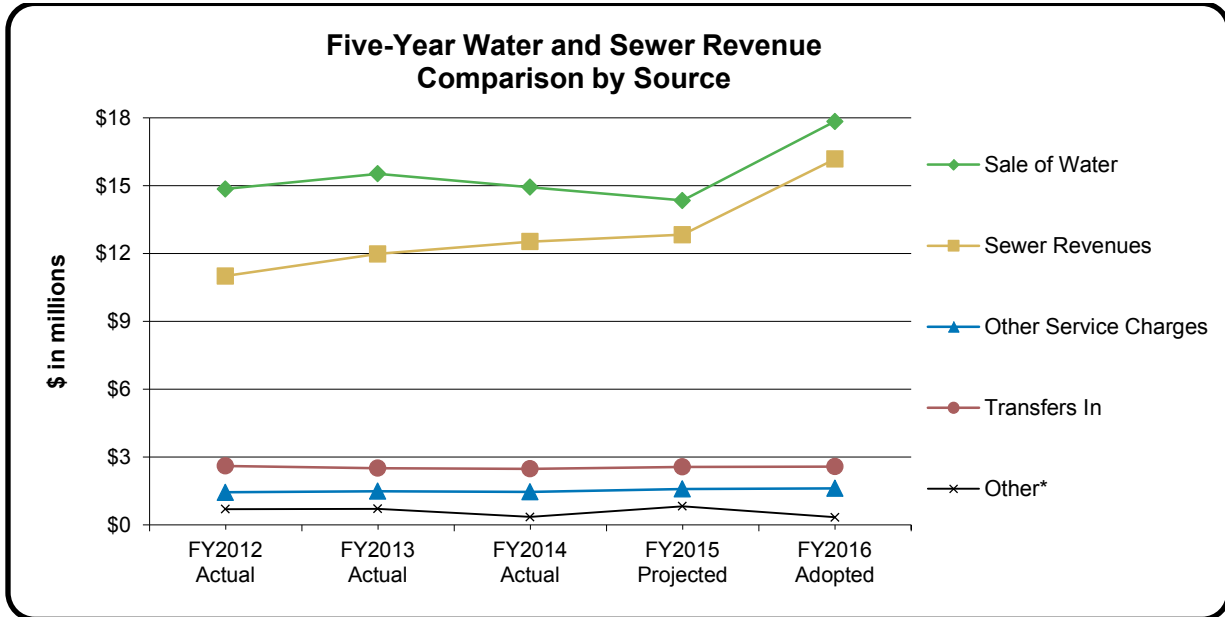
General Fund expenditures are anticipated to increase from a projected \$69,236,374 in FY 2015 to \$73,272,942 in FY 2016, an increase of \$4,036,568 or 5.8%. The increase is mainly due to an increase in the cost of employee medical coverage, employee compensation, as well as new positions added in fiscal year 2016. New positions added in FY 2016 result in a net increase of 24.52 full-time equivalent positions. Of the new positions, 22 are in Public Safety, 1 Human Resources Generalist for six months, 1 Small Business Coordinator for six months, 1 Plans Examiner for nine months, 1 Municipal Court Bailiff going from part-time to full time (.5 FTE), and 1 Parks Recreation Specialist position was eliminated.

The FY 2016 budget includes funding for the opening of Fire Station #2 and two new parks, Hickory Slough Sportsplex and Shadow Creek Ranch Park, as well as funding for improvements at Independence Park. Pursuant to the Pearland 20/20 Strategic Plan, community beautification has been enhanced with increased service levels for landscaping/median maintenance, and the contracting of new medians.

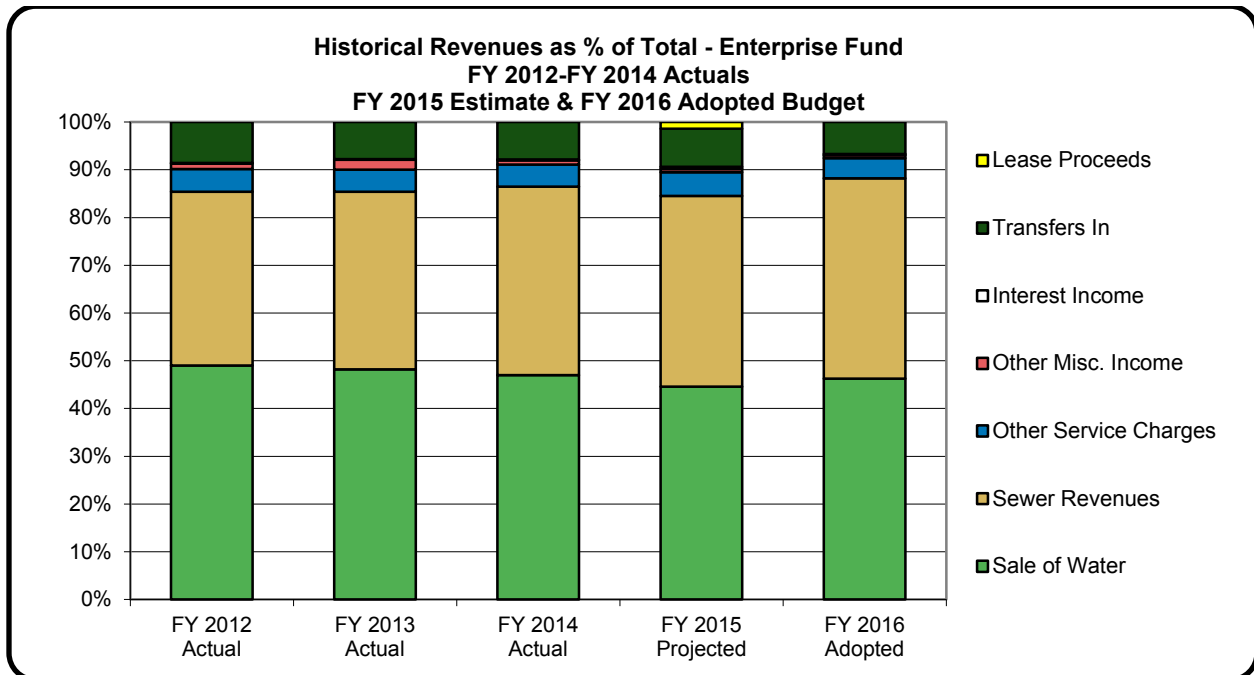


WATER AND SEWER FUND REVENUES

Water and Sewer Fund revenues are projected to increase by 19.9%, or \$6,404,053, from a projected FY 2015 amount of \$32,162,222 to \$38,566,275 in FY 2016. The increase is mainly attributable to a 16% revenue increase of \$4.7 million and continued residential and commercial growth. The revenue increase is needed to fund operating, debt service, reserves, and bond covenant requirements. As water revenues can be impacted by weather patterns, and despite a 4.63% revenue increase in FY 2015, the drop in water revenues in FY 2015 is due to a wet year with an additional 24 inches of rain than in FY 2014.

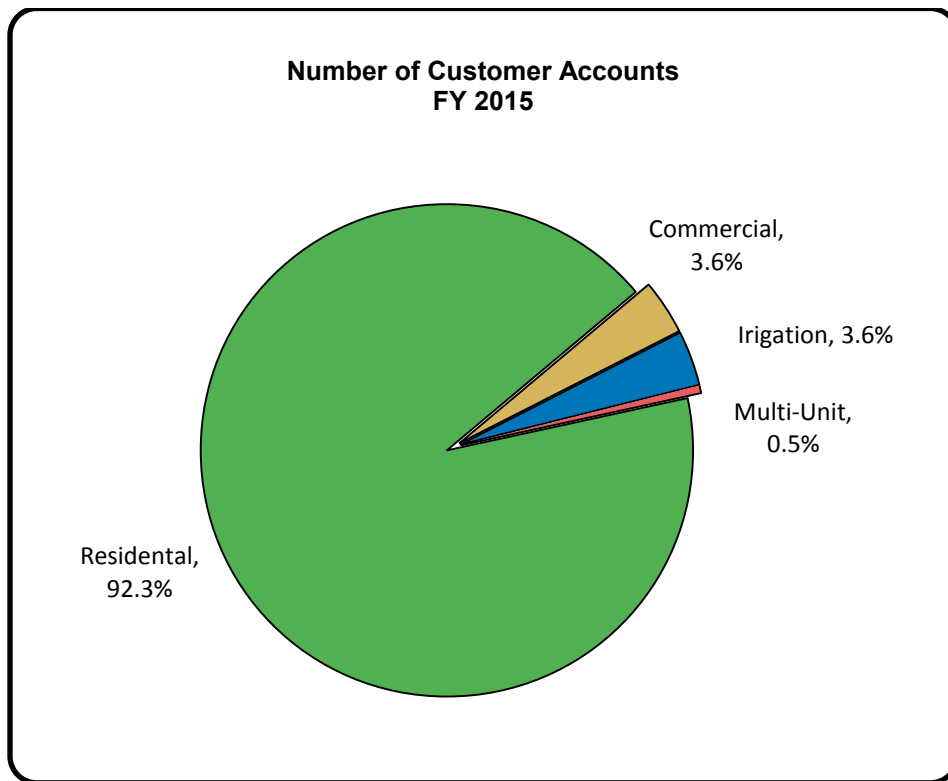


*Other includes Interest, Grants, Bond Lease Proceeds, Miscellaneous



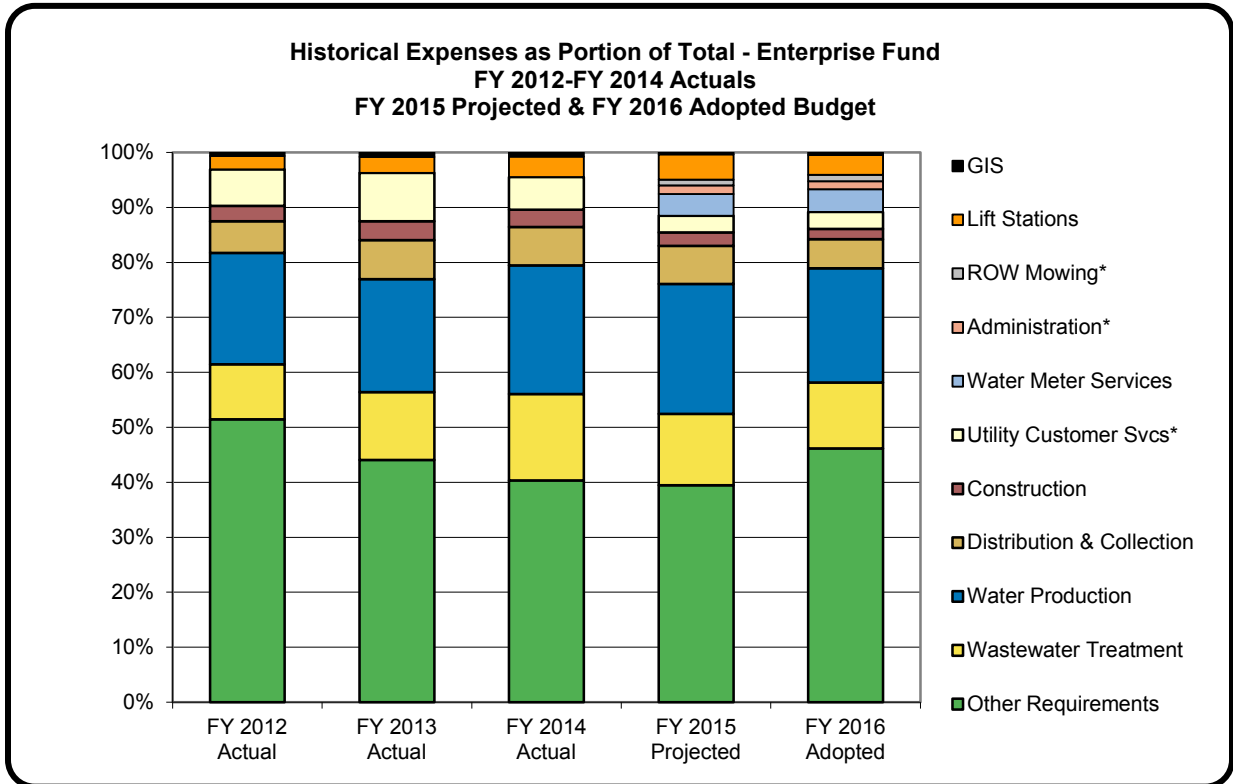
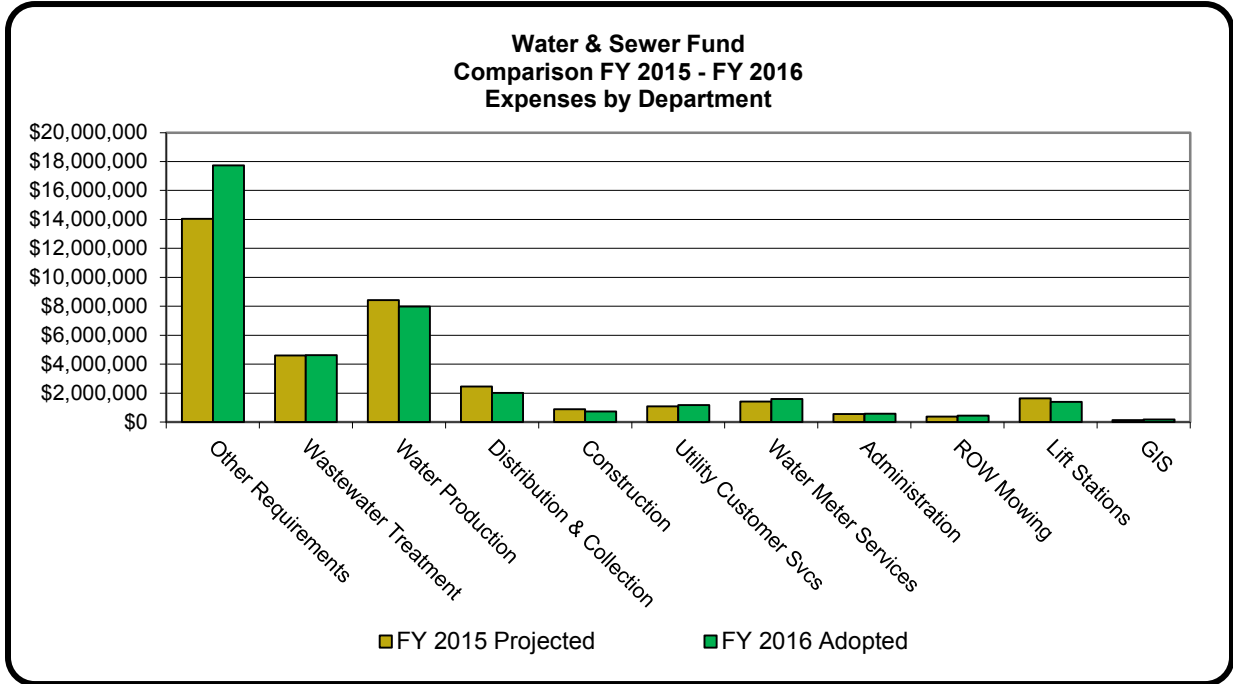
WATER AND SEWER FUND REVENUES

Water/Sewer Rate Increase		
	Current FY 2015	Proposed FY 2016
<u>Water</u>		
Base	11.98	13.78
Volume		
2,001-6,000 gallons	3.16	3.48
6,001-15,000 gallons	3.96	4.35
15,001-25,000 gallons	4.75	5.22
25,001+ gallons	6.33	6.96
<u>Sewer</u>		
Base	14.41	17.44
Volume	3.28	3.97



WATER AND SEWER FUND EXPENDITURES

Expenses for the fund are anticipated to increase by \$2,827,163, or 7.9% from \$35,595,596 in FY 2015 to \$38,422,759 in FY 2016. Excluding other requirements, expenses are projected to decrease by \$855,815, or -4%, going from \$21,547,815 to \$20,692,000. A 26.2% increase is anticipated in Other Requirements, from \$14,047,781 in FY 2015 to \$17,730,759 in FY 2016 due to annual debt service payments for water and sewer bonds.



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

CITY OF PEARLAND MULTI-YEAR FORECAST FISCAL YEARS 2015 - 2018

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 2015-2016 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,

- ◆ Though the overall FY 2016 tax rate decreased from \$0.7121 to \$0.7053, the O&M tax rate increased by \$0.0004, from the fiscal year 2015 rate of \$0.2221 to \$0.2225 per \$100 valuation. The total tax rate is anticipated to increase fiscal year 2017 by \$0.01, all in the O&M rate, and in 2018 by \$0.0272, \$0.01 in the O&M rate and \$0.0172 in the debt service portion for planned capital improvements approved by voters in 2007 and the 2016-2020 CIP. The tax impact analysis done for the 2007 bond referendum showed an impact of \$.0750 and an additional \$0.055 to complete projects from the 2001 referendum, for a total tax rate increase of \$0.13. By 2018, the total tax rate is expected to increase \$0.0968 from 2007.
- ◆ Revenue increases of 16.0% are needed in fiscal year 2016 in the water/sewer fund. Additional increases are needed in fiscal years 2017 and 2018 of 10.3% and 9.10%, respectively, in order to meet cash reserve and bond coverage requirements.

Structural Imbalance

The City's General Fund for fiscal years 2016 and 2017 show that the fund policy requirement of 2 months recurring operating expenditures is met each year, but also shows a structural imbalance of (\$3.5 million) in fiscal year 2016, meaning that recurring expenditures exceed recurring revenues. 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, Tom Reid Library Expansion, the full-year of operations and maintenance of Shadow Creek Ranch Park, Hickory Slough Sportsplex, Centennial Park and expenditures associated with the extensions of various streets. Also included is the phased buildup of street maintenance based on a ROW assessment study completed in 2014. Strategies will need to be put in place now to minimize or prevent further erosion in the imbalance in future fiscal years.

Street and sidewalk rehabilitation is funded at \$1.45 million for fiscal years 2016 and 2017 and at \$2.29 million in 2018 with a goal to reach \$4.23 million by 2020. 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 debt service

payments, as well as anticipated debt from new debt issuances based on the City's Five-Year CIP and MUD rebates.

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

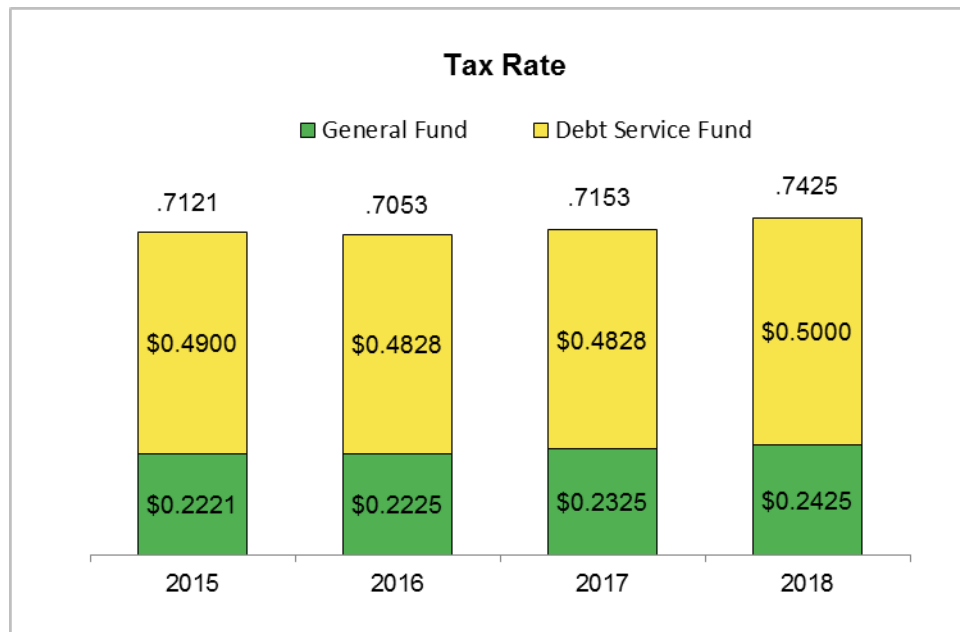
	FY 2016	FY 2017	FY 2018
Property Valuation	\$8,466,235,689	\$9,161,485,978	\$9,731,792,581
Growth	11.54%	8.21%	6.23%

INDIVIDUAL FUND OVERVIEWS

Tax Rate

In fiscal year 2016 the proposed tax rate of \$0.7053, a decrease of \$.0068, allocates \$0.2225, or 31.5% to the General Fund and \$0.4828 or 68.5% 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 2018, the total tax rate is \$0.7425, 32.7% to the General Fund and 67.3% to the Debt Service Fund, which represents an additional increase of 2.00 cents to the General Fund and 1.72 cents to the Debt Service Fund from the fiscal year 2016 adopted tax rate. The Debt Service Fund tax rate for fiscal year 2016 decreased from \$0.4900 in fiscal year 2015 to \$0.4828 and the General Fund tax rate increased by \$0.0004 for a total of \$0.2225.



Debt Service Fund

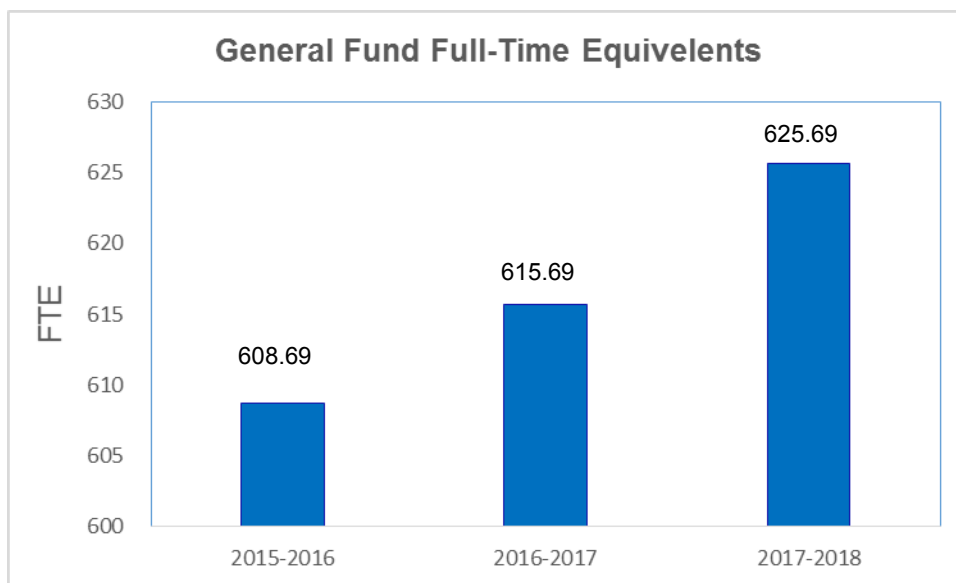
The Debt Service Fund can meet all current and future obligations based on the City's Multi-Year Forecast and Five-Year CIP. The issuance of debt is factored in based on the Five-Year CIP. All new debt issued totaling \$81.8 million from 2016-2018 is assumed to be issued with a 20-year maturity level principal payment.

In order to fund obligations and implement the fiscal year CIP, the Debt Service tax rate will need to increase by \$0.0172 from the fiscal year 2016 tax rate of \$0.4828 to \$0.5000 in fiscal year 2018. From fiscal year 2016 to fiscal year 2018, total revenues are anticipated to increase 7.4% to 10.1% per year.

General Fund

The General Fund meets reserve requirements; however, cannot fund current services and anticipated operating expenditures in 2016 mainly due to completion of CIP and projects and phased funding of increasing street maintenance funds for investment in our assets. 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 increases by 10.6% from \$11.2 million in fiscal year 2016 to \$12.4 million by fiscal year 2018. In order to fund services and meet fund balance policy requirements, the O&M tax rate will increase from \$0.2225 in 2016 to \$0.2425 by 2018, a \$0.0200 increase, though limited by truth-in-taxation laws.

Full-time equivalents in the General Fund will increase from 608.69 in fiscal year 2016 to 615.69 for fiscal year 2017 and 625.69 by fiscal year 2018, an increase of 17 positions or 2.8% over the three-year period. Population is expected to increase 2.5% annually, not including the day-time or weekend populations from continued retail development.



An increase of 17 positions from 2016 – 2018 are associated with completed CIP for base services and growth. The CIP staff additions include 1 for Independence Park Phase I in 2017, and 3 for the Delores Fenwick Nature Center in 2018. The remaining 13 positions are built in for base growth which includes 4 scheduled police officers per year.

Operating expenditures from completed CIP total \$342,626 in 2017, increasing to \$585,989 in 2018. Fiscal years 2017 and 2018 include Centennial Park Phase 2, the Tom Reid Library Expansion, and Bailey Road extension. In addition to these, fiscal year 2018 includes the Delores Fenwick Nature Center, Fire Station 1 and Hughes Ranch Road reconstruction, to name the major impacts.

Property and Sales Tax are a major revenue component funding these expenditures. Revenues from property tax, as a percent to total revenues, are 20.3% in fiscal year 2016. It increases to 22% in fiscal year 2018 due to increases in the O&M tax rate and valuation and revenue from the TIRZ goes from \$9.24 million in 2016 to \$11.14 million in 2018. 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 29.5% in 2016 and 28.1% in 2018. The City is projected to maintain a modest increase in sales tax in fiscal year 2016 through 2018; a 5.5% increase is projected for 2017 and a 5.0% increase for 2018, mainly due to continued, but moderate, development.

Water & Sewer Fund

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

A water and sewer revenue increase is needed in 2016 of 16.0% to meet cash reserve ratios as lower consumption in 2015 has reduced cash equivalents, and the City is issuing debt of \$55 million for expansion of the Reflection Bay Reclamation Plant. Revenue increases are also needed of 10.3% and 9.1% for 2017 and 2018 due to additional plant expansions and resulting debt service. Revenue bonds sold over the three-year period 2016 – 2018, total \$143.5 million.

The utility system users generate the revenues that support the system. Annual water and sewer charges by 2018 total \$44.6 million, an increase of \$10.6 million from fiscal year 2016, and include growth in the number of connections, as well as two revenue increases needed. The growth in the number of connections average 2.5% annually over the multi-year forecast.

Total expenditures increase to \$46.9 million in 2018, up from \$38.4 million in fiscal year 2016. Debt service increases over the forecast period, from \$14.4 million in fiscal year 2016 to \$19.0 million in fiscal year 2018. Revenues generate about \$2.0 million in pay-as-you go funding for capital projects.

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

Pearland Economic Development Corporation (PEDC)

The PEDC can fund its current operations of providing funding for community beautification and providing incentives to attract capital investment to add to Pearland's tax base and bring new jobs to the City. Through the 2018 forecast period, the ending fund balance is projected to be \$7.1 million in 2018, a decrease of \$7.7 million or 52% from the \$14.8 million in fiscal year 2016 due to \$5.2 million for improvements in 2016, \$10.5 million in 2017, and \$7.5 million in 2018 for beautification improvements to the SH288 corridor and entrances of Pearland. Funding is also included for infrastructure for Lower Kirby, 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 6.1% through the forecast period, from \$10.2 million in fiscal year 2016 to \$10.8 million in fiscal year 2018. The sales tax revenues are 82.5% of the total revenue in 2016, up to 95.6% in 2018.

The Board of Directors has identified a minimum fund balance of \$3.0 million. The available balance in excess can be used to fund infrastructure or business incentive 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, and weather, that could impact the forecast and significantly affect the City’s ability, despite having a prudent financial plan in place, to continue to provide the highest quality service and provide for those capital projects which provide a high quality of life. Our objective is to provide City Council and management a prudent financial plan in order to make decisions to benefit our current and future residents.

**MULTI-YEAR BUDGET 2015-18
DEBT SERVICE**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Adopted 2015-16	Projected 2016-17	Projected 2017-18
Revenues					
Property Taxes					
Property Taxes	26,753,924	28,290,935	29,971,099	32,323,060	35,743,238
Delinquent Taxes	183,479	140,000	147,000	155,850	168,080
Penalty & Interest	194,131	167,000	175,500	185,821	200,403
	27,131,534	28,597,935	30,293,599	32,664,731	36,111,720
Miscellaneous Revenue					
Lease Income - UofH	775,396	763,475	750,039	731,799	711,469
Interest Income	37,272	36,561	36,000	36,500	36,500
	812,668	800,036	786,039	768,299	747,969
Bond Proceeds					
Bond Proceeds on Refunding	33,498,000	54,773,103			
	33,498,000	54,773,103			
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	170,860
Transfer in From Fund 10	159,272	156,844	154,160	150,454	146,242
	618,439	613,411	607,997	601,431	594,229
Total Revenues	62,060,640	84,784,485	31,687,635	34,034,461	37,453,918

**MULTI-YEAR BUDGET 2015-18
DEBT SERVICE**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Adopted 2015-16	Projected 2016-17	Projected 2017-18
Expenditures					
Miscellaneous Services					
Arbitrage Services	21,995	33,880	36,385	39,385	42,385
	21,995	33,880	36,385	39,385	42,385
MUD Rebates					
MUD Rebates	4,307,496	4,792,373	6,161,809	6,566,894	6,919,814
	4,307,496	4,792,373	6,161,809	6,566,894	6,919,814
Bond Payment					
Current Debt Service Principal	10,475,000	11,275,000	11,705,000	11,310,000	11,750,000
Current Debt Service Interest	12,672,297	12,253,498	11,659,018	11,197,344	10,734,742
Future Debt Issuances					
General Obligation 2015			647,527	653,075	644,575
General Obligation 2016				2,398,169	2,154,844
General Obligation 2017					1,976,147
CO's Series 2015			373,253	376,450	371,550
CO's Series 2016				1,385,761	1,247,011
CO's Series 2017					520,555
Fiscal Fees	10,575	13,325	15,575	17,075	18,575
Bond Issuance Costs	301,550	463,813			
Escrow Agent/Issuance	33,182,437	54,303,290			
	56,641,859	78,308,926	24,400,373	27,337,874	29,417,999
Short-Term Note					
Current Lease/Purchase (P&I)	1,196,175	1,196,247	929,640	762,746	499,880
Future Lease/Purchase					
	1,196,175	1,196,247	929,640	762,746	499,880
Total Expenditures	62,167,525	84,331,426	31,528,207	34,706,900	36,880,078
Revenues Over(Under) Expenditures	(106,885)	453,059	159,427	(672,439)	573,840
Beginning Fund Balance	4,642,821	4,535,937	4,988,996	5,148,425	4,475,987
Ending Fund Balance	4,535,937	4,988,996	5,148,424	4,475,987	5,049,827
10% Reserve Requirement	2,867,615	2,956,432	3,152,821	3,470,690	3,688,008
Amount over 10% Reserve	1,775,206	2,032,564	1,995,605	1,005,297	1,361,819
DS Tax Rate	0.4900	0.4900	0.4828	0.4828	0.5000
DS Tax Rate Change			(0.0072)		0.0172
General Obligation-2007 Certificates of Obligation		8,530,000	21,825,000	17,535,000	21,475,000
Total by Year		4,860,000	12,620,000	4,620,000	3,700,000
		13,390,000	34,445,000	22,155,000	25,175,000

**MULTI-YEAR BUDGET 2015-18
GENERAL FUND OVERVIEW**

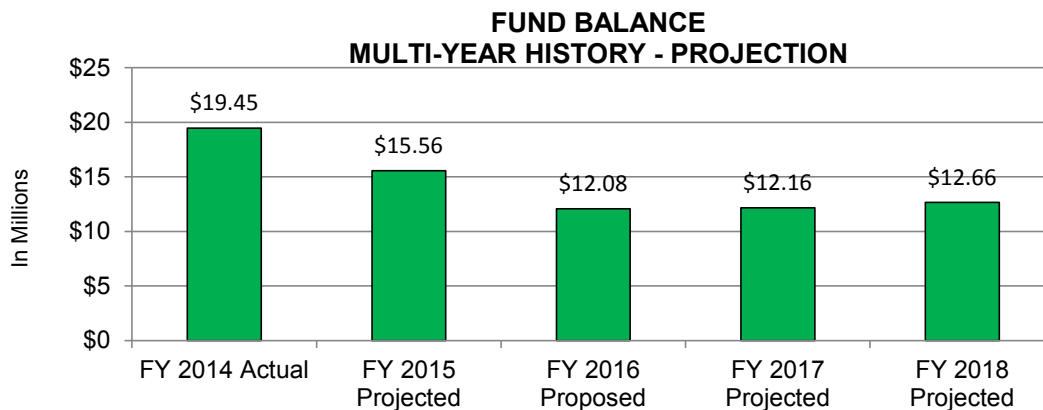
DESCRIPTION	Actual 2013-14	Projected 2014-15	Adopted 2015-16	Projected 2016-17	Projected 2017-18
Revenues					
Property Taxes	12,095,419	13,195,853	14,190,297	16,008,564	17,802,694
Sales Taxes	17,326,556	18,929,697	20,594,329	21,728,392	22,817,727
Franchise Fees	6,214,046	6,635,878	7,003,454	7,269,114	7,544,926
Licenses & Permits	4,148,763	3,928,395	3,961,789	4,300,643	4,429,662
Fines & Forfeitures	2,970,397	2,917,038	2,919,450	3,045,589	3,151,111
Charges for Service	12,663,599	13,686,120	16,034,797	17,392,855	18,524,035
Miscellaneous	2,261,088	842,880	745,914	588,533	605,957
Transfers in	3,756,917	3,849,598	3,441,391	3,474,453	3,298,686
Other Financing Sources	1,852,939	1,356,050	900,000	-	2,910,000
Total Revenues	63,289,723	65,341,508	69,791,421	73,808,143	81,084,799
Expenditures					
General Government	7,686,422	10,906,110	11,430,573	9,998,728	10,378,000
Public Safety	33,140,112	35,514,359	38,631,959	38,866,632	43,341,055
Community Services	2,661,462	3,164,286	3,304,003	3,433,126	3,616,578
Public Works	9,854,846	11,860,763	11,806,888	12,452,826	13,251,322
Parks & Recreation	6,331,074	6,458,722	6,744,751	6,892,843	7,136,012
O&M for CIP				367,286	688,770
Total Operating Expenditures	59,673,916	67,904,240	71,918,174	72,011,440	78,411,737
Transfers Out	2,784,425	1,332,134	1,354,768	1,714,542	2,173,677
Total Expenditures	62,458,341	69,236,374	73,272,942	73,725,982	80,585,414
Revenues Over/(Under) Expenses	831,383	(3,894,866)	(3,481,521)	82,160	499,385
Beginning Fund Balance	18,623,117	\$19,454,500	\$15,559,633	\$12,078,112	\$12,160,273
Ending Fund Balance	19,454,500	\$15,559,633	\$12,078,112	\$12,160,273	\$12,659,658

Calculation of Fund Balance Policy:

Ending Fund Balance	15,559,633	12,078,112	12,160,273	12,659,658
Less Policy Requirement	10,333,520	11,168,568	11,957,631	12,431,108
Excess funds available over policy	5,226,113	909,544	202,641	228,549

Tax Rate Variable:

General Fund	\$ 0.2221	\$ 0.2225	\$ 0.2325	\$ 0.2425
Debt Service Fund	\$ 0.4900	\$ 0.4828	\$ 0.4828	\$ 0.5000
Total Tax Rate	\$ 0.7121	\$ 0.7053	\$ 0.7153	\$ 0.7425



**MULTI-YEAR BUDGET 2015-18
GENERAL FUND REVENUE DETAIL**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Adopted 2015-16	Projected 2016-17	Projected 2017-18
Property Taxes					
Current Taxes	11,744,431	12,817,498	13,809,808	15,563,800	17,333,377
Delinquent Taxes	79,488	65,000	65,000	71,500	78,650
Penalty & Interest	103,330	100,000	100,000	105,000	110,250
In Lieu of Property Taxes	168,170	213,355	215,489	226,263	237,577
Annexation Areas 1 and 2				42,000	42,840
Total Property Taxes	12,095,419	13,195,853	14,190,297	16,008,564	17,802,694
Sales Taxes					
Sales Taxes	17,108,792	18,674,954	20,319,329	21,436,892	22,508,737
Mix Drink Taxes	217,764	254,743	275,000	291,500	308,990
Total Sales Taxes	17,326,556	18,929,697	20,594,329	21,728,392	22,817,727
Franchise Fees					
Gas	285,497	324,993	364,993	375,943	387,221
Electric	2,880,454	2,994,369	3,128,368	3,253,503	3,383,643
Telephone	273,598	275,685	275,300	283,559	292,066
Cable	1,351,770	1,496,770	1,619,820	1,684,613	1,751,997
Sanitation	1,422,727	1,544,061	1,614,973	1,671,497	1,729,999
Total Franchise Fees	6,214,046	6,635,878	7,003,454	7,269,114	7,544,926
Licenses & Permits					
Building Permit	1,947,575	1,576,600	1,617,600	1,796,128	1,850,012
BP Plan & Zone Adjustment	(500)				
Platting Fees	114,604	126,971	150,480	154,994	159,644
Beer Permits	20,795	16,585	21,000	21,630	22,279
Moving Permits	3,800	4,500	4,500	4,635	4,774
Peddlers & Solicitors	3,415	4,500	4,500	4,635	4,774
Health Certificate Fees	81,310	88,565	134,125	138,149	142,293
Wrecker Permits	4,425	9,256	5,200	5,356	5,517
Building Plan Check Fee	1,091,822	1,040,400	905,856	933,032	961,023
Occupancy Permits	7,900	10,580	11,200	11,536	11,882
Demolition Permits	1,400	1,500	1,500	1,545	1,591
Bldg. Site Work Permit	105,577	80,000	80,000	82,400	84,872
Alarm Permits	21,670	24,725			
Health-Registration 1 Yr.	500	450			
Sign Permits	15,185	16,218	22,820	23,505	24,210
Ambulance Permit	17,100	17,300	18,000	18,540	19,096
Taxi Cab Permit	2,644	4,018	4,020	4,141	4,265
Temporary Structures	2,780	2,500	2,500	2,575	2,652
Recordation & Courier Fee	8,207	7,500	8,000	8,240	8,487
Miscellaneous	225				
BP Plan & Zone Adjustment	28,540	30,000	40,000	41,200	42,436
Garage Sale Permits	33,615	35,000	36,000	37,080	38,192
Culvert Permits		250	500	515	530
Animal Licenses	34,300	35,000	37,000	38,110	39,253
Foster Home Inspection	2,100	2,280	2,590	2,668	2,748
Mowing Lien		(206)			
Electrical Permits	144,661	217,380	267,425	305,448	314,611
Plumbing & Gas Permits	175,157	239,083	259,493	297,278	306,196
Mechanical Permits	186,997	222,000	203,660	239,770	246,963
Reinspec. Fee/Inspection	9,040	18,000	18,000	18,540	19,096
Fire Alarm	5,646	9,000	9,000	9,270	9,548

**MULTI-YEAR BUDGET 2015-18
GENERAL FUND REVENUE DETAIL**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Adopted 2015-16	Projected 2016-17	Projected 2017-18
Fire Protection	4,631	2,200	2,200	2,266	2,334
Fire Sprinkler	16,049	18,000	17,000	17,510	18,035
Fire Sprinkler-Alteration	215	250	250	258	265
Fireworks		150	150	155	159
Irrigation	17,429	23,260	26,540	27,336	28,156
Swimming Pool	38,199	43,080	49,180	50,655	52,175
Dirt Grading Permit	1,750	1,500	1,500	1,545	1,591
Total Licenses & Permits	4,148,763	3,928,395	3,961,789	4,300,643	4,429,662
Fines & Forfeiture					
Fines & Forfeitures	2,772,319	2,711,000	2,711,000	2,830,885	2,929,966
Child Safety	26,471	27,500	27,500	28,325	29,175
Child Safety-Harris Co.	5,385	6,000	6,000	6,180	6,365
Commercial Carrier Fines	71,114	81,100	83,000	85,490	88,055
Time Efficiency	(7,502)	(10,802)	(10,800)	(11,124)	(11,458)
Animal Cruelty	4,750	350	350	361	371
Omnibase	14,758	14,100	14,100	14,523	14,959
State/Service Fee Recoup	81,168	78,450	78,450	80,804	83,228
Fines	100				
Bond Forfeitures	1,834				
Total Fines & Forefeitures	2,970,397	2,917,038	2,919,450	3,045,589	3,151,111
Service Charges					
Ambulance Service Fee	2,468,871	2,625,000	2,775,000	2,888,250	2,974,898
Mud/Ems/Fire Collections	79,370	80,828	116,328	119,818	123,412
Strategic Ptr Agrmt/Fire,Ems	272,413	350,022	456,606	484,002	513,043
False Alarm Fee	87,064	76,000	80,000	82,400	84,872
Arrest Fees	5,778	5,800	6,000	6,180	6,365
Clear. Letter Fee	545	500	500	515	530
Subpoena	170	150	150	155	159
Offense Report Copies	106	100	100	103	106
Accident Report Copies	5,806	5,500	5,500	5,665	5,835
Other Copies	80				
SRO Equipment	88,500	88,760	100,892	103,919	107,036
SRO Personnel	702,379	705,089	823,177	884,915	951,284
Non-Emergency EMS Transport					
Non-Emergency EMS Service	9,128	2,000	2,000	2,060	2,122
TCLEOSE Funds					
Training Tuition	1,900	2,200	2,200	2,266	2,334
Training Recycling	1,572	2,000	2,500	2,575	2,652
Animal Shelter Fees	43,616	40,000	44,000	45,320	46,680
Events & Programs	508,559	493,346	488,392	503,044	518,135
Facility Rentals	122,072	105,000	89,850	92,546	95,322
Swimming Pool Fees	19,480	18,000	18,000	18,540	19,096
Natorium	130,936	140,000	223,800	230,514	237,429
Recreation Center Rentals	44,822				
Recreation Center Memberships	1,255,463	1,290,000	1,367,000	1,408,010	1,450,250
Facility Rental - U of H	2,458	500	700	721	743
Special Event Permit Fee	150	150	150	155	159
Miscellaneous	1,900	1,800	1,800	1,854	1,910
Engineering Inspect Fee	142,509	160,000	150,000	184,500	190,035
TIRZ Administration Fee	6,636,909	7,447,396	9,244,652	10,276,765	11,140,121
Permits Inspection Fee	23,543	25,000	25,000	25,750	26,523

**MULTI-YEAR BUDGET 2015-18
GENERAL FUND REVENUE DETAIL**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Adopted 2015-16	Projected 2016-17	Projected 2017-18
Traffic Impact Analysis	7,500	9,750	10,500	10,815	11,139
Total Service Charges	12,663,599	13,686,120	16,034,797	17,392,855	18,524,035
Interest					
Interest Income	98,710	103,000	108,000	111,240	114,577
Unrealized Capital Gain(Loss)	(10,478)				
Total Interest	88,232	103,000	108,000	111,240	114,577
Intergovernmental					
TX Dept of Transportation	25,224				
Total Intergovernmental	25,224				
Miscellaneous					
Building Rent	18,040	18,348	18,650	14,410	14,842
Other Victims Program	7,720	7,000	7,000	7,210	7,426
Phone & Fax Reimbursement	1,005				
Street Light Charges	119,553	75,000	75,000	77,250	79,568
Recycle Revenue	80,034	60,000	15,000		
N.S.F. Fees	7,400	6,720	7,000	7,210	7,426
Plat Copies					
Reproduction/Xerox Copies	891	5,155	5,300	5,459	5,623
Sale Of Property	1,476,642	113,105	154,500	59,135	60,909
Cash Short/Over	947				
Waiver Of Encroachment	750	1,000	1,000	1,030	1,061
Ambulance Permit App. Fee	3,500	5,700	5,700	5,871	6,047
Suspense Revenue	(7)				
Reimburse from Fund 15	113,792				
Sign Revenue	24,500	35,975	33,000	33,990	35,010
Insurance Reimbursement	39,639	15,585			
Miscellaneous	253,226	388,836	308,036	258,000	265,740
MUD Annexation					
Total Miscellaneous	2,147,632	739,880	637,914	477,293	491,379
Grant, Issuance, Transfers					
From Fund 15		119,482	125,456	129,220	133,096
From Fund 18	21,000				
From Fund 30	935,000	1,599,592	1,540,280	1,516,308	1,281,798
From Fund 42	272,032	146,785	144,039	148,360	152,811
From Fund 50	11,274	50,372	31,231	32,168	33,133
From Fund 55		150,000			
From Fund 67	132,293	218,786	196,863	202,769	208,852
From Fund 68	278,498		320,558	330,175	340,080
From Fund 70	21,844				
From Fund 101	242,139	166,118	166,581	171,578	176,726
From Fund 301		93,947	191,140	196,874	202,780
From Fund 304	19,763	22,431			
Transfer From Fund 202	1,044,922				
Transfer From Fund 203	506,398	834,297	616,055	634,537	653,573
Transfer From Fund 031	146,794	340,000			
Transfer From CDBG	45,071	107,787	109,188	112,464	115,838
Transfer From Fund 200	79,889				
Total Grant, Issuance, Transfers	3,756,917	3,849,597	3,441,391	3,474,453	3,298,686

**MULTI-YEAR BUDGET 2015-18
GENERAL FUND REVENUE DETAIL**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Adopted 2015-16	Projected 2016-17	Projected 2017-18
Other Financing Sources					
Capital Lease Proceeds	1,852,939	1,356,049	900,000		2,910,000
Total Other Financing Sources	1,852,939	1,356,049	900,000		2,910,000
Total Revenues	63,289,724	65,341,507	69,791,421	73,808,143	81,084,799

**MULTI-YEAR BUDGET 2015-18
GENERAL FUND EXPENDITURES DETAIL**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Adopted 2015-16	Projected 2016-17	Projected 2017-18
General Government					
City Council	92,245	99,153	110,418	107,255	108,948
City Manager	995,807	810,784	792,964	811,770	838,427
Human Resources	822,890	952,021	890,482	943,514	967,590
City Secretary	314,987	391,657	362,797	373,980	386,277
Legal	674,971	802,246	741,751	768,444	791,104
Information Systems	1,257,214	3,524,945	2,936,712	1,718,717	1,808,285
Geographic Information Systems	226,960	224,822	233,655	241,458	250,171
Finance	1,864,198	1,966,822	2,188,539	2,087,164	2,178,924
Other Requirements	1,127,114	1,414,212	2,758,636	2,403,733	2,433,909
Library	310,036	719,448	414,619	416,692	420,859
NEW POSITIONS					67,509
New Lease/Purchases				126,000	126,000
Total General Government	7,686,422	10,906,110	11,430,573	9,998,728	10,378,000
Public Safety					
Police Administration	1,260,277	1,394,079	1,688,434	1,576,574	1,614,049
Patrol	10,259,456	12,052,534	12,825,567	13,312,714	13,943,612
Investigations	2,220,072	2,404,593	2,509,099	2,532,164	2,622,929
Community Serv	968,894	870,301	715,416	739,252	764,796
Support	1,785,866	1,927,159	2,038,923	2,120,944	2,197,456
Jail	1,032,780	1,106,703	1,142,777	1,184,192	1,228,903
Commercial Vehicle Enfcmt	211,870	239,693	240,825	250,012	260,052
SRO	1,154,387	1,145,117	1,206,006	1,247,417	1,292,279
Traffic Enfcmt/Motorcycles	990,851	889,779	887,443	920,467	956,040
Special Investigations	400,581	354,805	394,086	400,201	415,085
Training	104,470	105,567	305,669	307,197	310,269
Police (Total)	20,389,504	22,490,330	23,954,245	24,765,509	25,605,471
Animal Control	740,377	811,491	993,517	920,781	952,082
Fire Administration		947,605	1,048,927	1,083,409	1,118,748
Fire	10,901,049	10,054,064	11,090,114	10,288,884	13,523,097
Fire Marshal	673,576	681,031	921,194	866,888	898,265
Emergency Management	42,717	37,817	38,561	38,754	39,141
Health/Code Enforcement	392,889	492,021	585,401	639,585	665,019
NEW POSITIONS				262,822	539,232
Total Public Safety	33,140,112	35,514,359	38,631,959	38,866,632	43,341,055
Community Services					
Community Development Admin.	394,634	434,616	364,389	374,918	388,604
Planning	328,653	1,157,603	417,793	430,204	443,948
Permits & Inspections	961,413	409,094	1,313,438	1,313,512	1,356,133
Communications	342,034	475,688	470,466	483,977	497,884
Municipal Court	634,728	687,285	737,917	764,809	795,201
NEW POSITIONS				65,705	134,808
Total Community Services	2,661,462	3,164,286	3,304,003	3,433,126	3,616,578
Public Works					
Public Works Engineering Admin.	262,659	261,000	261,040	271,523	280,000
Public Works Operations Admin.	410,427	206,016	158,901	442,167	165,731
Facilities Maintenance	865,282	1,419,363	1,035,605	1,025,726	1,051,017
Custodial Services	337,574	311,681	355,016	360,280	367,209
Fleet Maintenance	420,020	426,738	259,140	569,462	583,710
Traffic Operations & Maintenance	799,779	978,716	1,150,196	1,086,790	1,062,035

**MULTI-YEAR BUDGET 2015-18
GENERAL FUND EXPENDITURES DETAIL**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Adopted 2015-16	Projected 2016-17	Projected 2017-18
Streets & Drainage	4,684,214	5,284,424	4,964,212	4,971,634	5,877,345
Right-of-Way Maintenance		827,041	1,453,099	1,415,919	1,435,574
Service Center	190,534	151,007	95,150	95,626	66,582
Engineering & Capital Projects					
Engineering	1,059,772	1,111,524	1,162,814	1,203,629	1,247,735
Capital Projects	824,585	883,253	911,715	944,365	979,652
NEW POSITIONS				65,705	134,733
Total Public Works	9,854,846	11,860,763	11,806,888	12,452,826	13,251,322
Parks & Recreation					
Administration	885,093	700,181	618,155	642,738	667,935
Resource Development	191,300	130,661	122,137	125,920	129,919
Recreation Center/Natorium	1,791,973	2,163,765	2,249,197	2,370,079	2,422,319
Westside Event Center	171,703				
Parks Maintenance - West	931,107				
Parks Maintenance	1,122,670	2,207,760	2,616,758	2,635,781	2,767,169
Athletics	266,017	339,893	329,357	343,275	353,505
Special Events	230,942	319,916	319,682	327,798	337,287
Senior Programs	241,118	233,685	283,592	293,660	302,338
Youth Development	181,379				
Aquatics	103,166	141,226	148,398	153,591	155,539
Recycling	214,606	221,635	57,475		
NEW POSITIONS					
Total Parks & Recreation	6,331,074	6,458,722	6,744,751	6,892,843	7,136,012
O&M FOR CIP				342,626	549,542
Personnel Services				24,660	139,228
Total CIP O&M				367,286	688,770
SUBTOTAL	59,673,916	67,904,240	71,918,174	72,011,440	78,411,737
Transfers	2,784,425	1,332,134	1,354,768	1,714,542	2,173,677
Total Transfers	2,784,425	1,332,134	1,354,768	1,714,542	2,173,677
TOTAL EXPENDITURE	62,458,341	69,236,374	73,272,942	73,725,982	80,585,414

**MULTI-YEAR BUDGET 2015-18
GENERAL FUND O & M / NEW PERSONNEL ASSUMPTIONS**

DESCRIPTION	Projected	
	2016-17	2017-18
Independence Park Ph 1	3,230	6,783
Centennial Park Ph 2	76,045	76,118
Shadow Creek Ranch Trail	4,379	6,130
Delores Fenwick Nature Center		53,166
Green Tee Terrace Trail	3,077	6,461
Tom Reid Library Expansion	90,382	90,382
Fire Station #1		78,284
Fire Station #8		36,447
Max Road	28,231	29,642
Fite Road	16,786	17,625
Smith Ranch Road Expansion (CR 94)		15,813
Bailey Road (Veterans to FM 1128)	80,611	84,642
Kirby Drive Extension	25,438	26,710
Hughes Ranch Road (CR 403)	14,447	57,786
Total	\$342,626	\$585,989
CIP Personnel Services		
Independence Park Ph 1	\$24,660	\$50,799
<i>Number of FTE</i>	1	
Delores Fenwick Nature Center		\$88,429
<i>Number of FTE</i>		3
Total	\$24,660	\$139,228
<i>Number of FTE</i>	1	3
Base Personnel		
General Government	0	1
Public Safety	4	4
Community Services	1	1
Public Works	1	1
Parks	0	0
<i>Base Personnel Increase \$</i>	\$394,233	\$876,282
<i>Number of FTE</i>	6	7
Total Personnel Increase \$	\$418,893	\$1,015,510
Number of Total FTE	7	10
Streets and Sidewalks		
Streets	537,000	\$537,000
Sidewalks	915,512	\$1,750,000

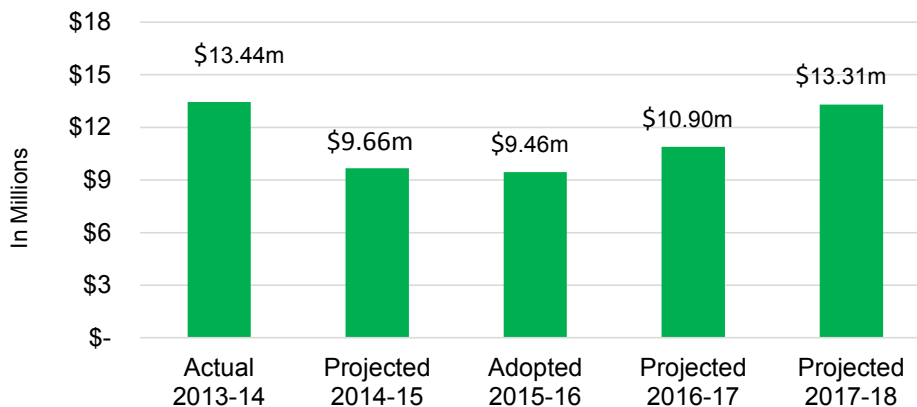
**MULTI-YEAR BUDGET 2015-18
WATER & SEWER FUND DETAIL**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Proposed 2015-16	Projected	
				2016-17	2017-18
Charges for Service					
Water/Sewer Charges	27,466,634	27,181,801	34,028,464	39,132,297	44,579,405
Sanitation Billing Fee	366,322	377,407	390,054	407,954	418,029
Connection Fee	169,917	168,000	170,200	175,306	184,071
Water/Sewer Tap Fee	382,013	476,902	455,000	493,819	504,936
Late Payment Fee	477,977	495,000	510,000	525,300	541,059
Meter Set Fee	5,500	2,550	2,700	1,500	1,500
Curb Stop Replacement Fee	161	500	500	1,040	1,040
Grease Trap Fee	34,600	39,400	40,500	34,000	34,000
Reconnect Fee	25,325	30,000	45,400	46,762	48,165
Miscellaneous	325	750	3,200	3,200	3,200
Total Charges For Service	28,928,774	28,772,310	35,646,018	40,821,178	46,315,405
Miscellaneous Revenue					
NSF Fees	9,075	8,360	9,000	9,000	9,000
Reimbursements					
Miscellaneous	119,372	100,000	105,000	105,000	105,000
Total Miscellaneous	128,447	108,360	114,000	114,000	114,000
Interest					
Interest	79,854	139,650	105,000	32,022	36,810
Total Interest	79,854	139,650	105,000	32,022	36,810
Interfund Transfers					
From Fund 42	1,568,733	1,709,713	1,674,203	2,146,664	2,539,048
From Fund 44	624,612	623,018	670,416	936,699	934,694
From Fund 301	55,000				
From Fund 10	235,491	235,491	238,081	245,223	252,580
Total Interfund Transfers	2,483,836	2,568,222	2,582,700	3,328,587	3,726,323
Other Financing Sources					
Sale of Property	60,317			20,106	20,106
Miscellaneous	85,703	115,680	118,557	122,114	125,777
Capital Lease Proceeds		458,000			
Total Other Financing Sources	146,021	573,680	118,557	142,219	145,883
Total Revenues	31,766,930	32,162,222	38,566,275	44,438,006	50,338,421

**MULTI-YEAR BUDGET 2015-18
WATER & SEWER FUND DETAIL**

DESCRIPTION	Actual 2013-14	Projected 2014-15	Proposed 2015-16	Projected 2016-17	Projected 2017-18
<u>EXPENDITURES</u>					
Public Works					
Administration		553,840	568,079	579,441	591,029
Lift Stations	1,106,723	1,627,853	1,398,412	1,454,209	1,509,516
Wastewater Treatment Plant	4,712,630	4,609,472	4,614,742	4,653,668	4,941,905
Water Production	7,004,756	8,417,459	7,982,126	8,056,151	8,190,168
Distribution and Sewer Collection	2,100,910	2,459,381	2,023,112	1,726,582	1,802,410
Construction	934,080	875,280	733,434	1,269,901	1,333,336
Water Meter Services		1,406,761	1,583,527	1,615,198	1,647,501
ROW Mowing		378,567	439,456	448,245	457,210
Information Systems					
GIS	234,138	128,755	175,429	177,183	178,955
Utility Billing	1,779,110	1,090,447	1,173,683	1,219,996	1,271,855
Other Requirements	12,069,952	14,047,781	17,730,759	21,430,693	24,993,266
Total Expenditures	29,942,299	35,595,596	38,422,759	42,631,268	46,917,152
Revenues Over(Under) Expenditures	1,824,631	(3,433,374)	143,516	1,806,738	3,421,269
Beginning Cash Equivalents	13,549,144	15,373,775	11,940,401	12,083,916	13,890,654
Reserve for Debt Service	1,929,503	2,278,256	2,623,222	2,988,198	4,000,478
Ending Cash Equivalents	13,444,272	9,662,145	9,460,694	10,902,456	13,311,444
Bond Coverage - 1.4	1.55	1.30	1.71	1.59	1.67
Cash Reserve Ratio - 25%	45%	27%	25%	26%	28%
Number of Connections		35,063	35,926	36,811	37,716
% Revenue Increase Needed		4.30%	16.00%	10.30%	9.10%
Revenue Bonds to be Issued			59,840,000	44,837,844	38,836,244

**CASH EQUIVALENTS
MULTI-YEAR HISTORY - PROJECTION**



MULTI-YEAR BUDGET 2015-18
PEARLAND ECONOMIC DEVELOPMENT CORPORATION OVERVIEW

DESCRIPTION	Actual 2013-14	Projected 2014-15	Proposed 2015-16	Projected 2016-17 2017-18	
Revenues					
Sales Tax	8,563,736	9,337,463	10,159,649	10,464,438	10,778,372
Interest Income	76,217	103,183	85,000	36,968	23,733
Intergovernmental	79,060	768,643	1,611,300	12,000	12,000
Miscellaneous	434,108	440,749	460,000	460,000	460,000
Total Operating Revenues	9,153,121	10,650,038	12,315,949	10,973,407	11,274,105
Expenditures					
Operating	1,727,502	1,872,800	2,020,888	2,085,203	2,147,824
Bond Payments	2,029,810	8,494,287	1,420,458	1,425,757	1,424,669
Inventory		5,000	5,000	5,000	5,000
Capital Outlay	42,320	1,226,744	5,155,000	10,505,000	7,548,000
Total Operating Expenditures	3,799,636	11,598,831	8,601,346	14,020,961	11,125,494
Revenues Over/(Under) Expenses	5,353,485	(948,793)	3,714,603	(3,047,554)	148,611
Other Financing Sources (Uses)					
Capital Transfers Out		(2,861,958)			
Incentives	(1,564,503)	(680,731)	(3,591,342)	(2,246,514)	(2,554,889)
Total Other Financing Sources	(1,564,503)	(3,542,689)	(3,591,342)	(2,246,514)	(2,554,889)
Net Change in Fund Balance	3,788,982	(4,491,482)	123,261	(5,294,068)	(2,406,278)
Beginning Fund Balance (Before Reserves)	15,366,504	19,155,489	14,664,007	14,787,268	9,493,200
Debt Service Reserves	(665,254)				
Debt Pay-off (Cumulative)	(4,793,794)				
Ending Fund Balance	13,696,439	14,664,007	14,787,268	9,493,200	7,086,922
Capital Outlay:					
Vehicle					43,000
Miscellaneous			5,000	5,000	5,000
Lower Kirby Infrastructure			1,800,000	3,000,000	
Hwy 288 Corridor Improvements			1,900,000	5,000,000	5,000,000
Entryway/Corridor Improvements			1,450,000	500,000	500,000
Infrastructure				2,000,000	2,000,000
			<u>5,155,000</u>	<u>10,505,000</u>	<u>7,548,000</u>



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FY 2016 ADOPTED BUDGET PROPERTY TAX COLLECTIONS

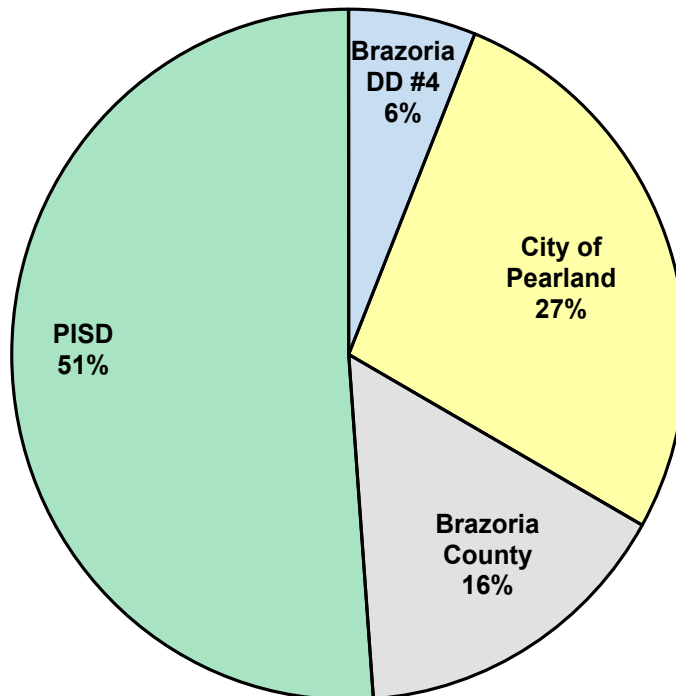
OVERVIEW

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.

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

The net taxable value based on values used total \$8,466,235,689, an 11.5% or \$876.3 million increase over the current adjusted tax roll. Estimated new value added to the roll totals \$338,863,092 representing 38.7% of the increase with the remaining coming from revaluation on existing property of \$537,397,381 or 61.3% of the increase. Of the new value added, \$164.7 million is estimated for residential and \$174.2 for commercial. Revaluation for residential is estimated at \$343.6 representing a 6.37% increase over last year's residential value.

Distribution of Total Tax Bill



In 1998, when the TIRZ was formed, the base property value for the City was \$7.1 million. Today, sitting at \$2.086 billion in property value, the TIRZ shows the success of the public-private partnership that was entered into years ago. The TIRZ increment value added is estimated at \$2,079,220,108, a 25.3% or \$420,216,694 increase over last year. TIRZ value added within the TIRZ represents 48.0% of the total increase. 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 FY2016, the administrative fee totals \$9.2 million, shown as Charges for Services versus 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 \$5.279 million in property taxes at today's value, tax rate and 100% collection. If this were today, the General Fund would receive \$4.6 million and the debt service fund \$10.0 million. However, if the TIRZ agreement were no longer in effect, the General Fund would lose \$4.8 million in revenues the debt service fund would gain \$10.2 million.

The tax rate for the adopted budget totals \$0.7053 per \$100 valuation, a \$0.0068 cent total decrease from this year, a decrease of \$0.0072 to the rate dedicated for debt service, from the current \$0.49 to \$0.4828, and an increase to General Fund operations of \$0.0004, for a total of \$0.2225. This will take the City's tax rate up to the roll-back rate, but not to exceed the roll-back rate of \$0.705311. Based on the City's 2014 residential average valuation of \$187,787, this would result in a reduction of \$13 from the fiscal year 2015 tax bill of \$1,302. However, when adding in the average residential revaluation of 6.37%, the average residential taxpayer would see an increase of \$72, from \$1,302 to \$1,374.

The tax analysis prepared in 2007 for the \$162 million bond referendum approved by the voters in May 2007, showed that a 7.5 cent tax rate increase was needed for the implementation of the 2007 bond referendum. At that time an additional 5.5 cents increase was also estimated to complete the 2001 bond referendum, for a total estimated tax rate increase of 13 cents from 2007. The actual increase in the tax rate is lower than what was estimated at the time of the bond referendum, a tax rate increase of only \$0.0526, due 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 98.5%, a tax levy of \$14,444,768 will be conveyed to the TIRZ and \$43,780,907 will remain with the City.

Where is the Property Tax Dollar Spent?



**CITY OF PEARLAND
TAX COLLECTIONS**

	FY 2015 BUDGETED LEVY	FY 2015 ADJUSTED LEVY	FY 2015 YEAR END PROJECTION	FY 2016 PRELIMINARY ROLL
REVENUES				
City Levy - 100%	41,382,679	41,734,450	41,108,433	44,447,621
TIRZ - 100%	12,443,667	11,813,763	11,636,557	14,664,739
TOTAL at 100%	53,826,346	53,548,214	52,744,990	59,112,360

City Collection Rate	100.0%	100.0%	98.5%	98.5%
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ALLOCATION:

General Fund	12,907,258	13,012,688	12,817,498	13,809,808
Debt Service Fund	28,475,421	28,721,762	28,290,935	29,971,099
TIRZ	12,443,667	11,813,763	11,636,557	14,444,768
TOTAL ALLOCATION	53,826,346	53,548,214	52,744,990	58,225,675

Tax Year	Budgeted 2014	Adjusted 2014	Preliminary 2015
Total Taxable Value	7,600,947,459	7,589,975,216	8,466,235,689
Less: TIRZ Added Value	1,747,460,688	1,659,003,414	2,079,220,108
Taxable Value to City	5,853,486,771	5,930,971,802	6,387,015,581

Tax Rate per \$100		
General Fund	0.2221	0.2225
Debt Service Fund	0.4900	0.4828
Total Tax Rate	0.7121	0.7053

Tax Rate Split		
General Fund	31.19%	31.55%
Debt Service Fund	68.81%	68.45%
Total	100.00%	100.00%

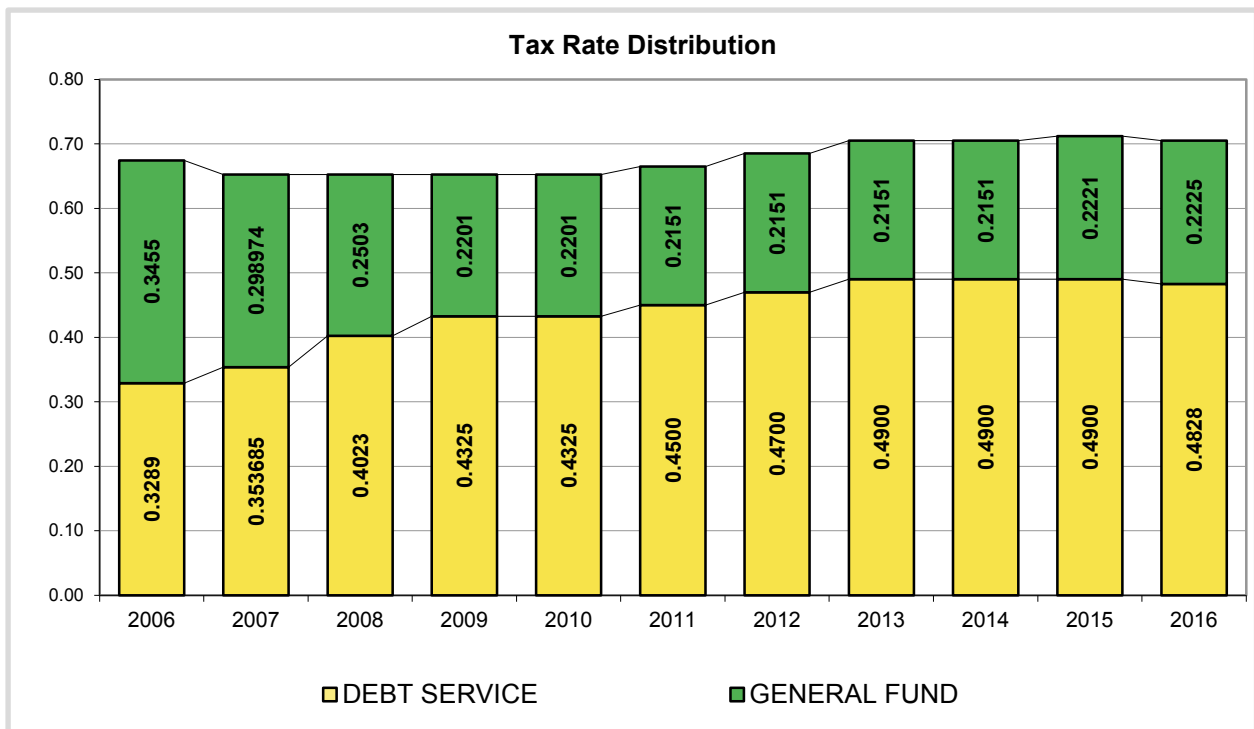
TAX RATE DISTRIBUTION

**LAST TEN YEARS
CURRENT FOR FISCAL YEAR 2014-2015
ADOPTED FOR FISCAL YEAR 2015-2016**

<u>FISCAL YEAR</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE</u>	<u>TOTAL TAX RATE</u>
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
2016	0.2225	0.4828	0.7053

Notes:

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



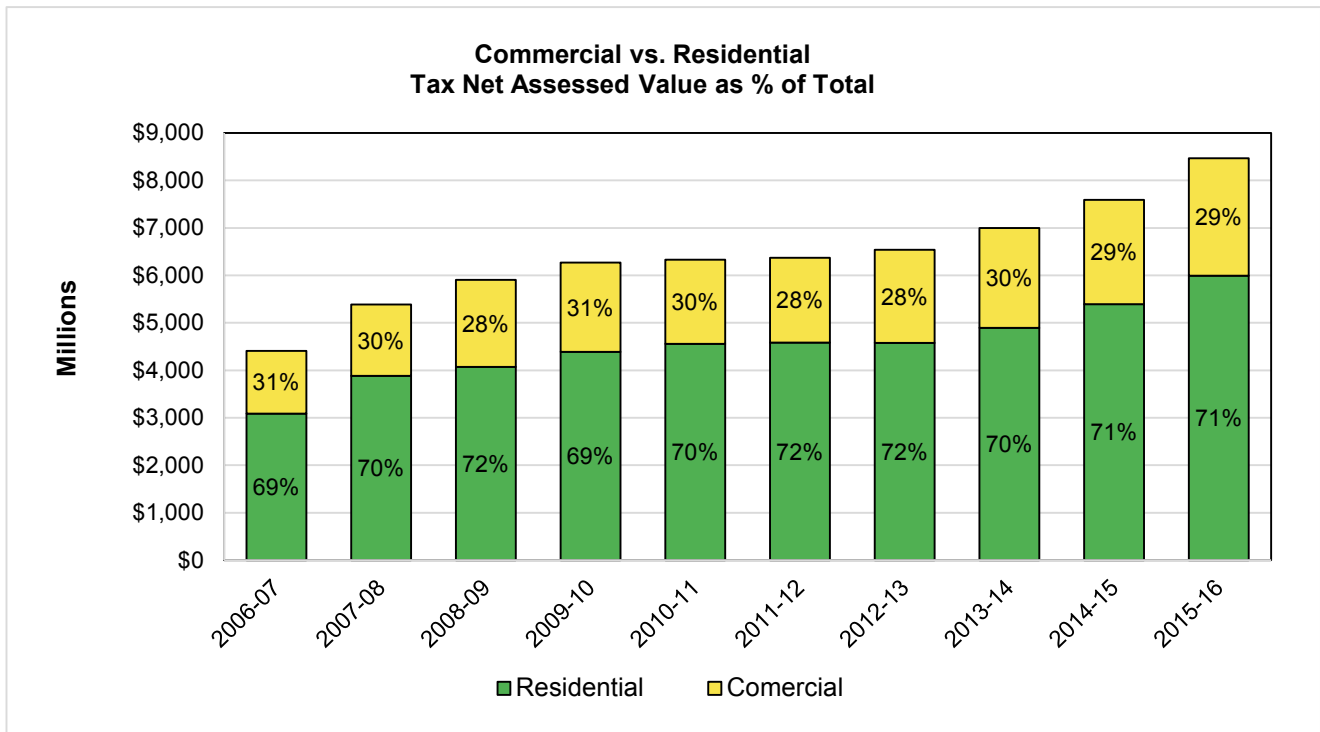
ASSESSED VALUATION, TAXES LEVIED AND TAXES COLLECTED

TEN YEAR SUMMARY OF ASSESSED VALUATION WITH ESTIMATE FOR FISCAL YEAR 2014-2015 AND ADOPTED FOR FISCAL YEAR 2015-2016

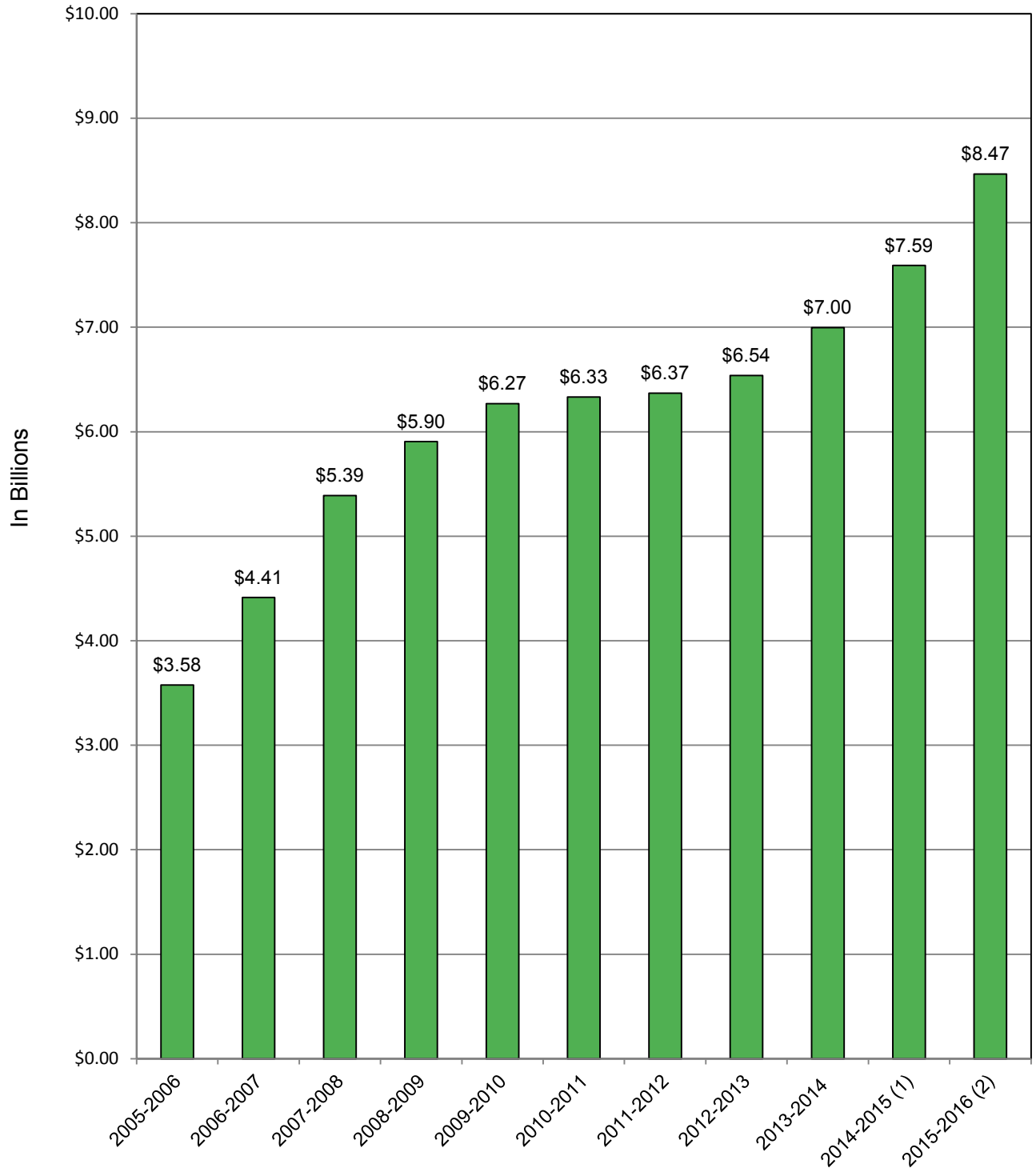
YEAR	NET ASSESSED VALUATION	TAX RATE	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	% OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTION
2005-2006	3,576,439,129	0.6744	24,284,597	23,690,031	97.55%	450,000
2006-2007	4,412,821,949	0.6526	28,819,229	28,235,276	97.97%	276,124
2007-2008	5,389,790,165	0.6526	35,035,569	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	6,996,973,518	0.7051	49,096,473	48,802,720	99.40%	262,967
2014-2015 ⁽¹⁾	7,589,975,216	0.7121	53,548,214	52,744,990	98.50%	205,000
2015-2016 ⁽²⁾	8,466,235,689	0.7053	59,112,360	58,225,675	98.50%	212,000

⁽¹⁾ Projected collections

⁽²⁾ Projected levy and collections



NET ASSESSED VALUATION

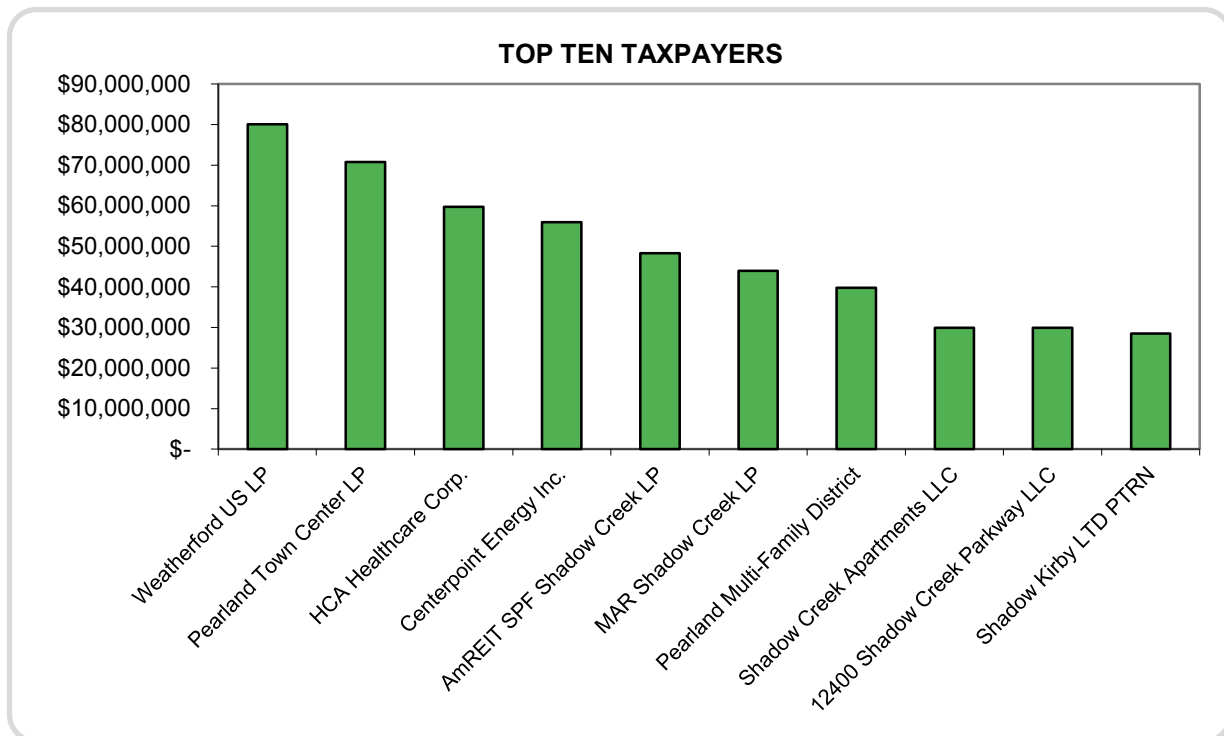


1) Net assessed valuation
2) Estimated for tax year 2016

**PRINCIPAL TAXPAYERS
FISCAL YEAR 2015-2016**

<u>TAXPAYERS</u>	<u>BUSINESS</u>	<u>ASSESSED VALUE OF PROPERTY</u>	<u>% OF ASSESSED VALUE</u>
1 Weatherford US LP	Oil Field Service, Rental & Fishing	\$ 80,121,550	0.95%
2 Pearland Town Center LP	Retail Center Management	\$ 70,769,470	0.84%
3 HCA Healthcare Corp.	Hospital	\$ 59,761,140	0.71%
4 Centerpoint Energy Inc.	Utility Company	\$ 55,926,710	0.66%
5 AmREIT SPF Shadow Creek LP	Retail Center Management	\$ 48,319,270	0.57%
6 MAR Shadow Creek LP	Multi-Family Residential	\$ 44,000,251	0.52%
7 Pearland Multi-Family District	Multi-Family Residential	\$ 39,771,450	0.47%
8 Shadow Creek Apartments LLC	Multi-Family Residential	\$ 29,900,000	0.35%
9 12400 Shadow Creek Parkway LLC	Multi-Family Residential	\$ 29,900,000	0.35%
10 Shadow Kirby LTD PTRN	Retail Center Management	\$ 28,500,000	0.34%
TOTAL PRINCIPAL TAXPAYERS		\$ 486,969,841	5.75%
ALL OTHERS		\$ 7,979,265,848	94.25%
TOTAL		\$ 8,466,235,689	100.00%

SOURCES: Brazoria and Harris Counties Tax Assessor Collector





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DEBT SERVICE FUND SUMMARY FY 2016 ADOPTED BUDGET

OVERVIEW

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

Based on the property values estimated, the budget as proposed assumes a Debt Service tax rate of \$0.4828 per \$100 assessed valuation, a \$0.0072 decrease from the current debt service tax rate, to meet fiscal year 2016 obligations.

In fiscal year 2015, the City refunded \$51.2 million in existing bonds, comprised of seven different issues, to take advantage of lower interest rates in order to achieve interest cost savings. The refunding saved \$7.2 million in interest over 17 years or savings of \$425,000 annually. The net present value savings of the refunding totaled \$5.721 million or 11.172%, over the 3% net present value savings as a minimum for refunding in the City's Financial Management Policy Statements.

The Debt Service tax rate generates \$29,971,099 in current property taxes at a 98.5% collection rate. Revenues include \$750,039 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 \$154,160 from the City for the meeting room space in the facility. Transfers from the Water-Sewer Fund total \$453,837 for some of the debt associated with water/sewer activities.

Expenditures total \$31,528,207 for fiscal year 2016 and include \$24,384,798 in principal and interest payments. Debt (General Obligation and Certificates of Obligation) anticipated to be issued includes \$13.390 million in fiscal year 2015 and \$34.445 million in fiscal year 2016 pursuant to the City's capital improvement program. After the General Obligation issuances in 2015 and 2016, there will remain \$53.995 million in bonds yet to be issued at 9/30/2016 out of the \$162.0 million voted in 2007. Total principal outstanding paid from property taxes at 9/30/2016 is anticipated to be \$318 million (this includes new debt but excludes property tax backed debt paid by the water/sewer fund). Net debt per capita is \$2,744 at 9/30/2016, up from \$2,627 in fiscal year 2015, and up from \$2,163 in fiscal year 2006, the year before the \$162 million in bonds were voted. Net debt per capita has grown 26.9%, while population has grown 44% during the same time period, from 79,322 to projected 114,000 in fiscal year 2016. This population growth has generated the need for increased and enhanced services resulting in a significant capital improvement program; principal outstanding growing from \$172 million in fiscal year 2006 to the \$318 million at 9/30/2016, an 85% growth in debt outstanding. Despite high debt levels, due to a strong regional economy and prudent financial management, Moody's Investor Services and Fitch Ratings have assigned bond ratings of Aa2 and AA- respectively.

Tax rebates to in-city MUD's total \$6,161,809, an increase of \$1,369,436 from fiscal year 2015 actuals, as newer districts continue to develop as well as increase in valuations.

Ending fund balance at 9/30/2016 is anticipated to be \$5,148,424 and is \$1,995,603 over the reserve policy of \$3,152,821, or 10% of expenditures. The reserve over policy is forecasted to be drawn down, going to \$346,404 in fiscal year 2019. For fiscal years 2017 through 2019, it is forecasted that the fund will remain above reserve policy guidelines, with additional tax rate increases needed in years 2018 and 2019 (see multi-year forecast) due to the continued issuance of voter approved bonds to complete capital projects as well a potential 2019 new bond referendum of approximately \$70 million currently incorporated into the forecast with the first issuance in 2019.

DEBT SERVICE FUND - 20
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
OPERATING REVENUES				
Property Taxes	\$ 27,131,534	\$ 28,456,557	\$ 28,597,935	\$ 30,293,599
Miscellaneous	812,668	799,476	800,036	786,039
Transfers	618,439	613,411	613,411	607,997
Bond Proceeds	33,498,000		54,773,103	
TOTAL	62,060,641	29,869,444	84,784,485	31,687,635
OPERATING EXPENDITURES				
Rebates & Misc.	4,329,491	4,747,297	4,826,253	6,198,194
Bond Payment	56,641,859	23,806,317	78,308,926	24,400,373
Short-Term Note	1,196,175	1,196,245	1,196,247	929,640
TOTAL	62,167,525	29,749,859	84,331,426	31,528,207
REVENUES OVER (UNDER) EXPENDITURES	(106,884)	119,585	453,059	159,428
FUND BALANCE - BEGINNING	4,642,821	4,535,937	4,535,937	4,988,996
FUND BALANCE - ENDING	\$ 4,535,937	\$ 4,655,522	\$ 4,988,996	\$ 5,148,424
Reserve 10%	2,868,353	2,974,986	2,956,432	3,152,821
Over Policy	1,667,584	1,680,536	2,032,564	1,995,603

**DEBT SERVICE FUND - 20
REVENUES
FY 2016 ADOPTED BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY2016 Adopted Budget
020-0000-350.01-01	CURRENT TAXES	26,753,924	28,046,481	28,290,935	29,971,099
020-0000-350.01-02/06	DELINQUENT TAXES	183,479	210,295	140,000	147,000
020-0000-350.01-03	PENALTY & INTEREST	194,131	199,781	167,000	175,500
*TAXES		27,131,534	28,456,557	28,597,935	30,293,599
020-0000-335-65-00	MISCELLANEOUS				
020-0000-356.00-00	INTEREST INCOME	35,953	36,001	36,561	36,000
020-0000-356.06-00	UNREALIZED CAP GAIN (LOSS)	1,319			
020-0000-358.99-00	MISCELLANEOUS	775,396	763,475	763,475	750,039
*MISCELLANEOUS		812,668	799,476	800,036	786,039
020-0000-359.09-00	FROM FUND 30	459,167	456,567	456,567	453,837
020-0000-359.99-00	FROM FUND 10	159,272	156,844	156,844	154,160
*GRANT, ISSUANCE, TRANSFER		618,439	613,411	613,411	607,997
020-0000-360.01-00	BOND PROCEEDS	29,720,000		47,165,000	
020-0000-360.04-00	PREM/DISCT ON BONDS	3,778,000		7,608,103	
*BOND PROCEEDS		33,498,000		54,773,103	
	TOTAL	62,060,641	29,869,444	84,784,485	31,687,635

**DEBT SERVICE FUND - 20
EXPENDITURES
FY 2016 ADOPTED BUDGET**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY2016 Adopted Budget
020-7000-555.11-12	ARBITRAGE FEES	21,995	33,880	33,880	36,385
*MISCELLANEOUS SERVICES		21,995	33,880	33,880	36,385
020-7000-556.52-01	MUD 17	525,913	590,192	578,965	641,841
020-7000-556.52-02	MUD 18	524,180	539,956	561,580	649,423
020-7000-556.52-03	MUD 19	605,433	667,616	650,040	733,309
020-7000-556.52-04	MUD 23	294,927	310,096	304,439	324,135
020-7000-556.52-05	MUD 26	864,610	831,496	935,388	928,439
020-7000-556.52-06	MUD 28	252,688	266,433	302,276	467,647
020-7000-556.52-07	MUD 34	315,196	399,854	378,202	486,649
020-7000-556.52-08	BRAZ/FT BEND MUD 1	835,736	1,016,736	980,502	1,766,189
020-7000-556.52-09	MUD 35	88,813	91,038	92,315	126,559
020-7000-556.52-10	MUD 509			8,666	37,618
*MUD REBATES		4,307,496	4,713,417	4,792,373	6,161,809
020-7000-560.05-00	PRINCIPAL	10,475,000	11,276,250	11,275,000	12,375,000
020-7000-560.10-00	INTEREST	12,672,297	12,517,592	12,253,498	12,009,798
020-7000-560.15-00	FISCAL AGENT FEES	10,575	12,475	13,325	15,575
020-7000-560.20-00	ISSUANCE COSTS	301,550		463,813	
020-7000-560.35-00	PAYMENT TO ESCROW AGENT	33,182,437		54,303,290	
*BOND PAYMENT		56,641,859	23,806,317	78,308,926	24,400,373
020-7000-561.04-01	PRINCIPAL - AMB/VIDEO SYSTEM	98,351	102,032	102,033	
020-7000-561.04-02	INTEREST	6,528	2,846	2,846	
020-7000-561.05-01	PRINCIPAL - OSSI/FY2009	297,444	308,188	308,188	319,320
020-7000-561.05-02	INTEREST	36,346	25,601	25,601	14,469
020-7000-561.06-01	PRINCIPAL - FY2010	58,986	60,423	60,423	61,896
020-7000-561.06-02	INTEREST	5,573	4,135	4,135	2,662
020-7000-561.07-01	PRINCIPAL - FY2011	121,488	124,090	124,090	126,772
020-7000-561.07-02	INTEREST	12,890	10,360	10,360	7,677
020-7000-561.08-01	PRINCIPAL - FY2012	264,206	267,626	267,626	108,842
020-7000-561.08-02	INTEREST	10,919	7,500	7,500	4,558
020-7000-561.09-01	PRINCIPAL - FY2013	259,687	252,274	252,274	257,438
020-7000-561.09-02	INTEREST	23,757	31,170	31,171	26,006
*SHORT TERM NOTE		1,196,175	1,196,245	1,196,247	929,640
TOTAL		62,167,525	29,749,859	84,331,426	31,528,207

**GOVERNMENTAL DEBT MATURITY SCHEDULE
AS OF 9/30/2015
GENERAL LONG-TERM DEBT***

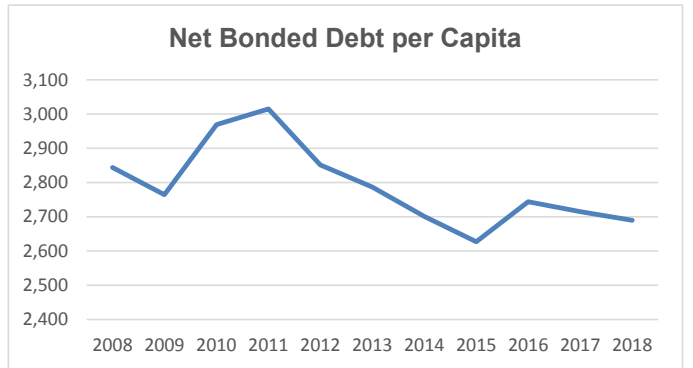
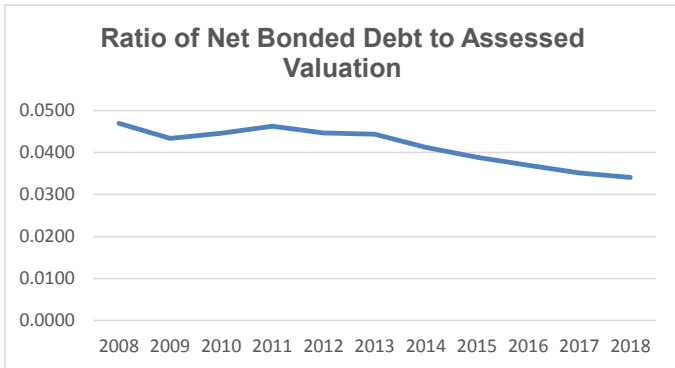
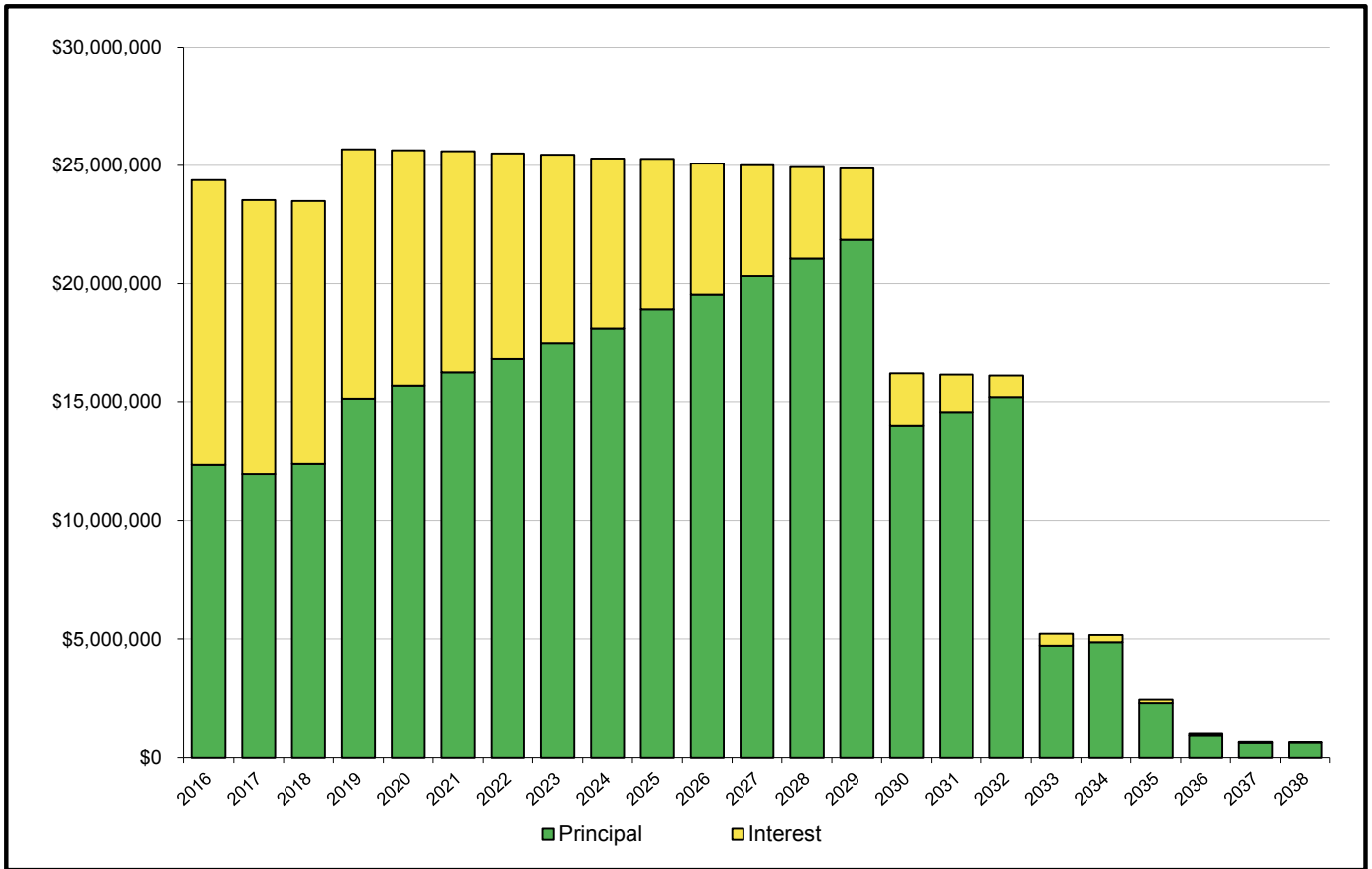
Fiscal Year	Principal	Interest	Total
2015-2016	12,375,000	12,009,798	24,384,798
2016-2017	11,980,000	11,556,869	23,536,869
2017-2018	12,420,000	11,080,898	23,500,898
2018-2019	15,125,000	10,552,473	25,677,473
2019-2020	15,675,000	9,956,556	25,631,556
2020-2021	16,280,000	9,315,076	25,595,076
2021-2022	16,850,000	8,651,769	25,501,769
2022-2023	17,500,000	7,947,976	25,447,976
2023-2024	18,115,000	7,168,019	25,283,019
2024-2025	18,915,000	6,364,069	25,279,069
2025-2026	19,530,000	5,550,131	25,080,131
2026-2027	20,310,000	4,697,548	25,007,548
2027-2028	21,080,000	3,854,416	24,934,416
2028-2029	21,875,000	2,996,008	24,871,008
2029-2030	14,005,000	2,242,128	16,247,128
2030-2031	14,570,000	1,617,358	16,187,358
2031-2032	15,200,000	954,090	16,154,090
2032-2033	4,715,000	513,975	5,228,975
2033-2034	4,860,000	309,884	5,169,884
2034-2035	2,320,000	145,897	2,465,897
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	295,895,000	117,622,446	413,517,446

Series Name	Principal Amount
Permanent Improvement and Refunding Bonds Series 2005	940,000
Certificates of Obligation Series 2006	800,000
Permanent Improvement and Refunding Bonds Series 2006	8,525,000
Permanent Improvement and Refunding Bonds Series 2007	40,135,000
Certificates of Obligation Series 2007	11,640,000
Permanent Improvement Bonds Series 2008	16,180,000
Certificates of Obligation Series 2008	8,180,000
Permanent Improvement and Refunding Bonds Series 2009*	14,580,000
Certificates of Obligation Series 2009	7,370,000
Certificates of Obligation Series 2009-A	8,945,000
Permanent Improvement Bonds Series 2010A	10,625,000
Permanent Improvement and Refunding Series 2010B	555,000
Permanent Improvement Bonds Series 2011	4,905,000
Certificates of Obligation Series 2011	1,255,000
BC MUD 4 Series 2011	2,250,000
Permanent Improvement Refunding Bonds Series 2012*	42,890,000
Certificates of Obligation Series 2013	2,585,000
Permanent Improvement Bonds Series 2013	8,745,000
Permanent Improvement and Refunding Bonds Series 2014	39,875,000
Certificates of Obligation Series 2014	4,395,000
Permanent Improvement and Refunding Bonds Series 2015	47,165,000
Certificates of Obligation Series 2015	4,860,000
Permanent Improvement and Refunding Bonds Series 2015	8,495,000
TOTAL	295,895,000

Does not include new debt anticipated to be issued in 2016 and in future years.

* Excludes refunding portion associated with Water/Sewer

**GOVERNMENTAL DEBT TO MATURITY
AS OF 9/30/2015**



**GENERAL DEBT SERVICE SCHEDULE
FY 2016 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/16
3/1/2016	Series 2005 Permanent Improvement	37,015,000	940,000	23,500	963,500	
9/1/2016	and Refunding Bonds				0	
	Fiscal Year Total		940,000	23,500	963,500	0
3/1/2016	Series 2006 Permanent Improvement	32,165,000	445,000	202,578	647,578	
9/1/2016	and Refunding Bonds			193,400	193,400	
	Fiscal Year Total		445,000	395,978	840,978	8,080,000
3/1/2016	Series 2006 Certificates of	9,700,000	395,000	18,722	413,722	
9/1/2016	Obligation			8,353	8,353	
	Fiscal Year Total		395,000	27,075	422,075	405,000
3/1/2016	Series 2007 Permanent Improvement	69,640,000	2,345,000	939,303	3,284,303	
9/1/2016	and Refunding Bonds			880,678	880,678	
	Fiscal Year Total		2,345,000	1,819,981	4,164,981	37,790,000
3/1/2016	Series 2007 Certificates of	23,250,000	400,000	224,000	624,000	
9/1/2016	Obligation			213,500	213,500	
	Fiscal Year Total		400,000	437,500	837,500	11,240,000
3/1/2016	Series 2008 Permanent Improvement	22,835,000	325,000	376,388	701,388	
9/1/2016	Bonds			368,263	368,263	
	Fiscal Year Total		325,000	744,650	1,069,650	15,855,000
3/1/2016	Series 2008 Certificates of	9,000,000	150,000	195,509	345,509	
9/1/2016	Obligation			192,509	192,509	
	Fiscal Year Total		150,000	388,019	538,019	8,030,000
3/1/2016	Series 2009 Permanent Improvement	14,580,000	420,000	310,846	730,846	
9/1/2016	and Refunding Bonds*			305,071	305,071	
	Fiscal Year Total		420,000	615,918	1,035,918	14,160,000
3/1/2016	Series 2009 Certificates of	8,520,000		166,451	166,451	
9/1/2016	Obligation		240,000	166,451	406,451	
	Fiscal Year Total		240,000	332,903	572,903	7,130,000
3/1/2016	Series 2009A Certificates of	12,145,000	640,000	166,883	806,883	
9/1/2016	Obligation			158,083	158,083	
	Fiscal Year Total		640,000	324,965	964,965	8,305,000
3/1/2016	Series 2010A Permanent Improvement	12,415,000	380,000	196,076	576,076	
9/1/2016	Bonds			192,276	192,276	
	Fiscal Year Total		380,000	388,353	768,353	10,245,000

**GENERAL DEBT SERVICE SCHEDULE
FY 2016 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/16
3/1/2016	Series 2010B Permanent Improvement	1,630,000	225,000	9,450	234,450	
9/1/2016	Refunding Bonds			4,950	4,950	
	Fiscal Year Total		<u>225,000</u>	<u>14,400</u>	<u>239,400</u>	<u>330,000</u>
3/1/2016	Series 2011 Permanent Improvement	5,400,000	155,000	93,566	248,566	
9/1/2016	Bonds			90,466	90,466	
	Fiscal Year Total		<u>155,000</u>	<u>184,031</u>	<u>339,031</u>	<u>4,750,000</u>
3/1/2016	Series 2011 Certificates of	2,095,000	210,000	13,115	223,115	
9/1/2016	Obligation			10,920	10,920	
	Fiscal Year Total		<u>210,000</u>	<u>24,035</u>	<u>234,035</u>	<u>1,045,000</u>
3/1/2016	Series 2011 BC MUD 4	2,640,000	130,000	46,338	176,338	
9/1/2016	Refunding Bonds*			44,550	44,550	
	Fiscal Year Total		<u>130,000</u>	<u>90,888</u>	<u>220,888</u>	<u>2,120,000</u>
3/1/2016	Series 2012 Permanent Improvement	43,575,000	1,955,000	769,425	2,724,425	
9/1/2016	Refunding Bonds*			720,550	720,550	
	Fiscal Year Total		<u>1,955,000</u>	<u>1,489,975</u>	<u>3,444,975</u>	<u>40,935,000</u>
3/1/2016	Series 2013 Certificates	2,745,000	85,000	55,669	140,669	
9/1/2016	of Obligation			54,394	54,394	
	Fiscal Year Total		<u>85,000</u>	<u>110,063</u>	<u>195,063</u>	<u>2,500,000</u>
3/1/2016	Series 2013 Permanent	9,315,000	295,000	183,259	478,259	
9/1/2016	Improvement Bonds			178,834	178,834	
	Fiscal Year Total		<u>295,000</u>	<u>362,093</u>	<u>657,093</u>	<u>8,450,000</u>
3/1/2016	Series 2014 Permanent Improvement	40,410,000	1,735,000	840,091	2,575,091	
9/1/2016	Refunding Bonds*			822,741	822,741	
	Fiscal Year Total		<u>1,735,000</u>	<u>1,662,831</u>	<u>3,397,831</u>	<u>38,140,000</u>
3/1/2016	Series 2014 Certificates	4,625,000	235,000	64,234	299,234	
9/1/2016	of Obligation			60,709	60,709	
	Fiscal Year Total		<u>235,000</u>	<u>124,944</u>	<u>359,944</u>	<u>4,160,000</u>
3/1/2016	Series 2015 Permanent Improvement	47,165,000		1,048,459	1,048,459	
9/1/2016	Refunding Bonds			1,048,459	1,048,459	
	Fiscal Year Total		<u>0</u>	<u>2,096,919</u>	<u>2,096,919</u>	<u>47,165,000</u>
3/1/2016	Series 2015 Permanent Improvement	8,495,000	425,000	106,364	531,364	
9/1/2016	Refunding Bonds			116,163	116,163	
	Fiscal Year Total		<u>425,000</u>	<u>222,527</u>	<u>647,527</u>	<u>8,070,000</u>
3/1/2016	Series 2015 Certificates	4,860,000	245,000	61,303	306,303	
9/1/2016	of Obligation			66,950	66,950	
	Fiscal Year Total		<u>245,000</u>	<u>128,253</u>	<u>373,253</u>	<u>4,615,000</u>
	TOTAL	<u>424,220,000</u>	<u>12,375,000</u>	<u>12,009,798</u>	<u>24,384,798</u>	<u>283,520,000</u>

*Excludes Water/Sewer Component

Does not include new debt anticipated to be issued.

**GENERAL DEBT SERVICE SCHEDULE
FY 2016 ADOPTED BUDGET**

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As of 9/30/16	Annual	Requirements	
Permanent Imp. and Refunding Bonds Series 2005	3.25%, 3.5%, 3.625%	2005	37,015,000	-	3/1/2016	940,000	Principal
	3.75%,3.875%,4%,5%,	2029			3/1/2016	23,500	Interest
	4.1%,4.125%,4.2%,4.25%				9/1/2016	-	Interest
	4.3%, 4.5%,4.8%						
Permanent Imp. and Refunding Bonds Series 2006	4%, 4.125%, 4.25%,	2006	32,165,000	8,080,000	3/1/2016	445,000	Principal
	4.5%,5%,4.75%,4.8%	2029			3/1/2016	202,578	Interest
					9/1/2016	193,400	Interest
Certificates of Obligation Series 2006	6.125%,5.25%,4.125%,	2006	9,700,000	405,000	3/1/2016	395,000	Principal
	4.2%, 4.25%, 4.3%,4.4%,	2029			3/1/2016	18,722	Interest
	4.375%,4.4%,4.45%, 4.5%				9/1/2016	8,353	Interest
Permanent Imp. and Refunding Bonds Series 2007	4%,4.375%,4.5%,4.75%,	2007	69,640,000	37,790,000	3/1/2016	2,345,000	Principal
	5%,5.5%,4.6%	2034			3/1/2016	939,303	Interest
					9/1/2016	880,678	Interest
Certificates of Obligation Series 2007	3.25%,4.25%,5%,5.25%	2007	23,250,000	11,240,000	3/1/2016	400,000	Principal
	4.30%	2034			3/1/2016	224,000	Interest
					9/1/2016	213,500	Interest
Permanent Imp. Bonds Series 2008	4%, 4.5%, 4.625%, 5%	2008	22,835,000	15,855,000	3/1/2016	325,000	Principal
	5.25%,5.5%,4.78%	2034			3/1/2016	376,388	Interest
					9/1/2016	368,263	Interest
Certificates of Obligation Series 2008	3.75%,3.875%,4%,4.125%	2008	9,000,000	8,030,000	3/1/2016	150,000	Principal
	4.25%,4.3%, 4.375%,4.4%	2034			3/1/2016	195,509	Interest
	4.5%,5%,4.9%				9/1/2016	192,509	Interest
Permanent Imp. and Refunding Bonds Series 2009*	2.0%, 2.50%, 2.75%, 3.25%, 3.4%	2015	14,580,000	14,160,000	3/1/2016	420,000	Principal
	3.6%, 3.7%, 3.75%, 3.85%, 4.0%	2034			3/1/2016	310,846	Interest
	4.1%, 4.2%, 4.5%, 5.0%				9/1/2016	305,071	Interest
Certificates of Obligation Series 2009	4.5%,4.65%,4%,5%,	2009	8,520,000	7,130,000	3/1/2016	166,451	Interest
	5.25%,5.5%,2.25%,2.5%,	2034			3/1/2016	240,000	Principal
	3%,3.5%,3.75%,4.1%,				9/1/2016	166,451	Interest
	4.25%,4.4%,4.75%,4.625%						
	4.66%						
Certificates of Obligation Series 2009A	4.5%, 4.2%, 4.1%, 4.0%	2009	12,145,000	8,305,000	3/1/2016	640,000	Principal
	3.85%, 3.75%, 3.7%,3.6%	2029			3/1/2016	166,883	Interest
	3.25%, 3.4%, 2.75%,2.5%				9/1/2016	158,083	Interest
	2.25%, 2.0%,3.78%,4.5%						
Permanent Imp. Bonds Series 2010A	2.0%, 3.0%, 3.25%, 3.50%	2011	12,415,000	10,245,000	3/1/2016	380,000	Principal
	3.625%,3.75%,3.90%,4.0%	2035			3/1/2016	196,076	Interest
	4.25%,3.89%				9/1/2016	192,276	Interest
Permanent Imp. Bonds Refunding Series 2010B	2.0%, 3.0%, 3.25%, 3.50%	2011	1,630,000	330,000	3/1/2016	225,000	Principal
	3.625%,3.75%,3.90%,4.0%	2018			3/1/2016	9,450	Interest
	4.25%,3.05%				9/1/2016	4,950	Interest
General Obligation Series 2011	2.125%,3.0%,3.25%,3.5%	2011	5,400,000	4,750,000	3/1/2016	155,000	Principal
	4.0%,4.125%,3.84%	2036			3/1/2016	93,566	Interest
					9/1/2016	90,466	Interest
Certificates of Obligation Series 2011	2.09%	2011	2,095,000	1,045,000	3/1/2016	210,000	Principal
		2021			3/1/2016	13,115	Interest
					9/1/2016	10,920	Interest
BC MUD 4 Series 2011	2.5%, 2.75%, 3.0%, 3.5%	2011	2,640,000	2,120,000	3/1/2016	130,000	Principal
	4.0%, 4.125%, 4.5%, 4.7%	2032			3/1/2016	46,338	Interest
	4.8%, 5.0%,4.42%				9/1/2016	44,550	Interest
Permanent Imp. Bonds Refunding Series	3.0%, 4.0%, 5.0%,3.44%	2012 2029	43,575,000	40,935,000	3/1/2016 3/1/2016	1,955,000 769,425	Principal Interest

**GENERAL DEBT SERVICE SCHEDULE
FY 2016 ADOPTED BUDGET**

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As of 9/30/16	Annual		Requirements	
2012*						9/1/2016	720,550	Interest
Certificates of Obligation Series 2013	3.0%, 4.0%, 4.25%, 4.375%, 4.5%, 4.625%, 5.0%, 4.05%	2013 2038	2,745,000	2,500,000		3/1/2016 3/1/2016 9/1/2016	85,000 55,669 54,394	Principal Interest Interest
Permanent Imp. Bonds Series 2013	3.0%, 4.0%, 4.125%, 4.25%, 4.375%, 4.4%, 4.5%, 4.625% 4.29%	2013 2038	9,315,000	8,450,000		3/1/2016 3/1/2016 9/1/2016	295,000 183,259 178,834	Principal Interest Interest
Permanent Imp. Bonds Series 2014	3.25%, 3.5%, 3.625%, 3.75%, 3.875%, 4.0%, 4.1%, 4.125% 4.2%, 4.25%, 4.3%, 4.5%, 5.0%	2015 2034	40,410,000	38,140,000		3/1/2016 3/1/2016 9/1/2016	1,735,000 840,091 822,741	Principal Interest Interest
Certificates of Obligation Series 2014	2.0%, 3.0%, 3.125%, 3.25%, 3.375%, 4.0%	2014 2038	4,625,000	4,160,000		3/1/2016 3/1/2016 9/1/2016	235,000 64,234 60,709	Principal Interest Interest
Permanent Imp. Bonds Refunding Series 2015	2.0%, 3.0%, 3.125%, 3.25%, 4.0%, 5.0%	2015 2034	47,165,000	47,165,000		3/1/2016 3/1/2016 9/1/2016	- 1,048,459 1,048,459	Principal Interest Interest
Permanent Imp. Bonds Series 2015	2.0%, 2.5%, 3.0%, 3.2%, 3.25%, 4.00%	2016 2035	8,495,000	8,070,000		3/1/2016 3/1/2016 9/1/2016	425,000 106,364 116,163	Principal Interest Interest
Certificates of Obligation Series 2015	2.0%, 2.5%, 3.0%, 3.125%, 3.25%, 3.375%, 4.0%	2016 2035	4,860,000	4,615,000		3/1/2016 3/1/2016 9/1/2016	245,000 61,303 66,950	Principal Interest Interest
TOTAL			424,220,000	283,520,000			24,384,798	

*Excludes Water/Sewer Component
Does not include new debt anticipated to be issued in 2016 and in future years.

GENERAL FUND - 10
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET

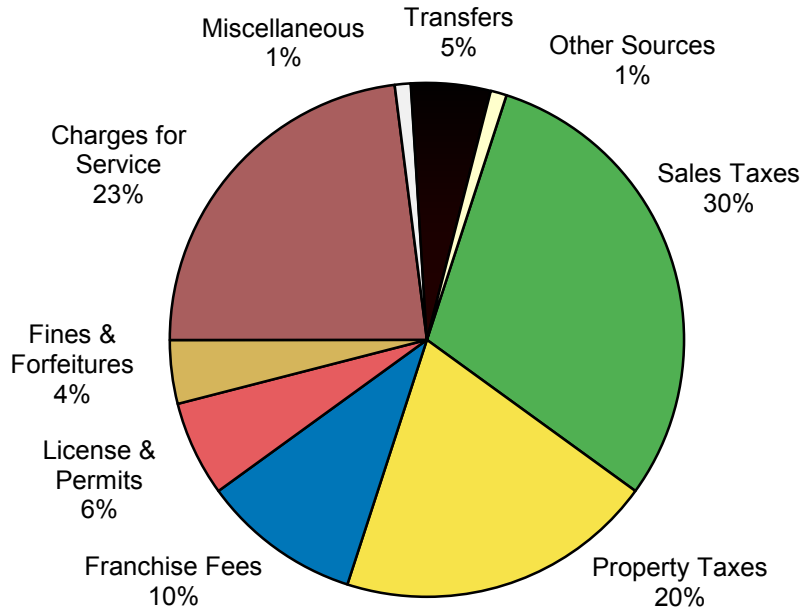
OVERVIEW

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, 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 53.7% 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 529.19 full-time employees and 80 part-time employees including paid volunteers, utilities, fuel, park and right-of-way maintenance, and street lighting, just to name a few.

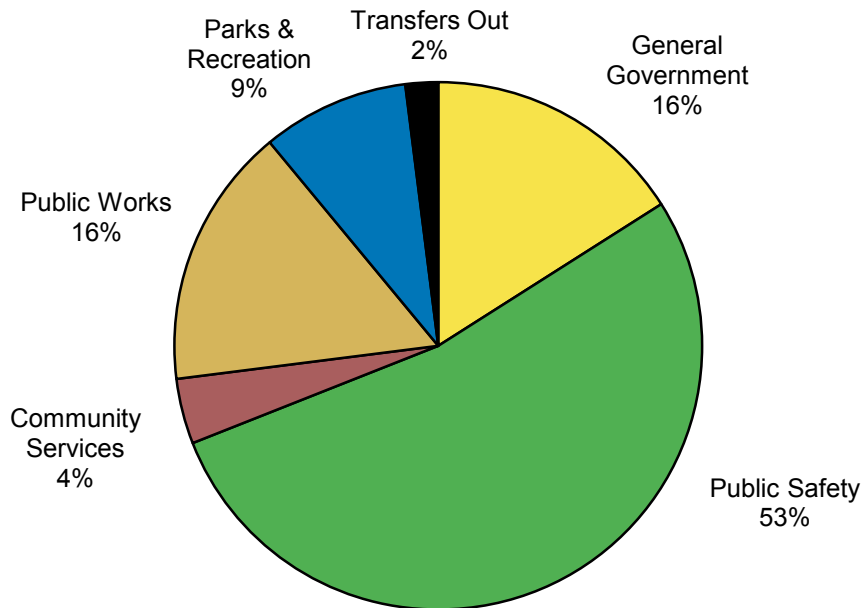
	FY2014 ACTUAL	FY2015 AMENDED BUDGET	FY2015 YEAR END PROJECTION	FY 2016 ADOPTED BUDGET
REVENUES				
Property Taxes	\$12,095,419	\$13,104,208	\$13,195,853	\$14,190,297
Sales and Use Taxes	17,326,556	18,063,535	18,929,697	20,594,329
Franchise Fees	6,214,046	6,646,438	6,635,878	7,003,454
Licenses & Permits	4,148,763	3,922,331	3,928,395	3,961,789
Fines & Forfeitures	2,970,397	3,105,239	2,917,038	2,919,450
Charges for Service	12,663,599	14,077,727	13,686,120	16,034,797
Miscellaneous	2,147,297	611,309	842,880	745,914
Transfers in	3,870,709	2,975,094	3,849,597	3,441,391
Other Financing Sources	1,852,939	1,761,000	1,356,049	900,000
TOTAL REVENUES	63,289,724	64,266,881	65,341,507	69,791,421
EXPENDITURES				
General Government	7,686,422	10,380,918	10,906,110	11,430,573
Public Safety	33,140,112	36,450,771	35,514,359	38,631,959
Community Services	2,661,462	3,134,527	3,164,286	3,304,003
Public Works	9,854,846	12,138,067	11,860,763	11,806,888
Parks & Recreation	6,331,074	6,771,599	6,458,722	6,744,751
Total Operating Expenditures	59,673,916	68,875,882	67,904,240	71,918,174
Transfers Out	2,784,425	1,546,744	1,332,134	1,354,768
TOTAL EXPENDITURES	62,458,341	70,422,626	69,236,374	73,272,942
Revenues Over/(Under) Expenses	831,383	(6,155,745)	(3,894,867)	(3,481,521)
Beginning Fund Balance	18,623,117	19,454,500	19,454,500	15,559,633
Ending Fund Balance	\$19,454,500	\$13,298,755	\$15,559,633	\$12,078,112
Policy - 2 months Recurring Oper.		10,495,492	10,333,520	11,168,568
Fund Balance over Policy		2,803,263	5,226,113	909,544

**GENERAL FUND SUMMARY
FY 2016 ADOPTED BUDGET**

TOTAL REVENUES - \$69.8 M



**TOTAL EXPENDITURES - \$73.3M
BY FUNCTION/DEPARTMENT**



**GENERAL FUND – 10
REVENUE AND EXPENDITURE SUMMARY
FY 2016 ADOPTED BUDGET**

Fiscal Year 2014-2015

For fiscal year 2015 revenues are expected to be \$65,341,507, \$1,074,626 greater than the amended budget, mainly due to higher sales tax revenues as a result of growth, new developments, and increased consumer confidence. The fiscal year 2015 budget incorporated a 6.0% increase in sales tax receipts, which included increases related to the residential and commercial growth seen over the prior years. Sales tax remittances to date are higher than last year. The projected sales tax for the fiscal year is \$18,674,954, \$831,419, or 4.7% higher than the amended budget.

Franchise Fees of \$6,635,878 is \$10,560 lower than budget. License and Permit revenue is projected to be \$6,064 higher than budget, at \$3,928,395. This is less than FY 2014 by \$220,368, -5.3%. This is due mainly to large commercial developments in FY 2014 and a lower average value for new single home development in FY 2015. The City permitted \$99.6 million in new commercial value through September 2015 versus \$134.2 million through September 2014.

Charges for Services total \$13,686,120 and are \$391,607 less than budget due to ambulance service fees that are \$132,435 or 4.8% less than budget and TIRZ Administrative Fee are projected to be \$7,447,396, \$357,272, 4.6% less than budgeted.

Miscellaneous Revenues of \$842,880 are \$231,571 over budget mainly due to sale of property, interest income, and miscellaneous revenues, but lower than fiscal year 2014 by \$1.3 million as the City sold land for \$1.4 million in FY 2014. Transfers In of \$3.8 million are \$874,503 greater than budget due to three non-recurring transfers: \$409,492 from Water/Sewer Fund for their share of the ERP Project, \$150,000 from the Sidewalk Fund for the Sidewalk Gap Program, and \$340,000 from the Solid Waste Fund. Other Financing Sources of \$1,356,049 are lower than budget by \$404,951 due to using cash versus lease proceeds on the ERP.

Fiscal year 2015 operating expenditures total \$67,904,240 and are less than budget by \$971,642, -1.4%, mainly due to vacant Police Officer and Firefighter positions. The 2015 budget assumed the opening of Fire Station #3 in February, however, the Station did not open until August 2015, saving personnel and operating costs.

Transfers Out to other funds are projected to be \$1,332,134, \$214,610 less than budgeted. This is mainly due to savings in the Property Insurance fund due to lower windstorm premiums. Total expenditures, including transfers, exceed revenues by \$3,894,867, \$2,260,878 less than the \$6,155,745 planned drawdown of fund balance. Fund balance at 9/30/2015 is anticipated to be \$15,559,633 \$2,260,878, more than budgeted and \$5.2 million in excess of a reserve requirement of 2 months. These funds can be used to fund non-recurring items in the fiscal year 2016 budget.

Fiscal Year 2015-2016

Fiscal year 2016 revenues total \$69,791,421, which is \$4,449,914, or 6.8% higher than fiscal year 2015 projections and \$5,524,540 or 8.6% higher than the fiscal year 2015 budget. Excluding Other Financing Sources, revenues total \$68,891,421, \$4,905,963, or 7.7%, more than projections. The budget incorporates an 8.8% increase in sales tax receipts, which includes increases related to the residential and commercial growth, as well as the opening of Costco, which is almost 2% of the growth. Sales tax totals \$20,319,329, up \$1,644,375 over the projected fiscal year 2015 collection of \$18,674,954. Increases expected in property tax collection, at \$14,190,297, \$994,444 greater than the projected \$13,195,853 in fiscal year 2015 are due to higher values. Charges for Services of \$16,034,797 are up \$2,348,677 mainly due to TIRZ administrative fees of \$9,244,652 which are \$1,797,256 higher than the projection for fiscal year 2015. This increase is attributable to the continued growth of assessed valuation. Fines and Forfeitures, based on charges and other activities, have been flat, as such, the 2016 budget continues to reflect at \$2,919,450. Miscellaneous revenues of \$745,914 decreased by \$96,966 mainly due to the sale of property in fiscal year 2014. Franchise Fees are \$367,576 higher than the projected fiscal year 2015, attributable largely to growth.

Operating expenditures total \$71,918,174, a 5.9%, or \$4,013,934, increase from the 2015 projections and \$3,042,292 or a 4.4% increase from the 2015 amended budget. Of the FY 2016 expenditures, \$4,920,167 are non-recurring expenditures. When comparing recurring expenditures, expenditures grow by \$4,640,642, or 7.4%. The

variance to budget is explained below with additional detail:

	FY 2015 Amended Budget	FY 2016 Adopted Budget	Adopted to Amended (Decrease)/Increase
Total Operating Budget	\$68,875,882	\$71,918,174	\$3,042,292
Non-Recurring Carryover	(1,902,267)		4.4%
Non-Recurring Funding	(4,616,250)	(4,920,167)	
Total Recurring	\$62,357,365	\$66,998,007	\$4,640,642
% Increase			7.4%

Recurring Budgeted Expenditures FY 2016:

Medical Increase	499,086
Compensation - 2% cost-of-living	737,079
2% Shift of Payroll Schedules	72,498
3% Police Step Pay	84,739
Conversion of Volunteer Firefighters to paid part-time	168,522
New Positions, including Firefighters for Stn #2, full year for Stn #3, and 8 Police Officer Positions	1,139,817
Supplies, Utilities, etc., for Stn #2 and full year Stn #3	299,428
Increase in Emergency Radio Fees	108,525
Replacement Computers increase	81,580
Laserfiche Upgrade (\$84,000 total, \$57,000 non-recurring)	27,000
Recycling Center - transfer of operations to KPB	(64,160)
Parks Equipment Lease	103,000
Replacement Ambulance	76,900
Streets & Sidewalk Maintenance	483,733
Increase in Replacement Vehicles	131,258
ROW Mowing	629,175
Increase in Medical Contract for Fire/EMS Services	22,000
Increase in supplies, maintenance, insurance and other	40,462
Total	\$4,640,642

Salaries and Benefits account for the largest portion of the \$4.6 million variance of recurring operating expenditure from the 2015 budget mainly due to the increasing cost of health benefits, a 2% cost-of-living increase, the 3% step pay for Police Officers, a 2% shift of the payroll schedules, as well as new positions added in fiscal year 2016. Medical premiums are increasing by 23%, or \$499,086 in the General Fund. New positions added for fiscal year 2016 result in a net increase of 24.52 full-time equivalent positions (20.52 full-time and 4.0 part-time FTE) in the General Fund. In the Fire Department, new positions include 9 full-time, 3 part-time, and 3 paid/volunteer Firefighters to staff Station #2, a Health/Code Enforcement Officer to begin April 1, 2016, and 2 part-time Receptionists. Eight full-time Police Officers are to begin April 1, 2016, which includes upgrades of four current Officers to Sergeant. Human Resources is adding a Human Resources Generalist to begin April 1, 2016. Community Development includes a Small Business Coordinator to begin April 1, 2016, and a Plans Examiner to begin January 1, 2016 in Permits & Inspections. A part-time Bailiff, partially funded from the Municipal Court Security Fund, is increased to full-time, and one Recreation Specialist position at the Parks Recreation Center is eliminated.

General Government totals \$11,430,573, \$524,463 greater than fiscal year 2015 projections, and \$1,049,655 greater than the 2015 amended budget. Included in the budget is \$1,600,265 needed to implement the second year of a two-year conversion of the City's current financial software to a new system. Increases include an upgrade of Laserfiche with 45 user licenses for \$84,000 and the cost of adding a new Human Resources Generalist to begin April 1, 2016. Other Requirements include a 2% average cost-of-living pool of \$742,079 for the entire General Fund to be distributed to each department, a 2% shift of the payroll schedules (\$72,498), and the 3% Police step pay of \$84,739. Also budgeted is \$200,000 for the renovation of the recycling center to accommodate KPB offices and \$50,000 toward the first year of KPB operating the Recycling Center.

The budget for Public Safety, which includes Police and Fire totals \$38,631,959, a \$3,117,600 increase from fiscal

year 2015 projections and a \$2,181,188 increase over the 2015 amended budget. Police, including Animal Services, is increasing \$1,694,164 over 2015 projections and \$1,283,577 over the 2015 amended budget due to the addition of: \$865,695 for 8 Patrol Officers and 3 vehicles; and 4 upgrades of Officers to Sergeant with 4 vehicles. Animal Services is increasing \$182,026 over the FY 2015 projection, mainly due to the replacement of two vehicles and contracting veterinary services as a result of recent rulings from multiple agencies: Chapter 483 of the Texas Health and Safety Code defines dangerous drugs, Title 21 Food and Drugs Chapter II Drug Enforcement Administration governs the distribution of those drugs to veterinarians, and the American Veterinary Medical Association Chapter 573 Rule 573.10-573.13 dictates the liability, and fines, to the veterinarians if they allow the use of their medical license to prescribe or practice without having a patient/doctor relationship with an animal; therefore, a veterinarian is required to administer medical treatment, including worming, heartworm prevention, etc., to animals. Animal Services requires a contract with a veterinarian to provide the services previously provided by the staff.

Total Fire Services is budgeted at \$13,635,974. Fire Operations increased by \$1,423,436 from the 2015 projected budget mainly due to the addition of 9 full-time, 3 part-time, and 3 paid/volunteer Firefighters to staff Station #2, a full year of funding for Station #3, a full-time Health/Code Enforcement Officer to begin April 1, 2016, two part-time Receptionists, as well as the replacement of a ladder truck and an ambulance, a replacement vehicle for Fire Operations, two replacement vehicles in the Fire Marshal's Office, and an increase in contracted Medical services. As Public Safety comprises 57% of the personnel within the General Fund, the departments are heavily impacted by the increase to medical premiums.

The Community Services budget totals \$3,304,003, \$139,717 higher than the projected expenditures for FY 2015. Community Services for FY 2016 includes a full-time Small Business Coordinator to begin April 1, 2016 and a full-time Plans Examiner to begin January 1, 2016.

Public Works budget totals \$11,806,888, a \$53,875 decrease from 2015 projections and \$331,179 less than the 2015 amended budget. The 2016 budget includes an additional \$679,175 to contract out median/landscaping maintenance previously done by Parks, and \$84,144 in Traffic Maintenance for corridor traffic signal timing and signs, etc. for the Bailey Road annexation area, offset by a decrease in streets maintenance due to use of one-time funds and by non-recurring expenditures in 2015 of \$300,000 for ROW assessment.

The budget for Parks & Recreation totals \$6,744,751, an increase of \$286,029 from fiscal year 2015 projections and \$26,848 less than the amended budget. Part of the increase is a \$103,000 lease to replace aged cardio/strength equipment in the Recreation Center. One Recreation Specialist position was eliminated for a total reduction of \$53,053, and a contract for fertilizer is \$44,000 less than anticipated. Parks & Recreation includes funds for a full year of operations at Shadow Creek Sportsplex, Centennial Park, and Hickory Slough Sportsplex.

Transfers out to other funds total \$1,354,768 and include transfers to the Property Insurance Fund towards property insurance premiums of \$919,642, \$238,081 to the Water/Sewer Fund, \$154,160 to the Debt Service Fund for the University of Houston Pearland Campus, and \$42,885 for University of Houston Capital Renewal Fund. This is \$22,634 higher than 2015 projections.

Revenues are under expenditures by \$3,481,521. The fund is projected to remain structurally unbalanced in fiscal year 2016, with recurring expenditures exceeding recurring revenues by \$110,918; however the fund balance is still over the policy requirement and will be back in balance in fiscal year 2017. The ending fund balance at 9/30/2016 is estimated to be \$12,078,112, which is over the two month reserve policy requirement by \$909,544. The dollar amount over policy can be used to fund non-recurring expenditures.

**GENERAL FUND REVENUE
FY 2016 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY2014 ACTUAL	FY2015 AMENDED BUDGET	FY2015 YEAR END PROJECTION	FY 2016 ADOPTED BUDGET
010-0000-350.01-01	CURRENT TAXES	\$11,744,431	\$12,715,458	\$12,817,498	\$13,809,808
010-0000-350.01-02	DELINQUENT TAXES	79,488	93,000	65,000	65,000
010-0000-350.01-03	PENALTY & INTEREST	103,330	120,000	100,000	100,000
010-0000-350.01-04	IN LIEU OF PROPERTY TAXES	168,170	175,750	213,355	215,489
010-0000-350.01-06	MUD ANNEXATION				
*TAXES		12,095,419	13,104,208	13,195,853	14,190,297
010-0000-350.02-01	SALES TAXES	17,108,792	17,843,535	18,674,954	20,319,329
010-0000-350.03-01	MIX DRINK TAXES	217,764	220,000	254,743	275,000
*OTHER TAXES		17,326,556	18,063,535	18,929,697	20,594,329
010-0000-350.04-01	GAS COMPANY	285,497	294,062	324,993	364,993
010-0000-350.04-02	ELECTRIC COMPANY	2,880,454	3,083,733	2,994,369	3,128,368
010-0000-350.04-03	TELEPHONE COMPANY	273,598	272,721	275,685	275,300
010-0000-350.04-04	CABLE TELEVISION	1,351,770	1,404,174	1,496,770	1,619,820
010-0000-350.04-05	SANITATION RESIDENTIAL	1,422,727	1,591,748	1,544,061	1,614,973
*FRANCHISE FEES		6,214,046	6,646,438	6,635,878	7,003,454
010-0000-351.01-01	BUILDING PERMITS	1,947,575	1,835,000	1,576,600	1,617,600
010-0000-351.01-02	BP PLAN & ZONE ADJUSTMENT	(500)			
010-0000-351.01-03	PLATTING FEES	114,604	177,180	126,971	150,480
010-0000-351.01-04	BEER PERMITS	20,795	24,000	16,585	21,000
010-0000-351.01-05	MOVING PERMITS	3,800	4,100	4,500	4,500
010-0000-351.01-06	PEDDLERS & SOLICITORS	3,415	4,500	4,500	4,500
010-0000-351.01-07	HEALTH CERTIFICATE FEES	81,310	133,250	88,565	134,125
010-0000-351.01-08	WRECKER PERMITS	4,425	4,500	9,256	5,200
010-0000-351.01-09	BUILDING PLAN CHECK FEE	1,091,822	859,800	1,040,400	905,856
010-0000-351.01-10	OCCUPANCY PERMITS	7,900	8,000	10,580	11,200
010-0000-351.01-11	DEMOLITION PERMITS	1,400	1,300	1,500	1,500
010-0000-351.01-12	BLDG. SITE WORK PERMIT	105,577	69,516	80,000	80,000
010-0000-351.01-13	ALARM PERMITS	21,670	45,000	24,725	
010-0000-351.01-14	HEALTH-REGISTRATION 1 YR.	500		450	
010-0000-351.01-32	SIGN PERMITS	15,185	13,000	16,218	22,820
010-0000-351.01-33	AMBULANCE PERMIT	17,100	18,650	17,300	18,000
010-0000-351.01-34	TAXI CAB PERMIT	2,644	3,500	4,018	4,020
010-0000-351.01-35	TEMPORARY STRUCTURES	2,780	1,200	2,500	2,500
010-0000-351.01-40	RECORDATION & COURIER FEE	8,207	9,000	7,500	8,000
010-0000-351.01-99	MISCELLANEOUS	225	275		
010-0000-351.02-02	BP PLAN & ZONE ADJUSTMENT	28,540	23,000	30,000	40,000
010-0000-351.02-03	GARAGE SALE PERMITS	33,615	38,000	35,000	36,000
010-0000-351.02-04	CULVERT PERMITS		800	250	500
010-0000-351.02-05	ANIMAL LICENSES	34,300	32,000	35,000	37,000
010-0000-351.02-09	FOSTER HOME INSPECTION	2,100	1,950	2,280	2,590
010-0000-351.02-10	MOWING LIEN			(206)	
010-0000-351.03-01	ELECTRICAL PERMITS	144,661	153,735	217,380	267,425
010-0000-351.03-02	PLUMBING & GAS PERMITS	175,157	195,725	239,083	259,493
010-0000-351.03-03	MECHANICAL PERMITS	186,997	180,690	222,000	203,660
010-0000-351.03-05	REINSPEC. FEE/INSPECTION	9,040	7,260	18,000	18,000
010-0000-351.04-01	FIRE ALARM	5,646	3,500	9,000	9,000
010-0000-351.04-03	FIRE PROTECTION	4,631	2,500	2,200	2,200
010-0000-351.04-04	FIRE SPRINKLER	16,049	10,000	18,000	17,000
010-0000-351.04-05	FIRE SPRINKLER-ALTERATION	215	250	250	250
010-0000-351.04-06	FIREWORKS		150	150	150
010-0000-351.04-07	IRRIGATION	17,429	18,500	23,260	26,540

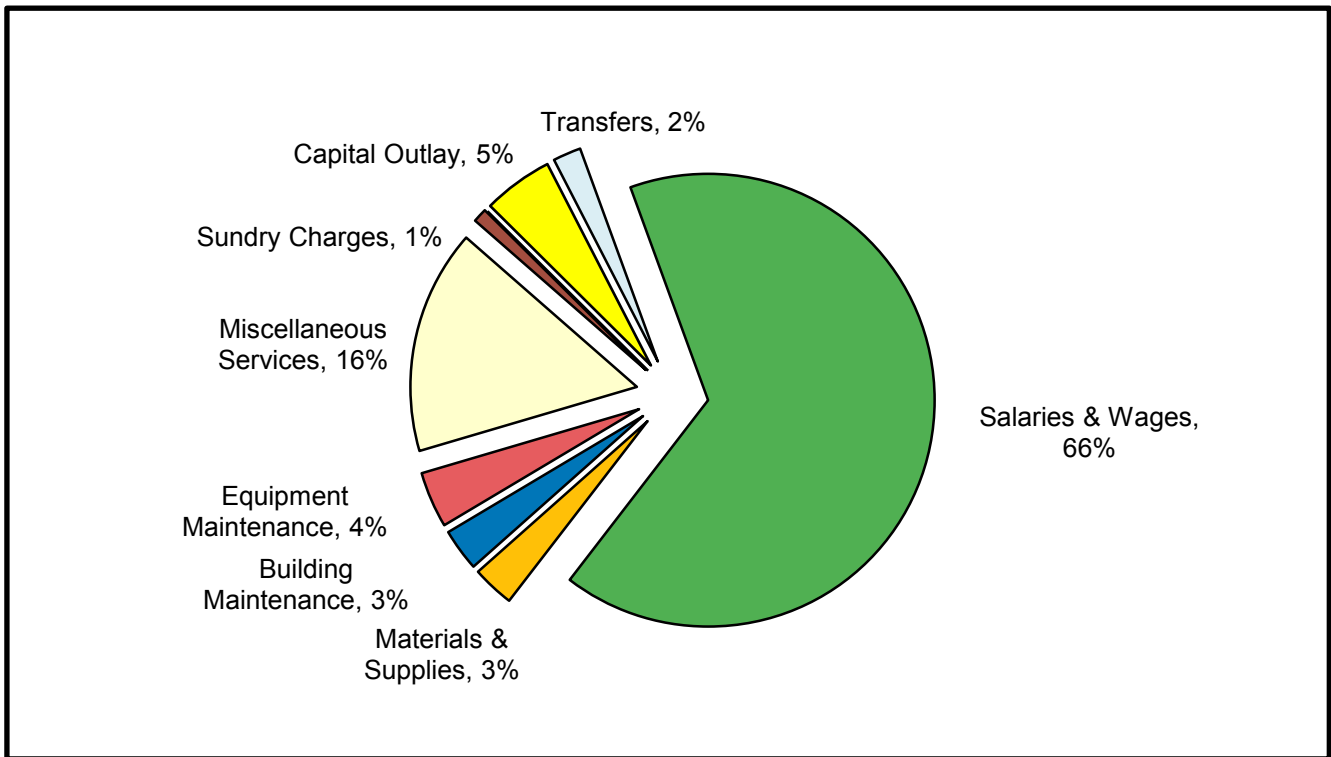
**GENERAL FUND REVENUE G
FY 2016 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY2014 ACTUAL	FY2015 AMENDED BUDGET	FY2015 YEAR END PROJECTION	FY 2016 ADOPTED BUDGET
010-0000-351.04-08	SWIMMING POOL	38,199	41,000	43,080	49,180
010-0000-351.04-09	DIRT GRADING PERMIT	1,750	1,500	1,500	1,500
*LICENSES & PERMITS		4,148,763	3,922,331	3,928,395	3,961,789
010-0000-352.00-00	FINES & FORFEITURES	2,772,319	2,904,000	2,711,000	2,711,000
010-0000-352.01-00	CHILD SAFETY	26,471	24,800	27,500	27,500
010-0000-352.01-01	CHILD SAFETY-HARRIS CO.	5,385	5,350	6,000	6,000
010-0000-352.02-00	COMMERCIAL CARRIER FINES	71,114	75,000	81,100	83,000
010-0000-352.05-00	TIME EFFICIENCY	(7,502)	(5,808)	(10,802)	(10,800)
010-0000-352.06-00	ANIMAL CRUELTY	4,750	350	350	350
010-0000-352.07-00	OMNIBASE	14,758	17,325	14,100	14,100
010-0000-352.08-00	STATE FEES	81,168	84,222	78,450	78,450
010-0000-352.11-01	FINES	100		340	350
010-0000-352.12-00	BOND FORFEITURES	1,834		9,000	9,500
*FINES & FORFEITURES		2,970,397	3,105,239	2,917,038	2,919,450
010-0000-353.01-01	AMBULANCE SERVICE FEE	2,468,871	2,757,435	2,625,000	2,775,000
010-0000-353.01-02	MUD/EMS/FIRE COLLECTIONS	79,370	78,342	80,828	116,328
010-0000-353.01-03	STRAT PTR AGRMT/FIRE,EMS	272,413	336,000	350,022	456,606
010-0000-353.01-04	FALSE ALARM FEE	87,064	65,000	76,000	80,000
010-0000-353.01-06	ARREST FEES	5,778	5,495	5,800	6,000
010-0000-353.01-07	CLEAR. LETTER FEE	545	475	500	500
010-0000-353.01-08	SUBPOENA	170	150	150	150
010-0000-353.01-09	OFFENSE REPORT COPIES	106	100	100	100
010-0000-353.01-10	ACCIDENT REPORT COPIES	5,806	6,450	5,500	5,500
010-0000-353.01-11	OTHER COPIES	80			
010-0000-353.01-12	SRO EQUIPMENT/OPERATIONS	88,500	88,500	88,760	100,925
010-0000-353.01-13	SRO PERSONNEL	702,379	703,594	705,089	823,144
010-0000-353.01-14	NON EMERG AMBULANCE TRANSPORT				
010-0000-353.01-16	NON EMERG EMS SERVICE	9,128	7,000	2,000	2,000
010-0000-353.01-17	TCLEOSE FUNDS			11,229	
010-0000-353.01-40	TRAINING TUITION	1,900	4,000	2,200	2,200
010-0000-353.01-41	TRAINING RECYCLING	1,572	3,000	2,000	2,500
010-0000-353.01-99	ANIMAL SHELTER FEES	43,616	47,000	40,000	44,000
010-0000-353.03-01	EVENTS & PROGRAMS	508,559	495,591	493,346	488,392
010-0000-353.03-02	FACILITY RENTALS	122,072	105,250	105,000	89,850
010-0000-353.03-03	SWIMMING POOL FEES	19,480	24,000	18,000	18,000
010-0000-353.03-06	NATATORIUM	130,936	39,357	140,000	173,800
010-0000-353.03-07	RECREATION CENTER RENTALS	44,822	134,270		
010-0000-353.03-08	REC. CENTER MEMBERSHIPS	1,255,463	1,222,500	1,290,000	1,417,000
010-0000-353.03-09	FACILITY RENTAL - U OF H	2,458	900	500	700
010-0000-353.03-10	SPECIAL EVENT PERMIT FEES	150	150	150	150
010-0000-353.03-30	MISCELLANEOUS	1,900	4,500	1,800	1,800
010-0000-353.05-01	ENGINEERING INSPECT FEE	142,509	120,000	160,000	150,000
010-0000-353.05-05	TIRZ ADMINISTRATION FEES	6,636,909	7,804,668	7,447,396	9,244,652
010-0000-353.05-06	PERMITS INSPECTION FEE	23,543	13,500	25,000	25,000
010-0000-353.05-25	TRAFFIC IMPACT ANALYSIS	7,500	10,500	9,750	10,500
*CHARGES FOR SERVICES		12,663,599	14,077,727	13,686,120	16,034,797
010-0000-356.00-00	INTEREST INCOME	98,710	84,000	103,000	108,000
010-0000-356.06-00	UNREALIZED CAPITAL GAIN(LOSS)	(10,478)			
*INTEREST		88,232	84,000	103,000	108,000
010-0000-357.02-02	TX DEPT OF TRANSPORTATION	25,224			
*INTERGOVERNMENTAL		25,224			
010-0000-358.04-00	BUILDING RENT	18,040	18,095	18,348	18,650
010-0000-358.05-00	OTHER VICTIMS PROGRAM	7,720	7,000	7,000	7,000
010-0000-358.07-00	PHONE & FAX REIMBURSEMENT	1,005		7,456	7,728
010-0000-358.08-00	STREET LIGHT CHARGES	119,553	50,000	75,000	75,000

**GENERAL FUND REVENUE
FY 2016 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY2014 ACTUAL	FY2015 AMENDED BUDGET	FY2015 YEAR END PROJECTION	FY 2016 ADOPTED BUDGET
010-0000-358.10-00	RECYCLE REVENUE	80,034	52,953	60,000	15,000
010-0000-358.12-00	N.S.F. FEES	7,400	5,000	6,720	7,000
010-0000-358.13-00	PLAT COPIES				
010-0000-358.14-00	COPIES - OPEN RECORDS REQUESTS	891	1,200	5,155	5,300
010-0000-358.15-00	SALE OF PROPERTY	1,476,642	28,000	113,105	154,500
010-0000-358.16-00	CASH SHORT/OVER	947			
010-0000-358.17-00	WAIVER OF ENCROACHMENT	750	1,000	1,000	1,000
010-0000-358.26-00	JAIL PHONE				
010-0000-358.29-00	AMBULANCE PERMIT APP. FEE	3,500	4,450	5,700	5,700
010-0000-358.37-00	SUSPENSE REVENUE	(7)			
010-0000-358.38-01	REIMB FROM FUND 15				
010-0000-358.40-00	SIGN REVENUE	24,500	22,500	35,975	33,000
010-0000-358.45-00	INSURANCE REIMBURSEMENTS	39,639		15,585	
010-0000-358.99-00	MISCELLANEOUS	253,226	337,111	388,836	308,036
010-0000-358.99-01	MUD ANNEXATION				
*MISCELLANEOUS		2,033,840	527,309	739,880	637,914
010-0000-359.01-00	FROM FUND 15	113,792	119,482	119,482	125,456
010-0000-359.03-00	FROM FUND 18	21,000			
010-0000-359.09-00	FROM FUND 30	935,000	1,190,100	1,599,592	1,540,280
010-0000-359.11-00	FROM FUND 42	272,032	146,785	146,785	144,039
010-0000-359.18-00	FROM FUND 50	11,274	50,372	50,372	31,231
010-0000-359.55-00	FROM FUND 55			150,000	
010-0000-359.23-00	FROM FUND 67	132,293	218,786	218,786	196,863
010-0000-359.24-00	FROM FUND 68	278,498			320,558
010-0000-359.26-00	FROM FUND 70	21,844			
010-0000-359.29-00	FROM FUND 101	242,139	191,107	166,118	166,581
010-0000-359.31-00	FROM FUND 301		93,947	93,947	191,140
010-0000-359.33-00	FROM FUND 302				
010-0000-359.33-00	FROM FUND 304	19,763	22,431	22,431	
010-0000-359.34-00	TRANSFER FROM FUND 202	1,044,922			
010-0000-359.36-00	TRANSFER FROM FUND 203	506,398	834,297	834,297	616,055
010-0000-359.39-00	TRANSFER FROM FUND 116				
010-0000-359.69-00	TRANSFER FROM FUND 031	146,794		340,000	
010-0000-359.89-00	TRANSFER FROM CDBG FUND	45,071	107,787	107,787	109,188
010-0000-359.96-00	TRANSFER FROM FUND 200	79,889			
010-0000-359.97-00	TRANSFER FROM FUND 201				
*GRANT, ISSUANCE, TRANSFER		3,870,709	2,975,094	3,849,597	3,441,391
010-0000-360-03-00	CAPITAL LEASE PROCEEDS	1,852,939	1,761,000	1,356,049	900,000
*OTHER FINANCING SOURCES		1,852,939	1,761,000	1,356,049	900,000
TOTAL		\$ 63,289,724	\$ 64,266,881	\$ 65,341,507	\$ 69,791,421

**GENERAL FUND EXPENDITURE SUMMARY
(All Departments)
FY 2016 ADOPTED BUDGET**



BY CATEGORY	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Salaries & Wages	\$40,411,004	\$45,229,987	\$43,991,633	\$48,090,405
Materials & Supplies	\$1,812,751	\$2,483,769	\$2,409,626	\$2,327,788
Building Maintenance	\$1,349,870	\$2,552,878	\$2,675,037	\$2,002,854
Equipment Maintenance	\$2,363,130	\$2,843,898	\$2,528,852	\$2,849,132
Miscellaneous Services	\$8,385,693	\$9,558,203	\$10,829,310	\$11,517,078
Sundry Charges	\$654,484	\$1,000,070	\$1,074,988	\$1,203,211
Inventory	\$463,820	\$400,774	\$381,310	\$371,903
Capital Outlay	\$4,233,164	\$4,806,303	\$4,013,484	\$3,555,803
SUB-TOTAL	59,673,916	68,875,882	67,904,240	71,918,174
Transfers	2,784,425	1,546,744	1,332,134	1,354,768
TOTAL	\$62,458,341	\$70,422,626	\$69,236,374	\$73,272,942

**GENERAL FUND EXPENDITURES
By FUNCTION/DEPARTMENT
FY 2016 ADOPTED BUDGET**

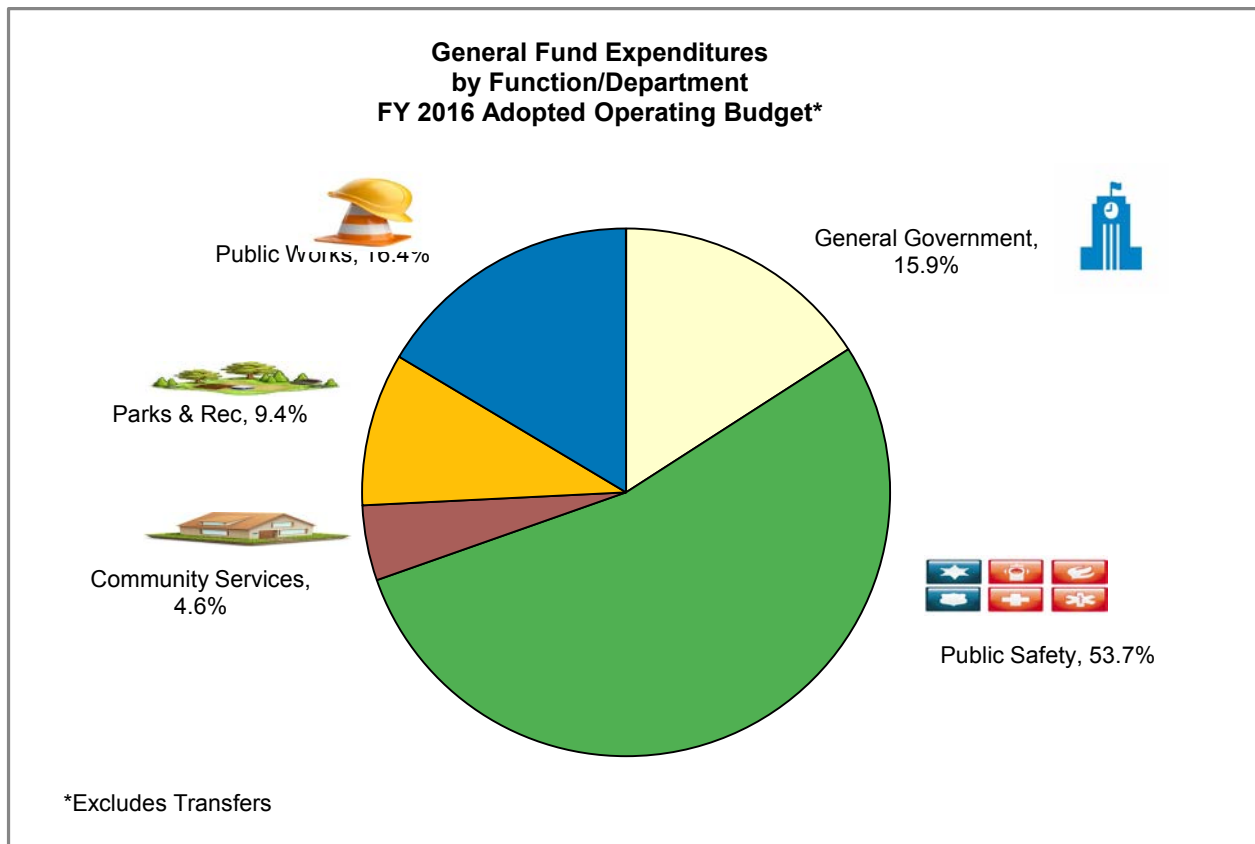
FUNCTION/DEPARTMENT	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
GENERAL GOVERNMENT				
City Council	92,245	106,575	99,153	110,418
City Manager	995,807	792,608	810,784	792,964
Human Resources	822,890	852,702	952,021	890,482
City Secretary	314,987	346,898	391,657	362,797
Legal	674,971	757,539	802,246	741,751
Information Systems	1,257,214	3,284,361	3,524,945	2,936,712
Geographic Information Systems	226,960	231,786	224,822	233,655
Finance	1,864,198	1,965,324	1,966,822	2,188,539
Other Requirements ¹	1,127,114	1,235,478	1,414,212	2,758,636
Library ²	310,036	807,647	719,448	414,619
GENERAL GOVERNMENT TOTAL	7,686,422	10,380,918	10,906,110	11,430,573
PUBLIC SAFETY				
Police	21,129,881	23,712,408	23,301,821	24,995,985
Police Administration	1,260,277	1,342,808	1,394,079	1,516,888
Patrol	10,259,456	12,333,038	12,052,534	13,050,176
Investigations	2,220,072	2,352,731	2,404,593	2,509,099
Community Service	968,894	993,131	870,301	715,416
Support Services	1,785,866	1,905,426	1,927,159	2,038,923
Jail	1,032,780	1,149,903	1,106,703	1,142,777
Commercial Vehicle Enforcement	211,870	233,878	239,693	240,825
School Resource Officers (SRO)	1,154,387	1,200,086	1,145,117	1,206,006
Traffic/Motorcycles	990,851	930,378	889,779	887,443
Special Investigations	400,581	391,148	354,805	394,086
Training	104,470	106,558	105,567	300,829
Animal Services	740,377	773,323	811,491	993,517
Fire	12,010,231	12,738,363	12,212,538	13,635,974
Fire Administration		1,014,672	947,605	1,048,927
Fire Operations	10,901,049	10,444,299	10,054,064	11,054,327
Fire Marshal	673,576	719,035	681,031	921,194
Emergency Management	42,717	39,362	37,817	38,561
Health/Code Enforcement	392,889	520,995	492,021	572,965
PUBLIC SAFETY TOTAL	33,140,112	36,450,771	35,514,359	38,631,959
COMMUNITY SERVICES				
Community Development				
Community Development Administration	394,634	423,873	434,616	364,389
Planning	328,653	452,545	409,094	417,793
Permits & Inspections	961,413	1,115,172	1,157,603	1,313,438
Communications	342,034	457,421	475,688	470,466
Municipal Court	634,728	685,516	687,285	737,917
COMMUNITY SERVICES TOTAL	2,661,462	3,134,527	3,164,286	3,304,003
PUBLIC WORKS				
Public Works and Engineering Administration	262,659	309,455	261,000	261,040
Public Works Operations Administration	410,427	227,719	206,016	158,901
Facilities Maintenance	865,282	1,393,817	1,419,363	1,035,605
Custodial Services	337,574	317,093	311,681	355,016
Fleet	420,020	546,409	426,738	259,140
Streets & Drainage	4,684,214	5,193,356	5,284,424	4,964,212
Right-of-Way Maintenance		735,031	827,041	1,453,099
Service Center	190,534	175,133	151,007	95,150
Traffic Operations and Maintenance	799,779	1,255,399	978,716	1,150,196
Engineering & Capital Projects:				
Capital Projects	824,585	840,118	883,253	911,715
Engineering	1,059,772	1,144,537	1,111,524	1,162,814
PUBLIC WORKS TOTAL	9,854,846	12,138,067	11,860,763	11,806,888

**GENERAL FUND EXPENDITURES
By FUNCTION/DEPARTMENT
FY 2016 ADOPTED BUDGET**

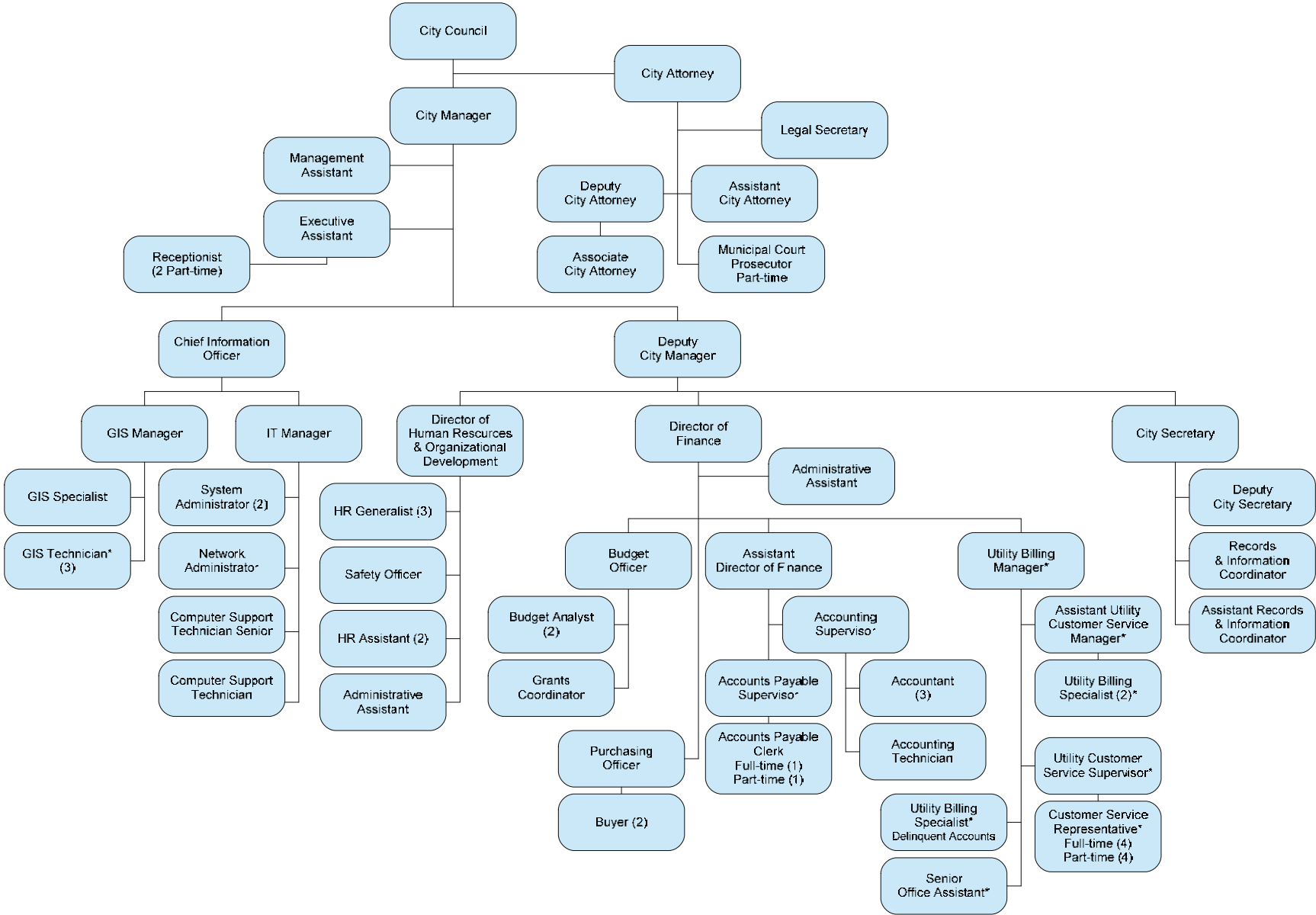
FUNCTION/DEPARTMENT	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
PARKS & RECREATION				
Administration	885,093	695,026	700,181	618,155
Resource Development	191,300	131,834	130,661	122,137
Recreation Center/Natorium	1,791,973	2,275,660	2,163,765	2,249,197
Westside Events Center	171,703	308		
Parks Maintenance West	931,107			
Parks Maintenance	1,122,670	2,377,024	2,207,760	2,616,758
Athletics	266,017	366,480	339,893	329,357
Special Events	230,942	339,356	319,916	319,682
Senior Program	241,118	215,161	233,685	283,592
Youth Development	181,379			
Aquatics	103,166	141,223	141,226	148,398
Recycling	214,606	229,527	221,635	57,475
PARKS & RECREATION TOTAL	6,331,074	6,771,599	6,458,722	6,744,751
TOTAL OPERATING EXPENDITURES	59,673,916	68,875,882	67,904,240	71,918,174
TRANSFERS	2,784,425	1,546,744	1,332,134	1,354,768
GENERAL FUND TOTAL	62,458,341	70,422,626	69,236,374	73,272,942

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

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



GENERAL GOVERNMENT



*Positions are budgeted in the Water & Sewer Fund.

**GENERAL GOVERNMENT
EXPENDITURE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
City Council	92,245	106,575	99,153	110,418
City Manager	995,807	792,608	810,784	792,964
Human Resources	822,890	852,702	952,021	890,482
City Secretary	314,987	346,898	391,657	362,797
Legal	674,971	757,539	802,246	741,751
Information Systems	1,257,214	3,284,361	3,524,945	2,936,712
Geographical Information Systems	226,960	231,786	224,822	233,655
Finance	1,864,198	1,965,324	1,966,822	2,188,539
Other Requirements*	1,127,114	1,235,478	1,414,212	2,758,636
Library	310,036	807,647	719,448	414,619
GENERAL GOVERNMENT TOTAL	7,686,422	10,380,918	10,906,110	11,430,573

*Expenditures listed here for Other Requirements do not include transfers.
FY 2016 Other Requirements include annual cost-of-living for all General Fund departments totaling \$737,079.

EXPENDITURES BY CATEGORY	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Salaries & Wages	4,335,520	4,515,613	4,683,823	5,539,266
Materials & Supplies	59,484	106,172	128,327	72,427
Buildings & Grounds	479			
Equipment Maintenance	573,863	822,393	851,242	1,174,064
Miscellaneous Services	1,884,553	1,935,763	3,362,717	3,118,760
Sundry	491,528	698,381	755,396	1,017,889
Inventory	230,816	186,271	173,812	268,075
Capital Outlay	110,179	2,116,325	950,793	240,092
GENERAL GOVERNMENT TOTAL	7,686,422	10,380,918	10,906,110	11,430,573

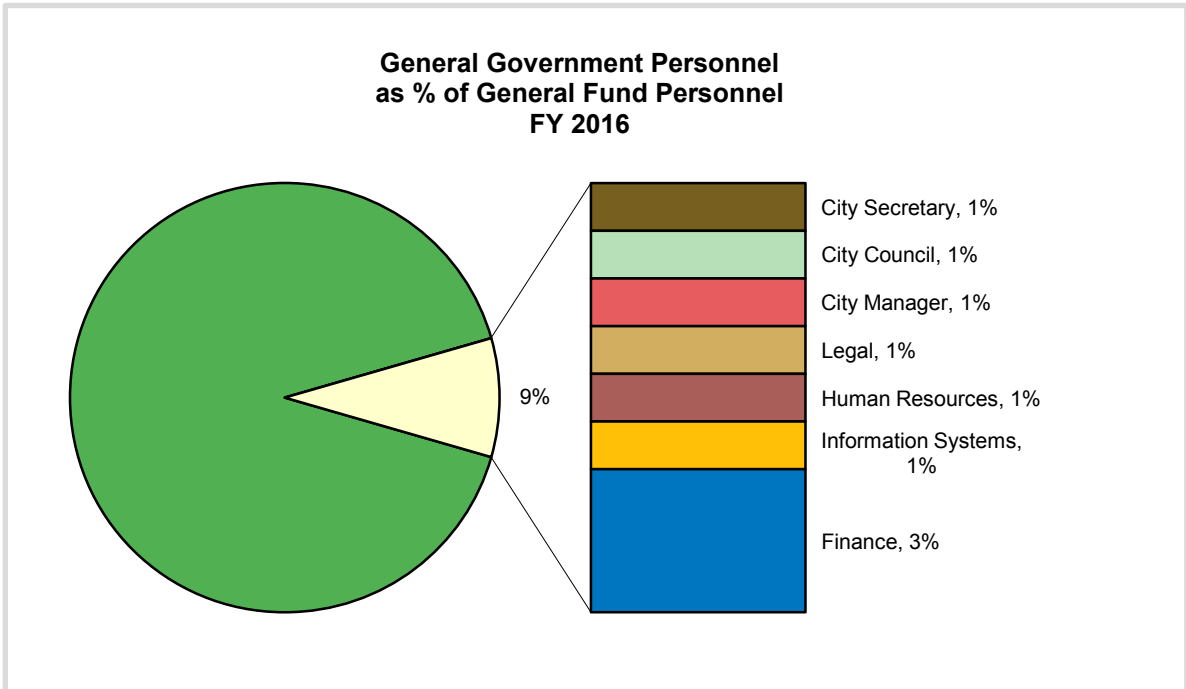
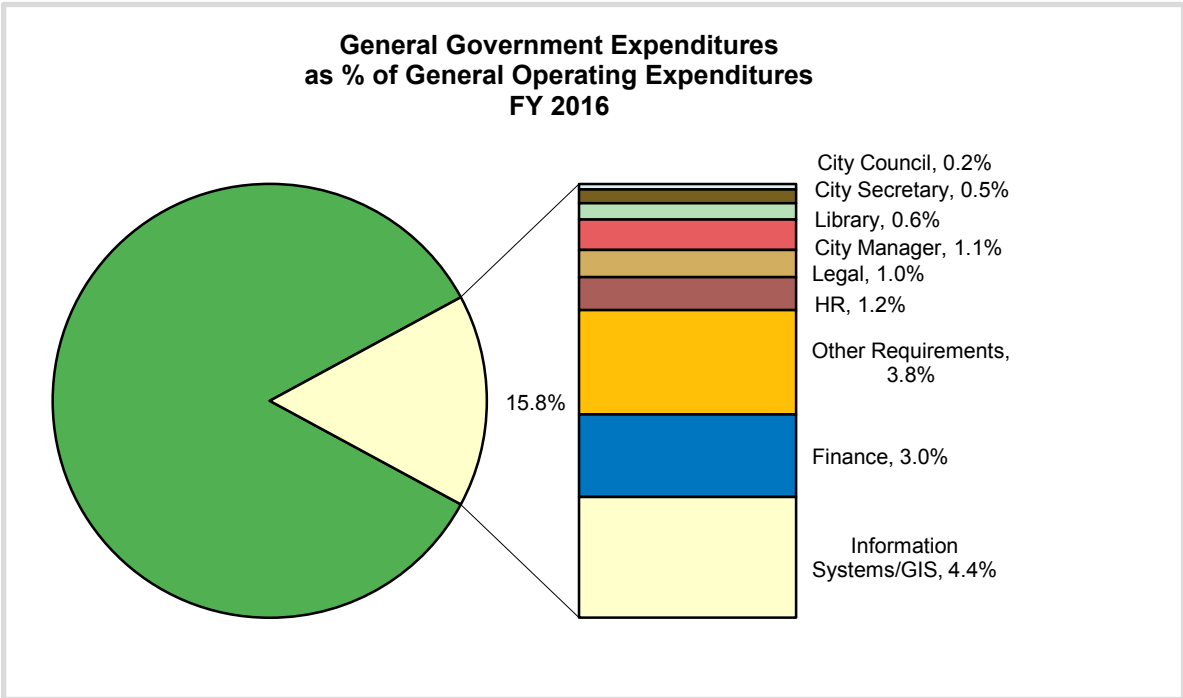
STAFFING BY DEPT/DIVISION	FY 2014 Actual	FY 2015 Amended Budget*	FY 2015 Year End Projection	FY 2016 Adopted Budget
City Council*	6	6	6	7
City Manager	6	6	6	6
Human Resources	7	7	7	8
City Secretary	4	4	4	4
Legal	6	6	6	6
Information Systems	6	7	7	7
Geographical Information Systems**	2	2	2	2
Finance	18	18	18	18
Other Requirements				
Library***				
GENERAL GOVERNMENT TOTAL	49	50	50	51

*Mayor and Council Members are elected positions and not included in employee count.

**GIS moved to Information Systems from Projects mid-year FY15. General Fund personnel only. Three (3) additional GIS personnel on water/sewer fund.

***Library staffing funded by County.

**GENERAL GOVERNMENT
EXPENDITURE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**



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 Pearland's 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 2016 Include:

- ◆ The addition of one (1) new Council member from a charter amendment that passed in May of 2015. The actual election of the new member is scheduled for May of 2016.

GOALS

- ◆ Maintain strong relationships with key funding and interlocal entities in support of the City's current and future financial needs involving transportation, facilities, and major capital improvement priorities.
- ◆ Prioritize Capital Improvement Projects.
- ◆ Review and adopt major City plans according to schedule.

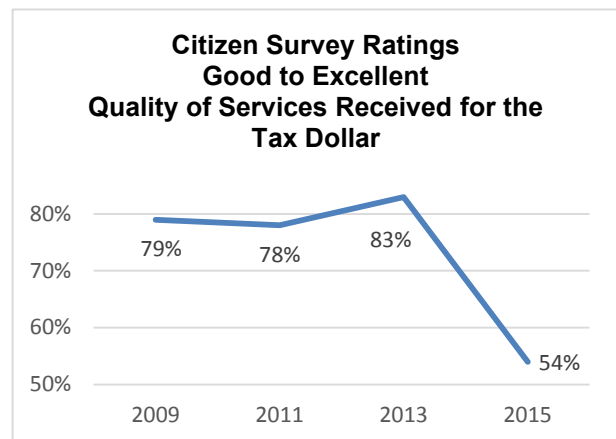
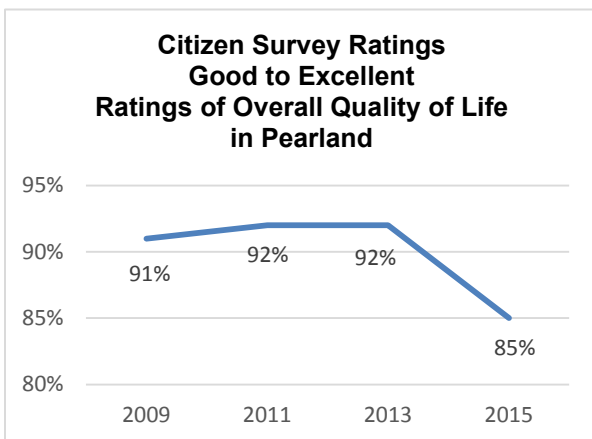
FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Adopted Strategic Priorities for the City.
- ◆ Worked with State and Local Officials for award of SH 288 segment from Harris County City Limits to 59 Spur.
- ◆ Partnered with Brazoria County Commissioners Court to enact legislation that allowed for the expansion of the Gulf Coast Water Authority Board.
- ◆ Awarded various construction projects including but not limited to the Reflection Bay Waste Water Treatment Plant Rehabilitation Project and Expansion; Shadow Creek Ranch Sports Complex; Fire Stations #2 and #3.
- ◆ Reduced Debt Service Tax Rate for Fiscal Year 2016.
- ◆ Reviewed and adopted the City's Comprehensive Plan in September of 2015.

FISCAL YEAR 2016 OBJECTIVES

- ◆ Provide direction for the issuance and awards of all contracts for all capital projects.
- ◆ Complete objectives within Council's Strategic Priorities, providing leadership in accordance with Governance Model.
- ◆ Partner with PEDC to update 20/20 Strategic Plan.
- ◆ Review and Adopt the Parks, Recreation and Open Space Master Plan.

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. Professionals in the Office of the City Manager assist the City Manager in those duties.

The Deputy City Manager has overall portfolio responsibilities to help guide the City and leads the General Government departments that include Finance and Utility Billing, Human Resources, Parks and Recreation, Municipal Court, Communications, City Secretary and the Pearland Convention and Visitors Bureau. The Assistant City Manager has leadership responsibilities over Capital Projects and Engineering, Public Works, Traffic Management, Facility Maintenance and oversees the Five Year Capital Improvement Plan. There is a Management Assistant and an Executive Assistant in the office to provide technical support to key projects and staff. The Executive Assistant oversees two part-time Receptionist positions for City Hall, and also provides administrative support to the Mayor and City Council members on scheduling, correspondences, and other matters.

STRATEGIC COUNCIL PRIORITY: The Office of the City Manager oversees the overall operation of the City in meeting all six (6) Strategic Council Priorities - Fiscally Responsible Government, Sustainable Infrastructure, Quality Parks, Recreation and Events, Safe Community, Engaged Community and Healthy Economy.

Key Budget Items for FY 2016 Include:

- ◆ Funding for Early Budget Input meeting with City Council and Department Directors scheduled for February 2016.

GOALS

- ◆ Keep City Council informed on pressing 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 and dynamic 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, Houston Galveston Area Council, etc.
- ◆ Continue to advocate for added traffic/transportation capacity City-wide.

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Initiated the FY 2016 Budget Development Process, hosting a City Council Early Budget Input Meeting in March of 2015.
- ◆ Facilitated Council's adoption of new Strategic Priorities – Fiscally Responsible Government, Sustainable Infrastructure, Quality Parks, Recreation and Events, Safe Community, Engaged Community and Healthy Economy.
- ◆ Successfully submitted the FY 2016 annual operating budget – adopted by Council on September 21, 2015.

FISCAL YEAR 2016 OBJECTIVES

- ◆ Oversee the City's transition into a new software and practices for Enterprise Resource Planning (ERP) System.
- ◆ Oversee the City's transition into multi-year financial planning and management practices.
- ◆ Identify funding options for City's next bond election.
- ◆ Support implementation and reporting of adopted Comprehensive Plan and 20/20 Plan for economic development.

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Authorized FTE ¹ employees per 1,000 population	6.28	6.44	6.26	6.39
GF Operating Budget \$ per capita (unadjusted dollars)	\$587.26	\$619.26	\$626.14	\$642.75

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

HUMAN RESOURCES – 1040

OVERVIEW

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

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

Key Budget Items for FY 2016 Include:

- ◆ Hire one (1) full-time Human Resource Generalist.

GOALS

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

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Delivered Anti-Harassment training for all employees.
- ◆ Provided support for the planning and implementation activities for the City's federally-required Title VI Plan, policies, and procedures.
- ◆ Recruited and hired staffing for the new Fire Station #3, and began processes for Fire Station #2.

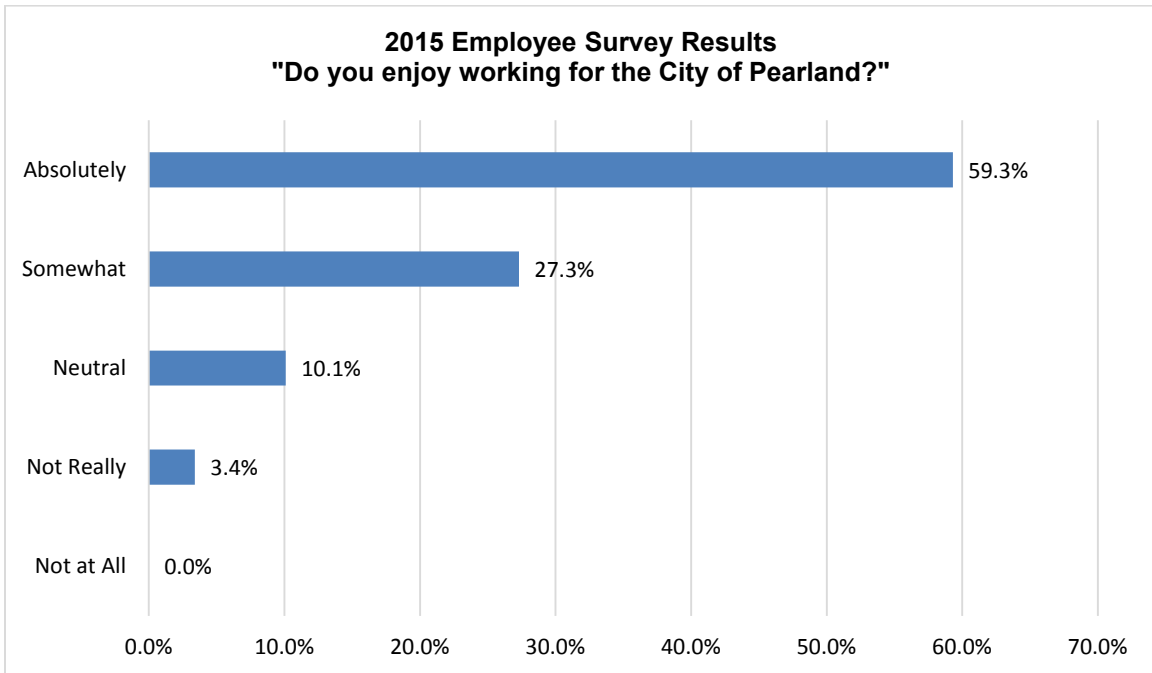
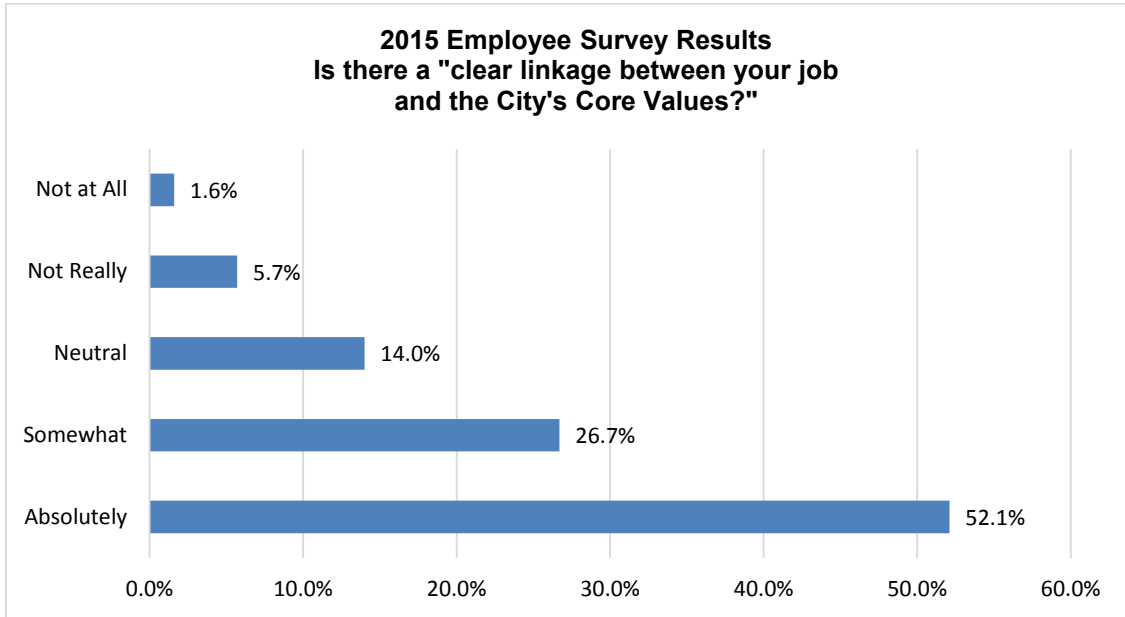
FISCAL YEAR 2016 OBJECTIVES

- ◆ Reinforce and train on concepts of "Service the Pearland Way."
- ◆ Continue to provide organized and planned City-wide training and wellness programs.
- ◆ Establish baseline data and develop a safety/inspection program.
- ◆ Complete a full review/update of job descriptions.
- ◆ Continue to recruit and hire staffing for the new Fire Station #2, 8 new Police Officers and other new positions approved by the City Council for FY 2016.

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Number of vacated or new positions posted	141	155	175	100
Number of employment applications received	7,642	8,507	7,500	8,000
Annualized Citywide turnover rate (FT employees)	11.6%	15.6%	10%	10%
Number of training hours to new and existing employees	81	100	50	100
Percent of positions filled within 30 days of posting	74%	65%	85%	85%

HUMAN RESOURCES - 1040



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.

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

Key Budget Items for FY 2016 Include:

- ◆ Full implementation of automated agenda system - \$17,550.

GOALS

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

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Successfully held one General Election and one Runoff Election successfully using voting centers.
- ◆ Created a Records Coordinator Committee to coordinate the various departments' records management.
- ◆ Acquired an automated agenda system, Meeting Management Solution, for implementation in early fall.

FISCAL YEAR 2016 OBJECTIVES

- ◆ Fully implement the Meeting Management Solution automated agenda system.
- ◆ Implement Alcohol Permits as part of the CRW, Inc., software program.
- ◆ Create a workflow process for Peddler Permits.

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
PUBLIC RECORDS				
Open Records Requests processed (<i>Freedom of Information Act</i>)	1,092	1,004	1,284	1,300
ELECTIONS				
Number of registered voters (average)	55,741	59,085	60,142	65,900
Number of votes cast (average)	3,214	3,535	3,305	3,954
Average % of voter turnout	5.8%	6.0%	5.50%	6.0%

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.

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

Key Budget Items for FY 2016 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 2015 ACCOMPLISHMENTS

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

FISCAL YEAR 2016 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 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Number of FOIA requests reviewed	289	346	350	350
Number of contracts prepared or reviewed	205	291	300	300

INFORMATION SYSTEMS – 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 functions which develop and manage the Citywide Geographic Information System.

STRATEGIC COUNCIL PRIORITY: Information Systems provides wired and wireless routes for transmitting data and telecommunications, thus providing City operations with a Sustainable Infrastructure that promotes the ability for the City to operate from a "paperless" standpoint, creating a more Fiscally Responsible Government.

Key Budget Items for FY 2016 include:

- ◆ Implementation and lease-purchase of the new Enterprise Resource Planning (ERP) - \$1,472,090.
- ◆ Purchase of Virtual Desktop in lieu of replacement Desktops - \$86,800.
- ◆ Replacement of 44 Public Safety Toughbooks/MDT's - \$197,137.
- ◆ Replacement of 45 Laptop computers - \$99,000.
- ◆ Replacement of Police Department Coban server system - \$36,899.
- ◆ Replacement of Public Safety 55 docking stations in vehicles - \$49,425.
- ◆ Upgrade Laserfiche Document Management city wide system with 45 licenses - \$84,000.

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

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Assisted with setup/installation of system devices at new Fire/EMS Station #3.
- ◆ Interviewed/hired new Chief Information Officer.
- ◆ Replaced City wide departments desktops, laptops and Toughbook's.
- ◆ Migrated 30+ Servers to a Virtualize environment, saving hardware replacement.
- ◆ Additional GIS home page functionality. Added "Quick Map" map services and external mapping links.
- ◆ Public Works implementation of Fats Oil Grease (FOG) management software.
- ◆ Expanded task/responsibilities with new personnel for better efficiency and data quality.
- ◆ Upgraded GPS survey grade equipment and base station – centimeter accuracy.
- ◆ Imported new sub-division sections into the GIS map to provide new addresses for the Engineering Department.

INFORMATION SYSTEMS – 1085 - 1086

FISCAL YEAR 2016 OBJECTIVES

- ◆ Support technological configurations for the FY 2016 Enterprise Resource Planning (ERP) “go live” conversion.
- ◆ Assisting with Networking/Audio Visual solutions of City Hall/Community Center renovation
- ◆ Support GIS needs for CRW “Community Development” software and “New World Systems” integration.
- ◆ Upgrade ArcSDE SQL Server to ArcGIS 10.4 software version.
- ◆ Upgrade ArcGIS Desktop end users to ArcGIS 10.4 software version.
- ◆ Upgrade GIS Home page functionality - online map services for mobile devices.
- ◆ Update the water, storm and centerline, sanitary and lane mile inventory in the City’s GPS system as of September 25, 2016.
- ◆ Initiate a trackable management program for field and office.
- ◆ Update the inventory of water meters in the City recorded in the GPS system as of September 25, 2016.
- ◆ Update the inventory of Street Lights in the City as of September 25, 2016.
- ◆ Train field personnel to perform basic data entry into ArcMap.
- ◆ Provide more advanced training for GIS Specialist on interpreting Engineering Plans.
- ◆ GIS Specialist to perform more on-site training for Field Personnel.

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Number of PC's supported	455	575	649	691
Number of new software programs installed	0	1	2	1
Average Number of GIS layers maintained	101	103	104	105
Number of Maps Requested/Prepared	183	217	237	235

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, purchasing and payroll. Finance also serves as the administrative point of contact for all federal and State grant-making agencies that support departmental and City-wide capital and non-capital endeavors supported with other sources of funds. Audits, compliance with internal and external administrative and fiscal policies, financial transparency, accounts payable/receivable, as well as the improvement and sustainability of our City's bond rating are other important aspects of the department's responsibilities.

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

Key Budget Items for FY 2016 Include:

- ◆ No significant items.

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 2015 ACCOMPLISHMENTS

- ◆ Awarded Enterprise Resource Planning (business management software) to New World Systems, CRW and Executime for replacements of the City's 20-year old system and began implementation for the conversion of the financial modules, with payroll and utility billing following at a later date.
- ◆ Refunded \$51 million in existing outstanding debt saving the City \$7.2 million or \$425,000 annually over seventeen years, with a net present value savings of 11.17%.
- ◆ Compiled and presented to City Council, two options for the City's next bond referendum; one option based on a date certain time and another option based on growing into debt, based on taxable value, and tax rate implications. Consensus by Council was to base a future bond referendum based on City's ability to afford, based on the tax base.
- ◆ Defeased, in its entirety, the Economic Development Corporation Series 2010 debt, approximately \$6.5 million that would have matured in 2030, saving approximately \$445,000 in annual debt service payments.
- ◆ Received both the Distinguished Budget Award and Certificate of Achievement for Excellence in Financial Reporting.
- ◆ Continued to achieve 100% compliance with local policy and the Public Funds Investment Act for our investments.

FINANCE DEPARTMENT – 1260

FISCAL YEAR 2016 OBJECTIVES

- ◆ Complete implementation of the financial modules with “go-live” of the financials January 1, 2016 and payroll July 1, 2016. Potentially implement a new budget process and timeline based off the functionalities and capabilities of a new budget system.
- ◆ Implement a new time keeping system, Executime, with advanced scheduling for Public Safety departments and time keeping systems for other departments with integration into the City’s New World financial systems.
- ◆ Compile and present to City Council debt maturity options for the City’s water/sewer fund; lowering interest costs, though possibly impacting rates.
- ◆ Bid and award the City’s windstorm insurance for approximately \$200 million in valued property, the first time the City has had to do so, as previously included as part of TML Intergovernmental Risk Pool.
- ◆ Bid, award and replace the City’s 7 year old water/sewer rate model which the City uses to forecast rate changes, as the model has reached its useful life.
- ◆ Apply and receive the Government Finance Officers Association’s annual Distinguished Budget Award and its Certificate of Achievement for Excellence in Financial Reporting.

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Investments in compliance with policy and PFIA	100%	100%	100%	100%
Number of audit comments	0	0	0	0
Bond Rating (General Obligations/Certificates of Obligation)				
Moody’s	Aa2	Aa2	Aa2	Aa2
S&P	AA-	AA	AA	AA
Fitch	AA	AA	AA	AA
Bond Rating (General Obligations/Certificates of Obligation)				
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 for self-funded Medical Fund.

Key Budget Items for FY 2016 Include:

- ◆ Compensation Plan adjustments - 2% merit increase for all personnel (\$737,079), pay scale adjustment (\$72,498) and a 3% step pay increase (\$ 84,739) for Certified Police personnel.
- ◆ Salary savings of \$300,000 for anticipated vacant positions.
- ◆ Radio maintenance agreement with City of Houston - \$233,645.
- ◆ KPB franchise fee - \$226,096
- ◆ Sales tax incentives (Kelsey Seybold and Costco) - \$317,500
- ◆ Capital leases - Seimens energy lease (\$97,824), lease on fire truck (\$77,925) and ERP lease (\$206,000).

LIBRARY – 1380

OVERVIEW

Library services are provided through a cooperative effort between the City of Pearland and Brazoria County that support two facilities – the Tom Reid Library on the east side of the City, and the Business Center Drive Library on the west. The City provides the buildings and takes responsibility for their maintenance and other operating expenses. Brazoria County supplies the libraries' materials, computers, network access, and employees. As part of the voter-approved bond referendum in 2007, funding was approved to expand the current building in 2015. As a result of two years of successful performance and continued growth in Pearland, the Business Center Drive Library has been increased by 65 percent for a total of 10,000 square feet of available library space.

Pearland's libraries 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. The libraries offer book clubs and programs for children, teens and adults, provide a space for voting, and conducts classes on accessing the Brazoria County Library System's eBooks on standard eReaders.

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

Key Budget Items for FY 2016 Include:

- ◆ Renovation of the Tom Reid Library (*carryover from FY 2015*).

GOAL

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

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Completed the expansion of the Business Center Drive Library with a grand opening on February 3, 2015.
- ◆ Continued the planning process for the expansion and renovation of the Tom Reid Library.
- ◆ Offered computer classes to seniors at the Melvin Knapp Activity Center.

FISCAL YEAR 2016 OBJECTIVES

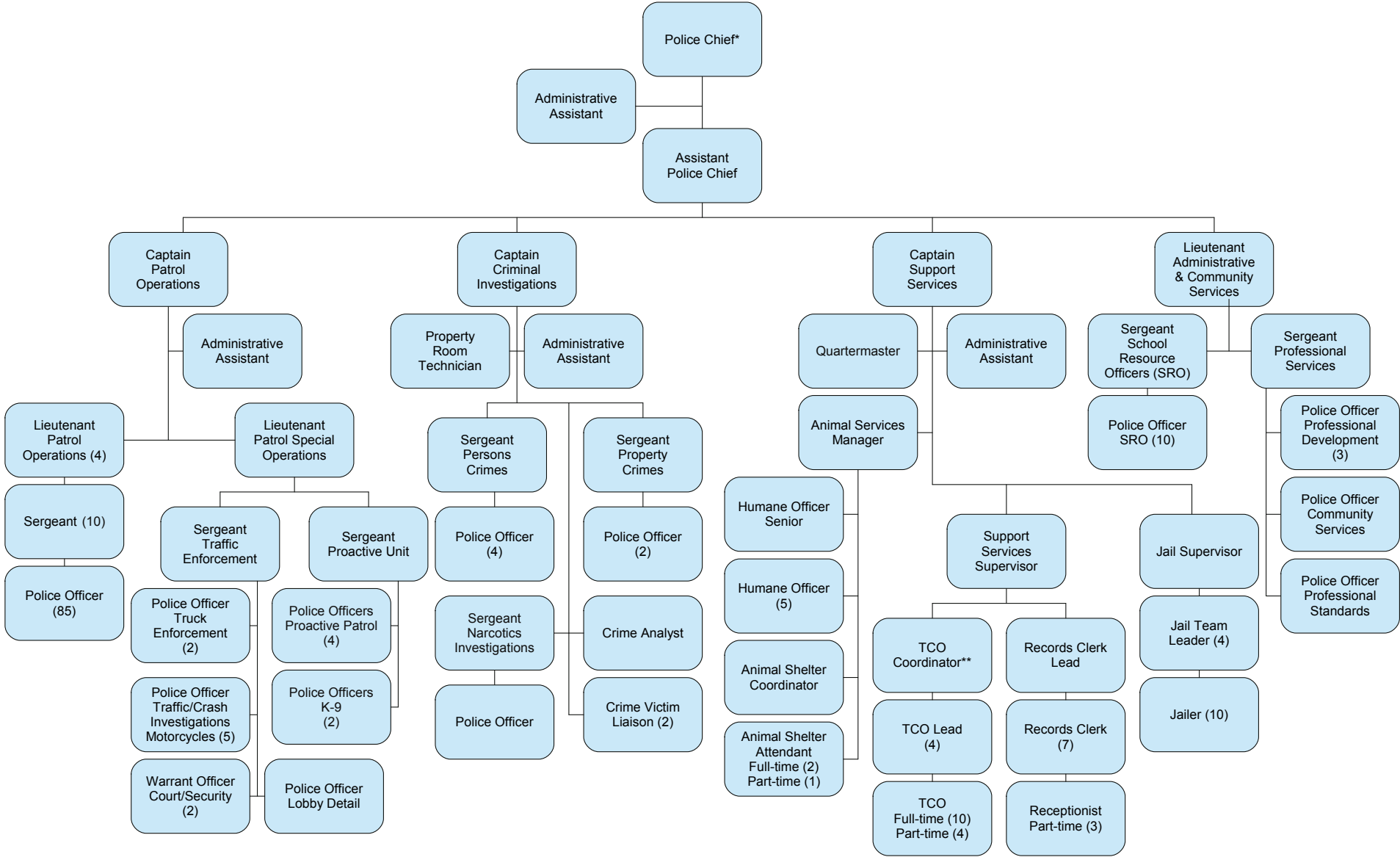
- ◆ Begin construction on the Tom Reid Library project.
- ◆ Begin preparing a proposal for the construction of a permanent library facility on the west side.
- ◆ Finish preparing and begin implementing the Brazoria County Library System long range plan for 2016-2020.

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
<u>Tom Reid Library</u>				
Number of volumes	113,655	103,514	104,000	130,000
Number of items checked out - circulation	433,104	340,293	370,188	400,000
<u>Business Center Drive Library</u>				
Number of volumes	N/A*	38,173	40,923	42,000
Number of items checked out - circulation	156,806	322,600	362,652	370,000

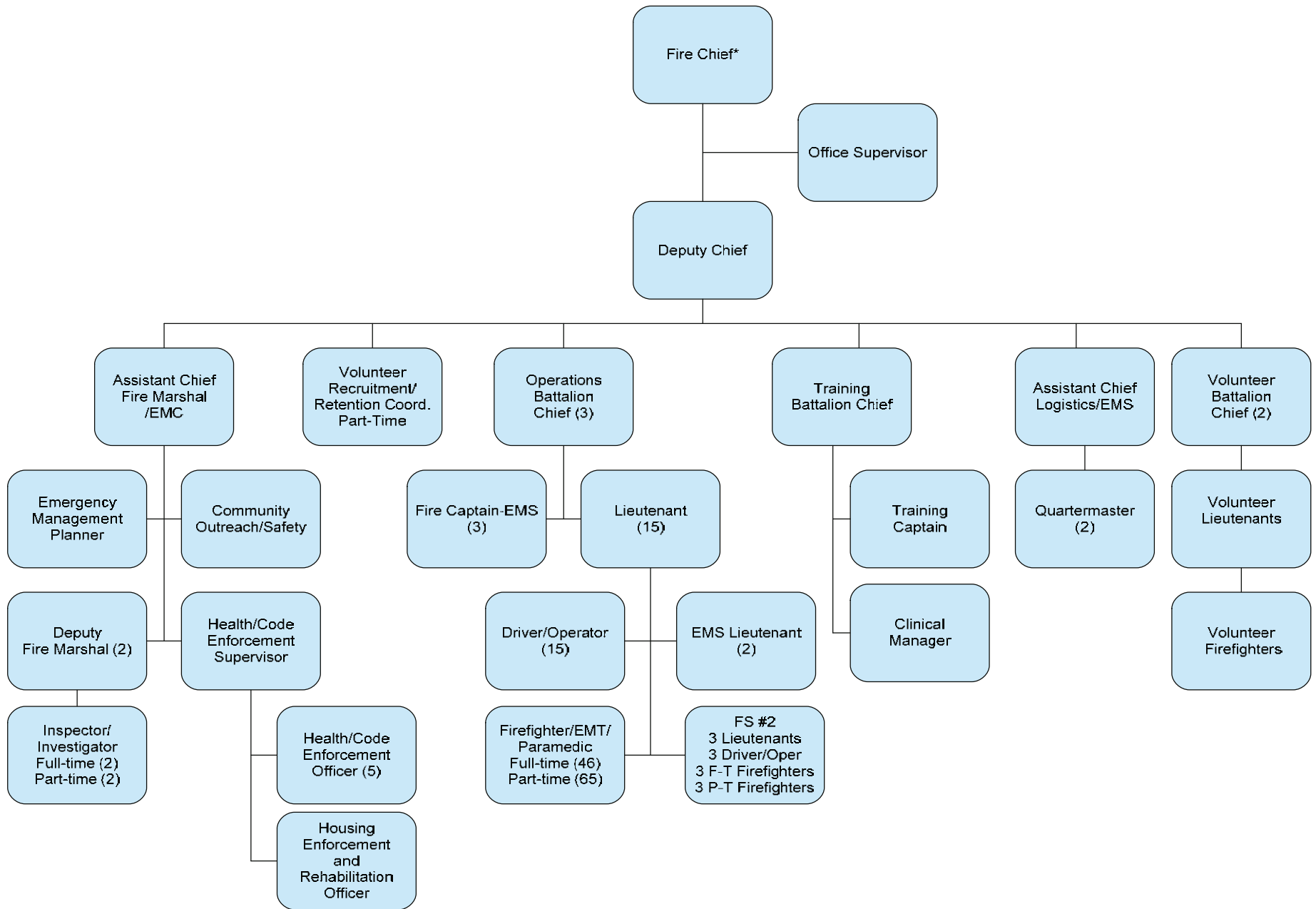
*The City operated the west-side Pearland Library as a substation located in the West-Side Events Center, as a drop-off location and no volumes were maintained out of that location at the time.

PUBLIC SAFETY—POLICE DEPARTMENT



*Reports to City Manager

PUBLIC SAFETY—FIRE DEPARTMENT



*Reports to City Manager

**PUBLIC SAFETY
EXPENDITURE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Police - Administration	1,260,277	1,342,808	1,394,079	1,516,888
Police - Patrol Operations	10,259,456	12,333,038	12,052,534	13,050,176
Police - Investigations	2,220,072	2,352,731	2,404,593	2,509,099
Police - Community Services	968,894	993,131	870,301	715,416
Police - Support Services	1,785,866	1,905,426	1,927,159	2,038,923
Police - Jail	1,032,780	1,149,903	1,106,703	1,142,777
Police - Commercial Vehicle Enforcement	211,870	233,878	239,693	240,825
Police - School Resource Officer	1,154,387	1,200,086	1,145,117	1,206,006
Police - Traffic Enforcement/Motorcycles	990,851	930,378	889,779	887,443
Police - Special Investigations	400,581	391,148	354,805	394,086
Police - Training	104,470	106,558	105,567	300,829
Animal Services	740,377	773,323	811,491	993,517
POLICE TOTAL	21,129,881	23,712,408	23,301,821	24,995,985
Fire Administration		1,014,672	947,605	1,048,927
Fire Operations	10,901,049	10,444,299	10,054,064	11,054,327
Fire Marshal	673,576	719,035	681,031	921,194
Emergency Management	42,717	39,362	37,817	38,561
Health/Code Enforcement	392,889	520,995	492,021	572,965
FIRE TOTAL	12,010,231	12,738,363	12,212,538	13,635,974
PUBLIC SAFETY TOTAL	33,140,112	36,450,771	35,514,359	38,631,959

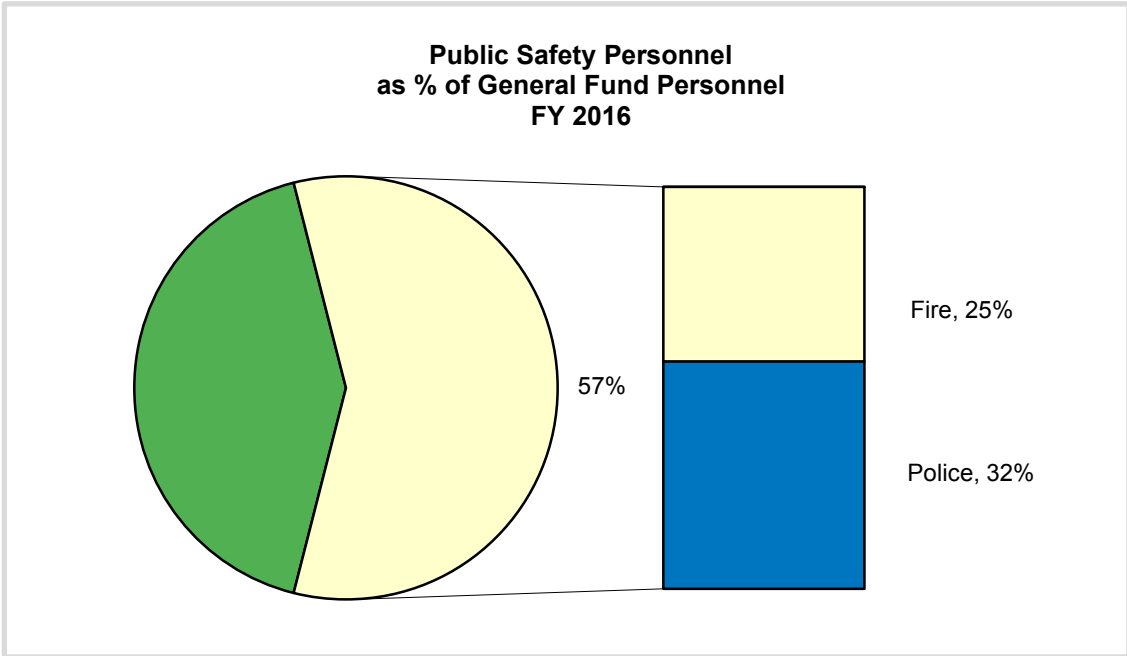
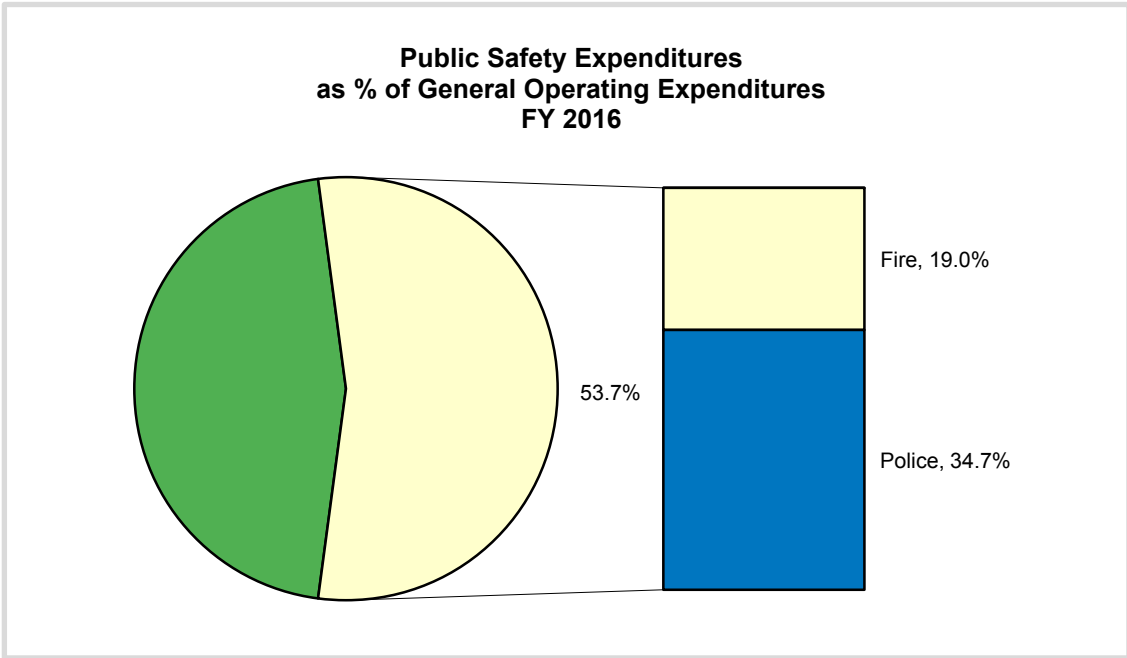
EXPENDITURES BY CATEGORY	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Salaries & Wages	26,151,977	29,863,319	28,790,396	31,299,063
Materials & Supplies	936,779	1,158,369	1,170,533	1,193,203
Building Maintenance	13,157	70,800	55,468	11,340
Equipment Maintenance	1,270,736	1,517,872	1,228,187	1,279,074
Miscellaneous Services	1,501,506	1,796,065	1,979,953	1,995,182
Sundry Charges	54,565	136,032	153,935	117,942
Inventory	196,683	162,028	162,917	101,628
Capital Outlay	3,014,709	1,746,286	1,972,970	2,634,527
PUBLIC SAFETY TOTAL	33,140,112	36,450,771	35,514,359	38,631,959

**PUBLIC SAFETY
EXPENDITURE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**

STAFFING BY DEPT/DIVISION	FY 2014 Actual	FY 2015 Amended Budget*	FY 2015 Year End Projection	FY 2016 Adopted Budget
Police - Administration	6	6	6	6
Police - Patrol Operations	96	104	104	111
Police - Investigations	18	22	22	22
Police - Community Services	7	6	6	6
Police - Support Services	32	33	33	33
Police - Jail	14	15	15	15
Police - Commercial Vehicle Enforcement	2	2	2	2
Police - School Resource Officer	11	11	11	12
Police - Traffic Enforcement/Motorcycles	8	8	8	8
Police - Special Investigations	5	3	3	3
Police - Training				
Animal Services	11	11	11	11
POLICE TOTAL	210	221	221	229
Fire Administration		10	10	12
Fire Operations*	142	137	137	152
Fire Marshal	9	9	9	9
Emergency Management				
Health/Code Enforcement	6	7	7	8
FIRE TOTAL	157	163	163	181
PUBLIC SAFETY TOTAL	367	384	384	410

*Fire Operations has been restated for FY 2014 to include the equivalent of 10 positions filled by volunteers, but reclassified to part-time in 2016.

**PUBLIC SAFETY
EXPENDITURE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**



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.

The Police Department is active in the community and is involved in various community programs aimed at reducing crime. These programs include National Night Out, 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 Boulevard.

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

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

Key Budget Items for FY 2016 include:

- ◆ Added four (4) Police Sergeant upgrades, eight (8) Police Officers, and six (6) vehicles - \$890,365.
- ◆ Replacement of 8 patrol and 2 investigation vehicles with equipment - \$282,249.
- ◆ Detective assignment pay @ \$100 bi-weekly, beginning October 1, 2015 - \$43,200.
- ◆ Pano-scan Pointgun Scanner - \$68,000 (funded out of the Police Seizure Fund).
- ◆ Police Staffing and Utilization Study - \$150,000.

GOALS

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

POLICE DEPARTMENT – 2211-2225

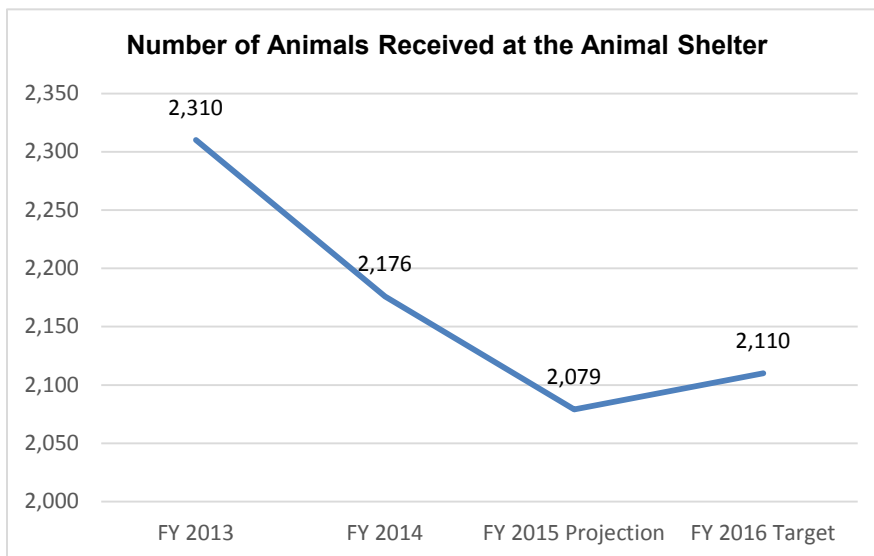
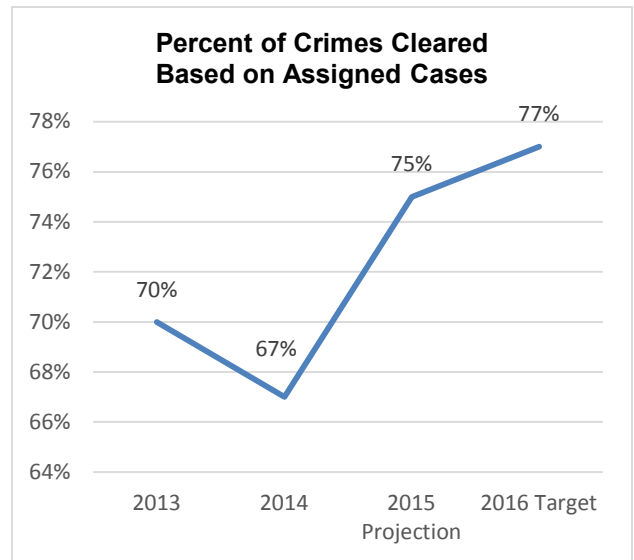
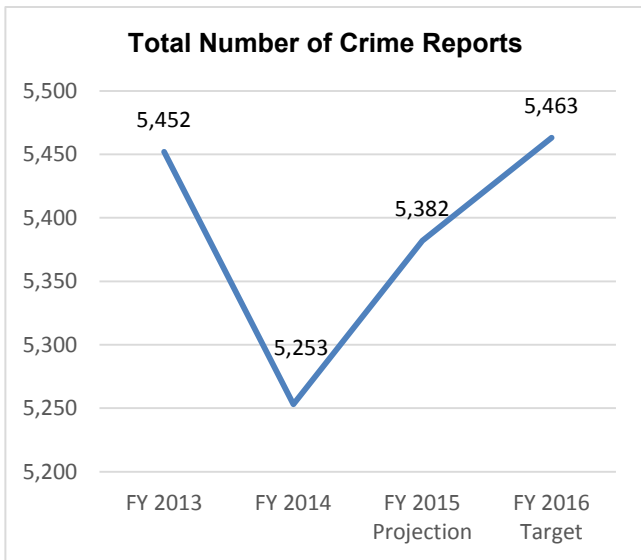
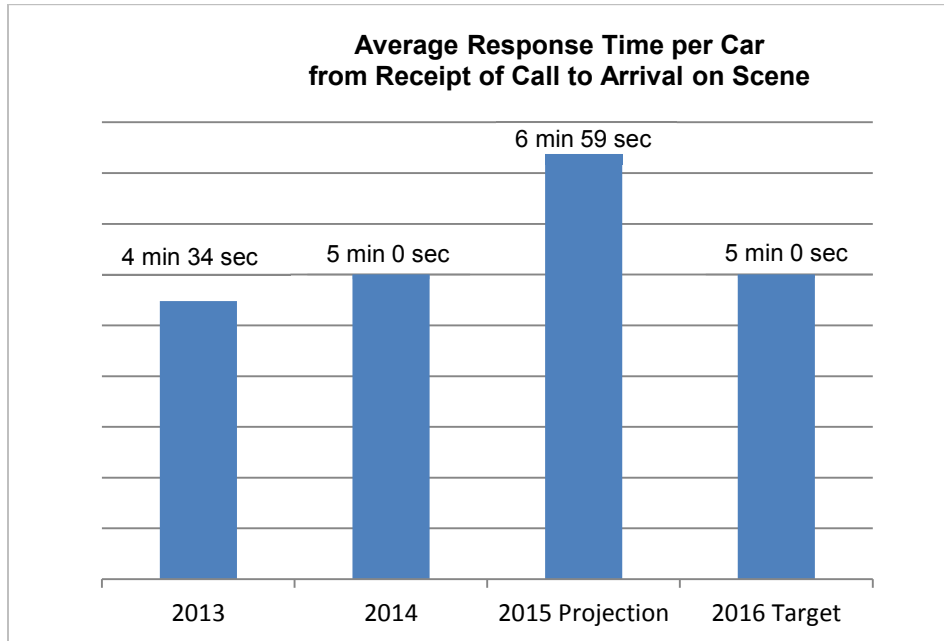
FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Increased Supervisory staff with the addition of two Sergeants assigned to the night shift patrol squads. Patrol squad staffing and related minimums were adjusted in order to provide rapid, effective police services. A Sergeant to the Proactive Unit within Patrol and an additional Sergeant to the Investigations Department providing a leader for each Personal Crimes & Property Crimes Divisions.
- ◆ Expanded the involvement of patrol personnel in the investigation of gang related activity as it pertains to narcotics activity and organized crime. A gang module was added to the computer system to ensure accurate tracking of gang activity.
- ◆ Expanded the use of social media to educate the community via timely and relevant dissemination of information regarding criminal incidents and crime prevention topics. Attracted over 1,200 additional “likes” to the Department’s Facebook page.
- ◆ Completed the training and graduation of the 40th Citizen’s Police Academy class.
- ◆ Hired the Department’s first full-time Crime Analyst.
- ◆ Animal Services expanded the number of adoption events by partnering with 15 local businesses in order to give the adoption option at their events, in addition to the community adoption events hosted by the City.
- ◆ Increased the availability of animal control officers until 10:00p.m. to better serve the needs of the citizens.
- ◆ Animal Services created a program for the routine availability of discounted micro-chipping of pets.
- ◆ Commercial Vehicle Enforcement officers held four meetings with private sector trucking firms in Pearland in order to educate their staff and drivers regarding safety and regulation issues.
- ◆ Implemented the Criti-Call testing system for Dispatch applicants, which will result in the most suitable hires and projected longevity in the position.
- ◆ Expanded the Bike Patrol unit with the addition of ten part-time officers and eight new patrol bicycles. The bicycles and related equipment were funded by a donation from the Citizens Police Academy Alumni Association.

FISCAL YEAR 2016 OBJECTIVES

- ◆ Schedule department-wide mandatory training to ensure that all officers will meet State-mandated training requirements for the new TCOLE training cycle for 2015-2017.
- ◆ 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.
- ◆ Continue recruiting efforts through proven effective means to attract a large and diverse applicant pool. Actively work with Human Resources to promote employment opportunities within all areas of the Department.
- ◆ Implement a Teen Citizen’s Police Academy, based upon the popular adult Cardio-Pulmonary Resuscitation (CPR) course as an outreach program to Pearland youth regarding the role of police in society.
- ◆ Add a School Resource Officer to the program in order to more effectively meet the needs of our partnership with PISD.
- ◆ Implement a proactive unit that will use the Data Driven Approaches to Crime and Traffic Safety (DDACTS) program guidelines to address crime and traffic problems with more efficiency. The Crime Analyst will prove vital to this program by mapping “hot spots” for active police enforcement.
- ◆ Certify two additional Animal Control Officers to conduct animal cruelty investigations.
- ◆ Commercial Vehicle Enforcement officers will continue to host safety meetings with Pearland businesses involved in the commercial vehicle industry.
- ◆ Schedule and train all classified personnel and jail staff for a Mental Health Certification Course within the next two fiscal years to most effectively interact with members of the public who may be in mental distress.
- ◆ Test and evaluate body cameras for officers; determine suitability for the Department.
- ◆ Update the patrol vehicle video system to current specifications as the current units will be outdated and unsupported.
- ◆ Staff, plan for, and train personnel for the return of Alarm Billing and Permitting to this Department from the private contractor.
- ◆ Assign an investigator to a Federally-designated High Intensity Drug Trafficking Area (HIDTA) task force.
- ◆ Purchase a 3D plotting laser scanner to use during crime scene and advanced accident investigation renderings.
- ◆ Increase the level of communication and training with Alvin ISD officers due to the number of their schools within the City of Pearland and the upcoming opening of a new high school in Shadow Creek.
- ◆ Complete a Police Utilization Study in order to assess staffing and utilization.

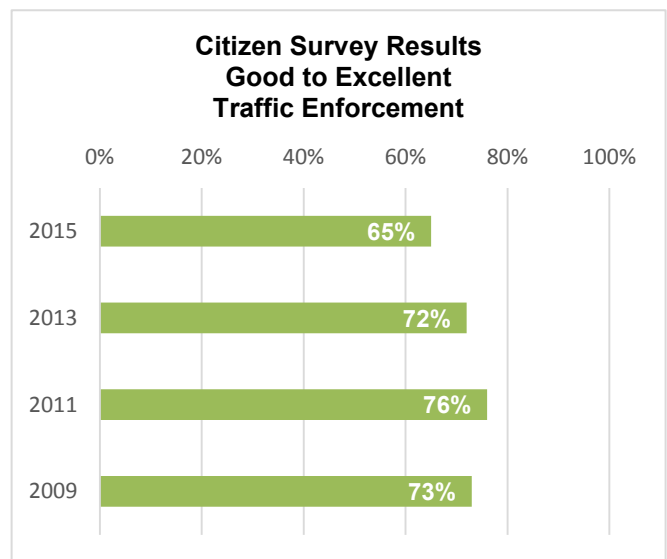
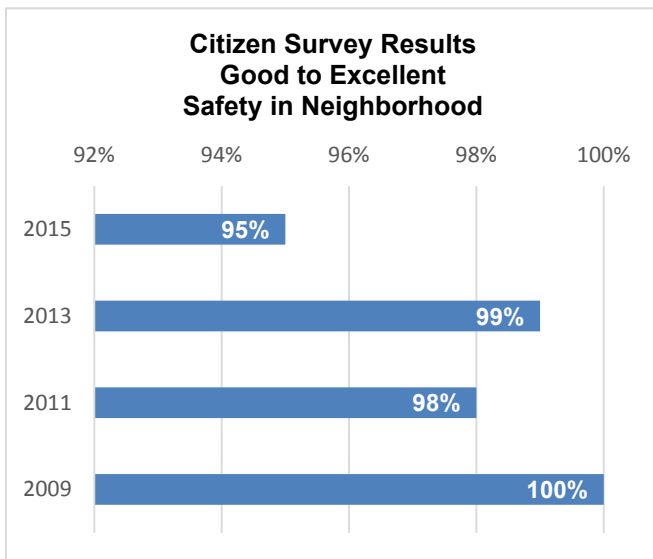
POLICE DEPARTMENT – 2211-2225



POLICE DEPARTMENT – 2211-2225

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Forecasted
Violent and non-violent person crimes reported	754	759	721	732
Property and society crimes reported	4,698	4,494	4,595	5,067
Training hours completed, Pearland Officers	9,000	19,485	10,438	19,936
Number of 911 calls received by dispatch	45,247	36,279	35,014	35,539
Average time - receipt of citizen call to unit dispatched (in seconds)	69	61	60	60
Average number of 911 calls per Telecommunication Operator	289	230	256	256
Number of offense reports	12,072	13,962	13,088	13,284
Total arrests made by police	7,642	7,081	6,201	6,294
Dispatched calls per Patrol Officer	659	595	602	611
Average response time per car	4min 34sec	5min 0sec	6min 59sec	5min 0sec
Number of animals received at animal shelter	2,375	2,176	2,079	2,110
Percent of animals adopted	43%	48%	55%	55%



FIRE DEPARTMENT – 2315 - 2360

OVERVIEW

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

As part of the Fire Department, The Fire Marshal's Office provides fire inspections, public fire prevention education, and fire investigations. The Fire Marshal's Office also manages the Health/Code Enforcement Services, providing inspections of food establishments, including restaurants, schools, and group homes for compliance to City ordinances, and the Emergency Operations Center in response to an emergency or disaster.

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

Key Budget Items for FY 2016 include:

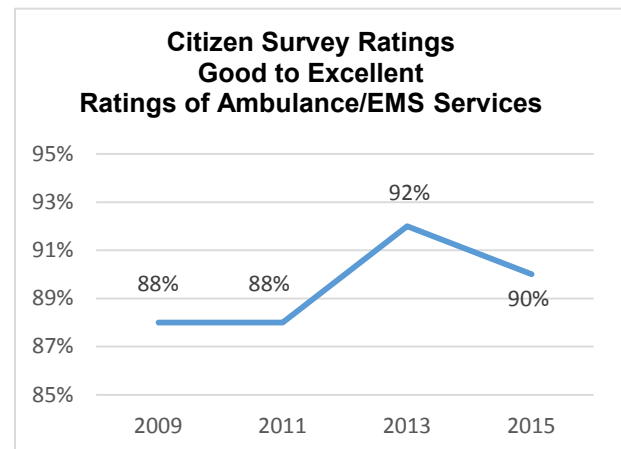
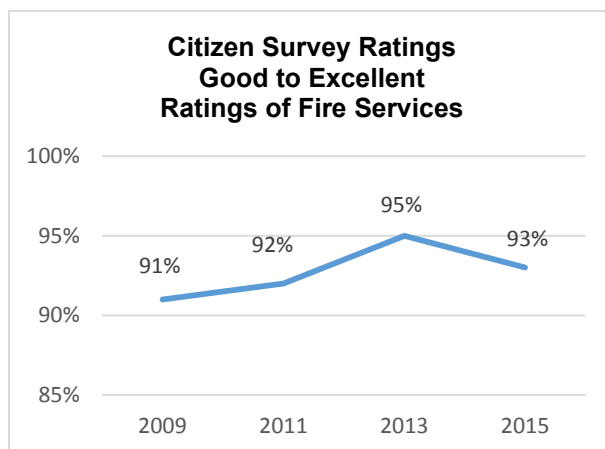
- ◆ Purchase of a Fire ladder truck and an ambulance, \$1,160,000
- ◆ Conversion of volunteer firefighters to paid, part-time firefighters effective October 1, 2015 - \$168,522.
- ◆ One new Health/Code Enforcement Officer and related apparatus - \$57,452.
- ◆ Replacement of two SUV's and one F150 - \$139,691.
- ◆ Two part-time receptionists - \$30,405.

GOALS – SAFE COMMUNITY

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

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Consolidated EMS, Fire, Fire Marshal, and Health/Environmental Inspections operations.
- ◆ Placed 5th staffed ambulance into service.
- ◆ Implemented revised Quality Assurance/Quality Improvement (QA/QI) Program.
- ◆ Increased revenue recovery through participation in Texas Ambulance Supplemental Payment Program.
- ◆ Continued working with the National Weather Service to receive Storm Ready Designation.
- ◆ Opened Fire Station 3, with the staffing, a newly purchased and equipped fire engine, and other apparatus necessary for 24/7 operation.



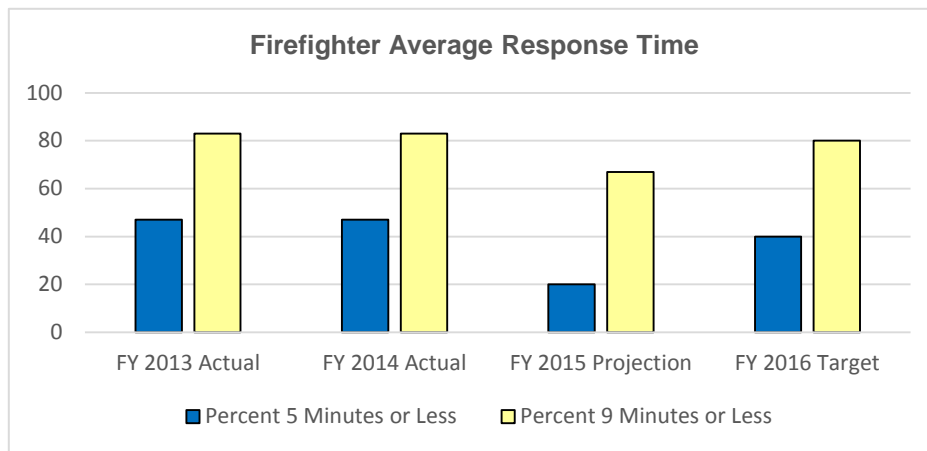
FIRE DEPARTMENT – 2315 - 2360

FISCAL YEAR 2016 OBJECTIVES

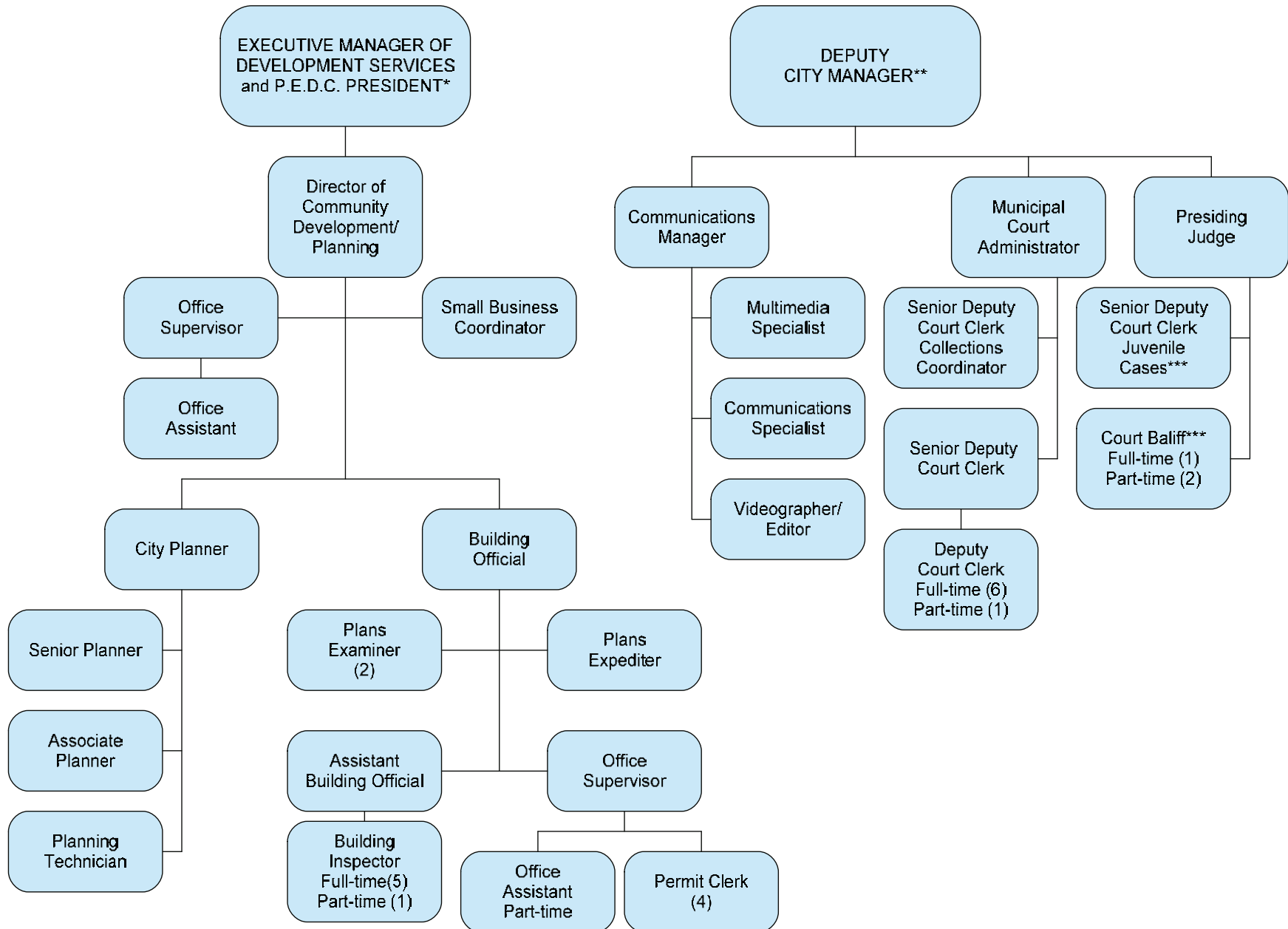
- ◆ Open and staff new Fire Station #2 24/7.
- ◆ Purchase and equip new ladder truck.
- ◆ Complete 1 volunteer Fire and EMS Academy.
- ◆ Implement and update new medical protocols in partnership with the City's new Medical Director.
- ◆ Complete Fire Department Strategic Plan
- ◆ Design new Fire Station #1 to replace the old Fire Station #1.
- ◆ Decrease response times.
- ◆ Obtain increased funding from Brazoria County for ETJ incidents.

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Average Response Time:				
Percent 5 minutes or less	47%	47%	20%	40%
Percent 9 minutes or less	83%	83%	67%	80%
Total Estimated Fire Loss	\$1,326,337	\$1,800,000	\$1,700,000	\$1,600,000
Number of Code Enforcement Cases Opened	2,148	2,070	2,500	2,700
Number of Annual Inspections	1,115	1,600	2,000	2,400
Emergency Medical Transports	4,708	4,499	4,700	4,900
Public Safety Education Hours	324	279	300	400



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 2016 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Community Development				
Community Development Administration	394,634	423,873	434,616	364,389
Permits & Inspections	961,413	1,115,172	1,157,603	1,313,438
Planning	328,653	452,545	409,094	417,793
Communications	342,034	457,421	475,688	470,466
Municipal Court	634,728	685,516	687,285	737,917
COMMUNITY SERVICES TOTAL	2,661,462	3,134,527	3,164,286	3,304,003

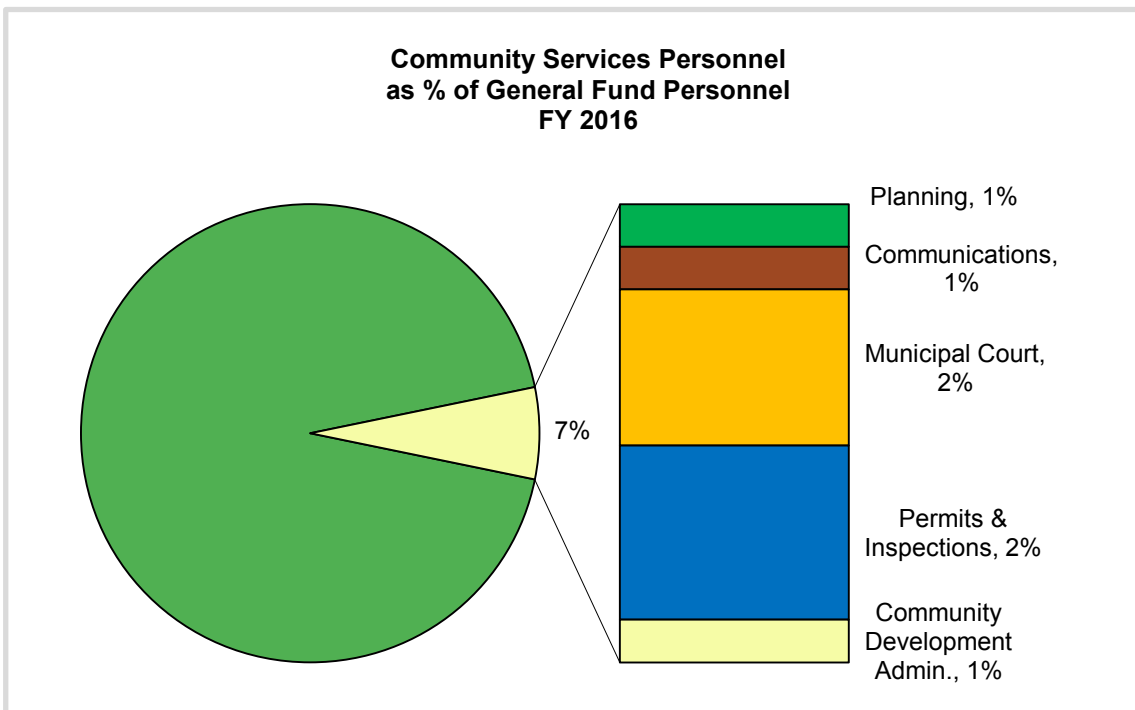
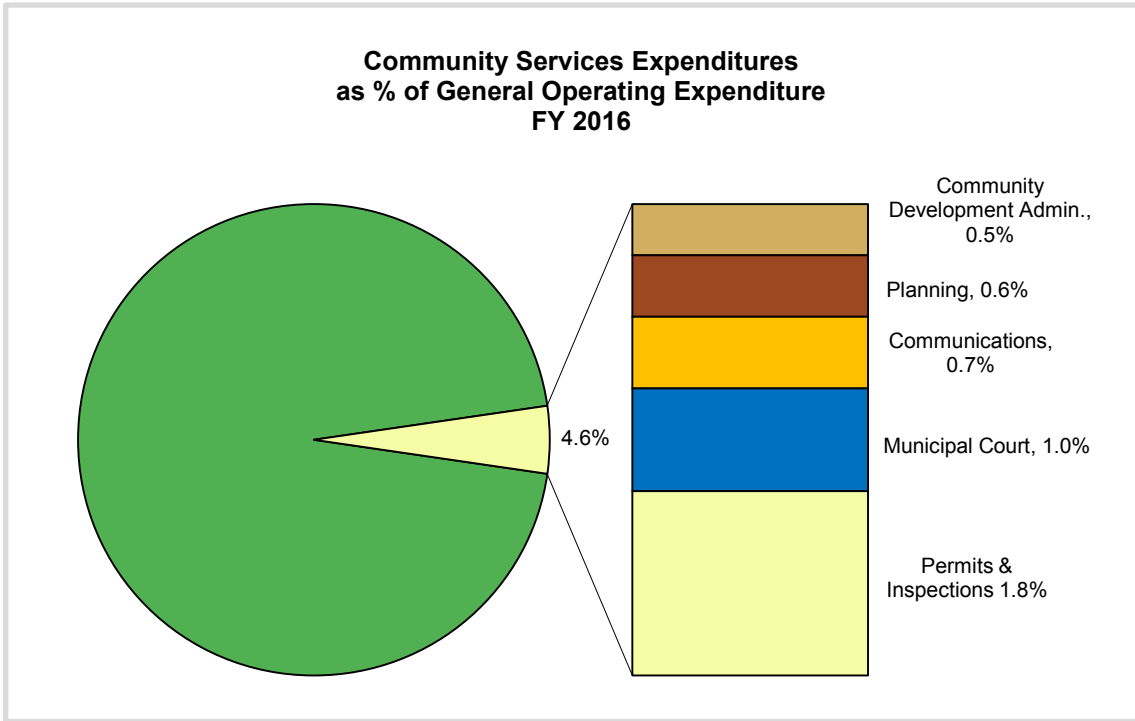
EXPENDITURES BY CATEGORY	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Salaries & Wages	2,165,251	2,443,842	2,482,684	2,739,042
Materials & Supplies	114,790	149,917	142,743	140,156
Building Maintenance	21			
Equipment Maintenance	28,848	27,200	19,744	17,644
Miscellaneous Services	336,918	493,951	499,569	358,476
Sundry Charges	3,107	5,000	5,000	3,645
Inventory	12,527	14,617	14,546	2,200
Capital Outlay				42,840
COMMUNITY SERVICES TOTAL	2,661,462	3,134,527	3,164,286	3,304,003

STAFFING BY DEPT/DIVISION	FY 2014 Actual	FY 2015 Amended Budget*	FY 2015 Year End Projection	FY 2016 Adopted Budget
Community Development				
Community Development Administration	3	3	3	4
Permits & Inspections	15	16	16	17
Planning	4	4	4	4
Communications	3	4	4	4
Municipal Court**	15	15	15	15
COMMUNITY SERVICES TOTAL	40	42	42	44

*Same as adopted budget, unless where noted.

**Municipal Court - Four positions, 3.48 FTE, are funded in Special Revenue Funds.

**COMMUNITY SERVICES
EXPENDITURE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**



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 Permit & Inspection Services. Community Development Administration 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. The Department also processes all land use related request including zone changes, variance and special exception requests, and subdivision plats.

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

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

Key Budget Items for FY 2016 Include:

- ◆ Reclassification of Plans Examiner to Assistant Building Official (12 months of funding) - \$7,085.
- ◆ One (1) Plans Examiner (9 months of funding) - \$53,059.
- ◆ Small Business Coordinator (6 months of funding) - \$38,950.
- ◆ Revenues from an increase in fees for Mechanical, Electrical, and Plumbing/Gas permits - \$105,558.
- ◆ Annexation of approximately 500 acres along Bailey Avenue.
- ◆ Adoption of 2015 ICC building codes.

GOALS

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

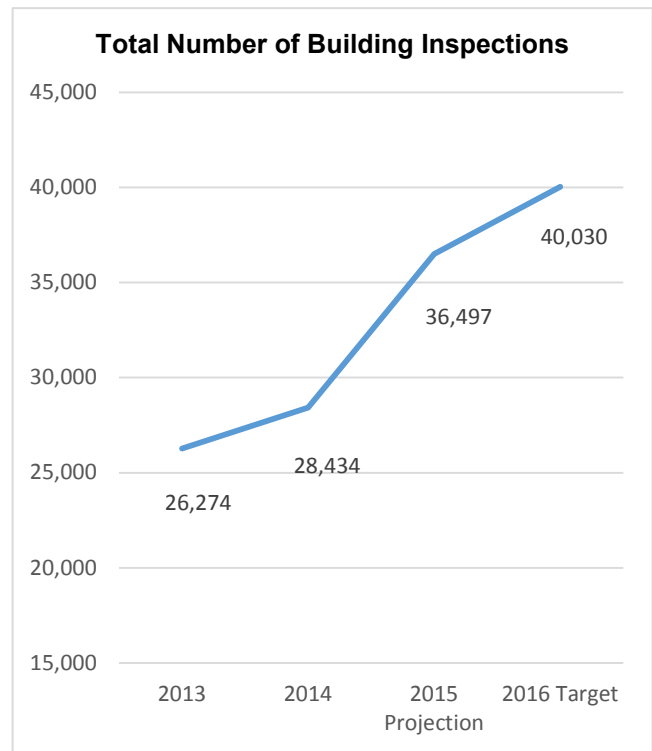
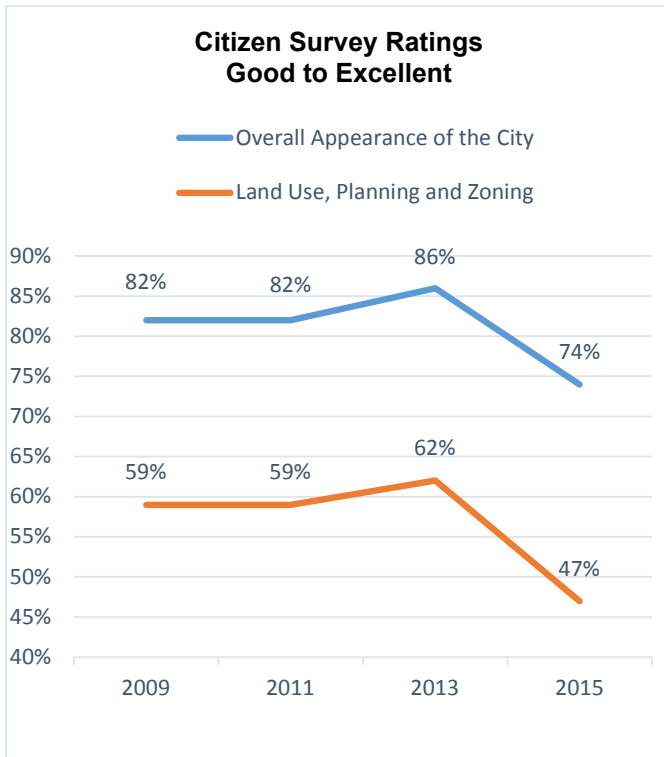
FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Community Development Strategic Plan – continued team building activities to promote the Department's mission - Quality Service/Excellent Results.
- ◆ Received the Planning Excellence Award from the American Planning Association.
- ◆ Adopted 2015 Comprehensive Plan.
- ◆ Commenced Bailey Road annexation process.
- ◆ Initiated Enterprise Resource Planning (ERP) process for all permit and planning approval processes.
- ◆ Customer Service Initiatives - Created a Development Process Brochure, map of Current Commercial Projects, and Universal Applications. Developed tables for Permit Review Processing for residential and commercial developments, Code Compliance Departmental Responsibility, and Development Related Codes.
- ◆ Updated the Development Handbook and Pre-Development Packet.
- ◆ Conducted public outreach forums – Builders Forum and Planning Day.
- ◆ Adopted electronic review process for platting and plan review.
- ◆ Adopted simplified methodology to calculate mechanical, electrical, and plumbing permit fees.
- ◆ Continued professional training for staff, Planning and Zoning Commission, and Zoning Board of Adjustment.
- ◆ Updated the Thoroughfare Plan.
- ◆ Processed T-17 and T-18 Unified Development Code update.

COMMUNITY DEVELOPMENT – 1605-1650

FISCAL YEAR 2016 OBJECTIVES

- ◆ Complete Bailey Road Annexation.
- ◆ Implement Enterprise Resource Planning (ERP) – Trakit software.
- ◆ Present 2015 International Building Codes (“I-Codes”) to council for adoption.
- ◆ Implement satellite garage sale permit issuance at the City’s Public Safety Building.
- ◆ Proceed with implementation of Action Steps listed in the 2015 Comprehensive Plan.
- ◆ Complete scanning and archiving of all records for paper document reduction.
- ◆ Conduct Annual Planning Day and Builders Forum.
- ◆ Continue professional training for staff, Planning and Zoning Commission, and Zoning Board of Adjustment.
- ◆ Continue to provide population updates and special studies.
- ◆ Continue to publish Community Development newsletter.
- ◆ Revise pre-development information to include all new adopted codes and ordinances.



PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Zone Change Cases	18	19	25	30
Total Plat Approvals	93	143	115	130
Site Plans reviewed	53	111	100	125
Total plans reviewed	939	1,185	1,584	2,000
Total building inspections	26,274	28,434	36,497	38,250
Total permits issued	10,630	13,972	18,186	20,000
Average Value Single Family Home Permitted	\$219,714	\$231,173	\$225,366	\$230,000

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.

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

Key Budget Items for FY 2016 include:

- ◆ Improvement of audio, visual, and public announcement system associated with the renovation and expansion of the Council Chamber dais and change - \$140,000 (PEG Fund)
- ◆ Build-out of studio and purchase of equipment - \$49,650 (PEG Fund)

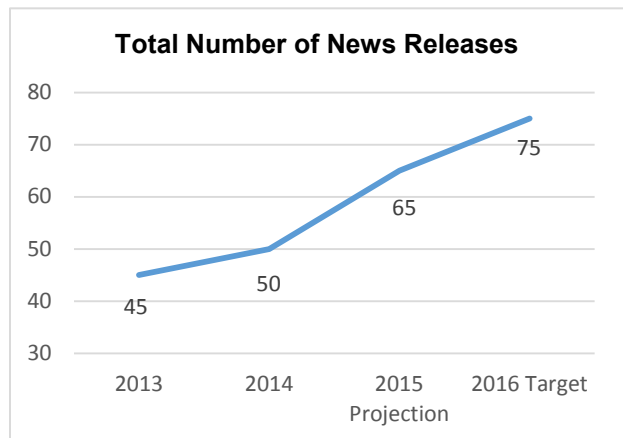
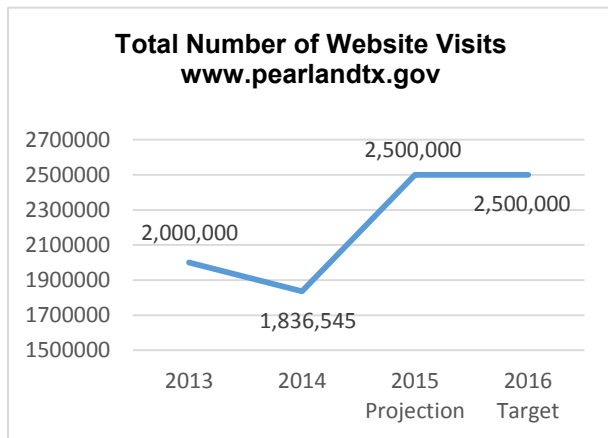
GOALS – ENGAGED COMMUNITY

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

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Received eleven (11) awards in communications excellence from various state and national city/county marketing/communications associations.
- ◆ Successfully began two new series, Pearland Green and Workout Pearland that directly affected and promoted citizen participation with city facilities and upkeep.
- ◆ Filmed, edited and produced a Police Department recruitment video that resulted in a 74 percent increase in recruiting pool than the prior testing group.
- ◆ Implemented a strategic Communications/Marketing campaign to communicate the resident Waste Collection route change. The route change Web page had more 9,000 unique views on the first day of the change. Of the 31,000 households in the City, less than one percent issued complaints regarding the change.

PERFORMANCE MEASURES



COMMUNICATIONS – 1530

FISCAL YEAR 2016 OBJECTIVES

- ◆ Increase transportation/mobility-related communications by 15 percent.
- ◆ Identify marketing opportunities and strategies to promote City programs and services, with an emphasis on Parks & Recreation programs and services in an effort to increase participation by 10 percent.
- ◆ Implement a marketing/communications plan for the City’s customer service initiative – *Service, the Pearland Way*.
- ◆ Develop and implement a plan to increase social media followers/fans to YouTube (700), Twitter (3,550), Facebook (11,000) and Instagram (550).
- ◆ Begin build-out of studio and purchase of equipment.

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

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Facebook fans/friends	3,511	5,499	8,589	11,000
Twitter followers	694	1,289	2,254	3,550
YouTube subscribers	65	147	436	700
Percent of news releases published	95%	95%	95%	75%
Number of news releases written	45	50	65	75

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.

STRATEGIC COUNCIL GOAL: Adjudication of misdemeanor crimes and local code violations provides Pearland residents and visitors with a Safe Community.

Key Budget Items for FY 2016 include:

- ◆ Increase Part-Time Bailiff to a Full-Time position - \$26,792.

GOALS

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

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Procured a part-time bailiff to help with security in the courtroom.
- ◆ Procured wand metal detectors to help with the scan of people entering the courtroom.
- ◆ Two Court Clerks achieved Level II certifications, and 3 court clerks achieved Level I certifications.
- ◆ Began and implemented the Teen Court Program.

FISCAL YEAR 2016 OBJECTIVES

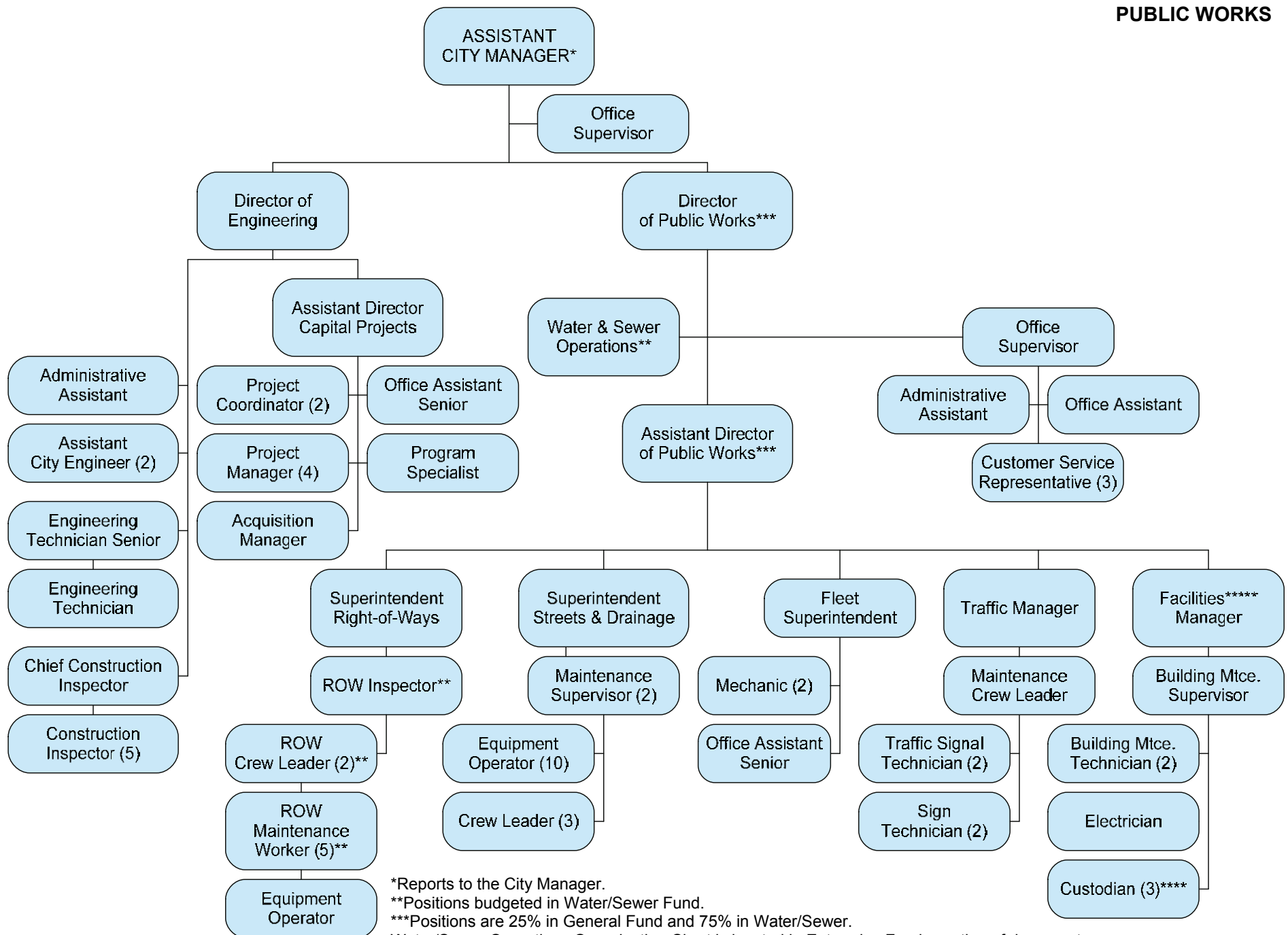
- ◆ Procurement of a full-time Bailiff allowing better security for citizens, Judge and court staff.
- ◆ Accomplishment of court going "paper lite" by the scanning of all documents filed with the court.
- ◆ Continue the prosecution and adjudication of court cases in accordance with the Constitution,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

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Number of Judge trials prepared	278	217	325	575
Number of Jury trials prepared	607	622	700	500
Number of warrants issued	10,727	9,438	11,500	8,000
Total number of charges brought in	27,439	23,182	25,000	20,000
Percent Guilty Charge	61%	68%	68%	65%
Percent Charges Dismissed	7%	12%	7%	30%
Percent in Compliance ¹	24%	29%	25%	30%
Outstanding warrants	17,665	17,644	16,500	17,500
Value of outstanding warrants	\$6,273,801	\$8,395,229	\$8,500,000	\$9,000,000

¹Compliance is defined as a charge that has been cleared due to a defendant's corrected vehicle registration, insurance, vehicle inspection, completion of driver's safety course, or a deferred adjudication.

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 2016 ADOPTED BUDGET**

EXPENDITURES BY DEPT / DIVISION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Public Works Operations Administration	410,427	227,719	206,016	158,901
Facilities Maintenance	865,282	1,393,817	1,419,363	1,035,605
Custodial Services*	337,574	317,093	311,681	355,016
Fleet Maintenance	420,020	546,409	426,738	259,140
Streets & Drainage	4,684,214	5,193,356	5,284,424	4,964,212
ROW Mowing		735,031	827,041	1,453,099
Service Center	190,534	175,133	151,007	95,150
Public Works and Engineering Administration	262,659	309,455	261,000	261,040
Capital Projects	824,585	840,118	883,253	911,715
Traffic Operations & Management	799,779	1,255,399	978,716	1,150,196
Engineering	1,059,772	1,144,537	1,111,524	1,162,814
PUBLIC WORKS TOTAL	9,854,846	12,138,067	11,860,763	11,806,888

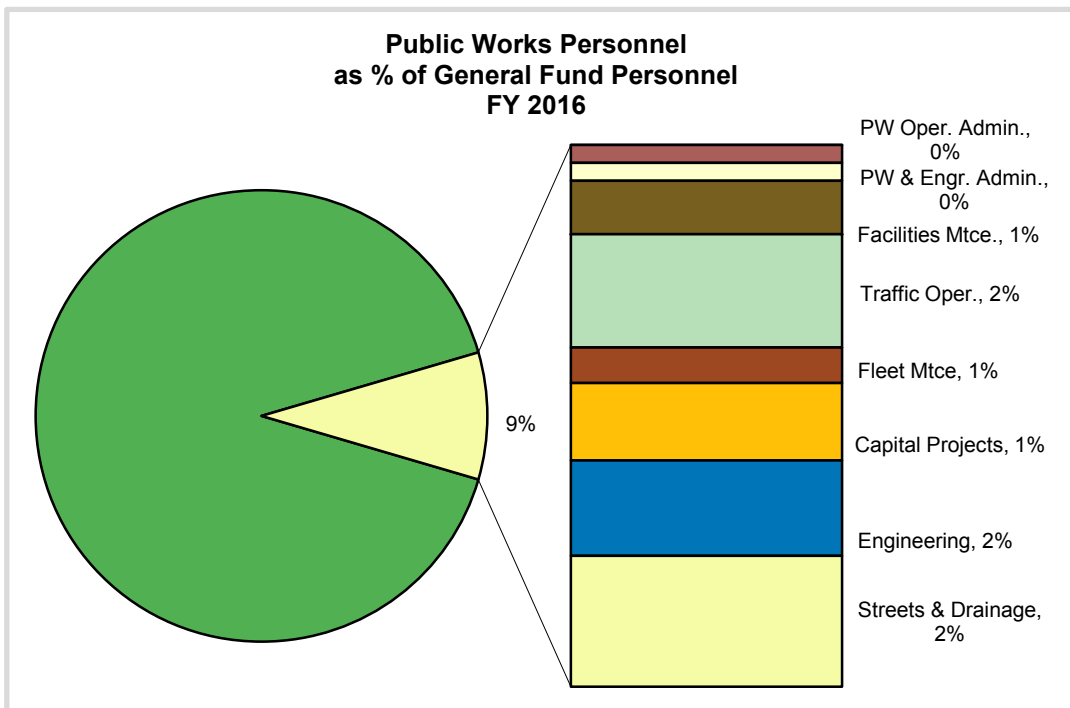
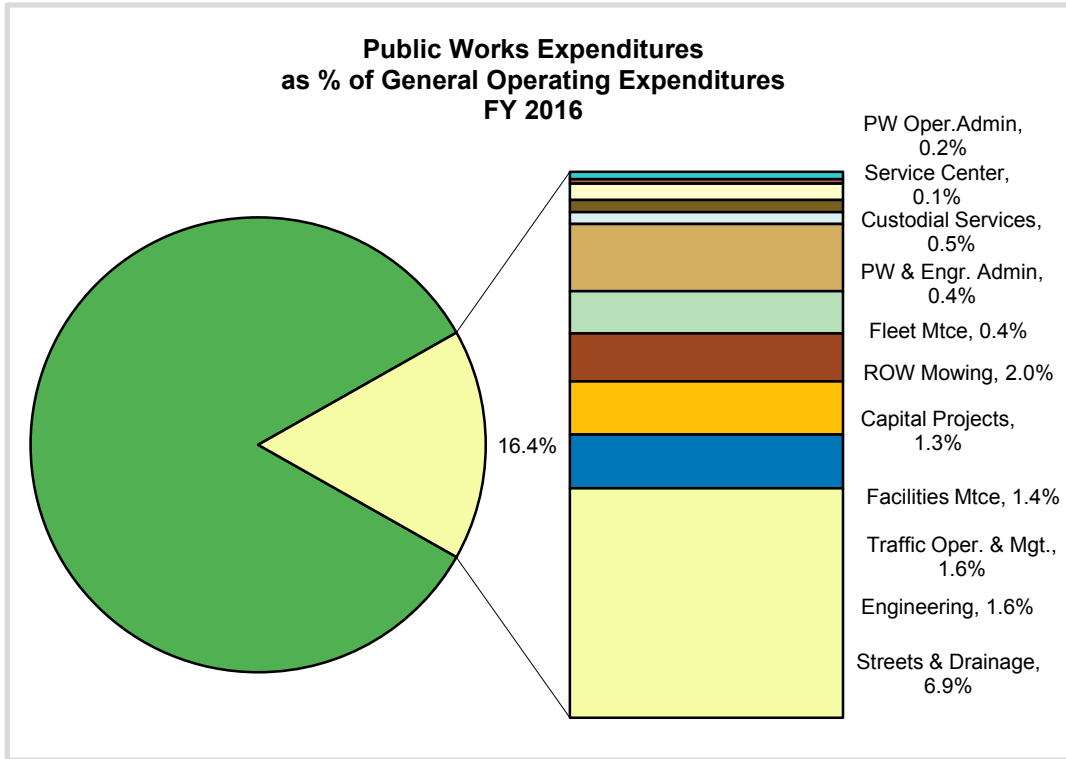
EXPENDITURES BY CATEGORY	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Salaries & Wages	3,919,589	4,401,226	4,263,772	4,525,407
Materials & Supplies	317,362	601,556	506,789	415,486
Building Maintenance	1,027,952	2,111,140	2,109,484	1,363,811
Equipment Maintenance	327,641	328,604	289,954	263,249
Miscellaneous Services	3,190,900	3,652,287	3,511,081	4,588,207
Sundry	105,284	159,857	159,857	63,404
Inventory	6,762	37,858	28,258	
Capital Outlay	959,356	845,539	991,568	587,324
PUBLIC WORKS TOTAL	9,854,846	12,138,067	11,860,763	11,806,888

STAFFING BY DEPT/DIVISION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Public Works and Engineering Administration	3	3	2	2
Public Works Operations Administration	1.75	2	2	2
Facilities Maintenance	5	5.67	5.67	5.67
Custodial Services*	3	3	3	3
Fleet Maintenance	7	4	4	4
Streets & Drainage	17	16	16	16
ROW Mowing		3	3	3
Traffic Operations & Management	6	6	6	6
Service Center				
Engineering	12	12	12	12
Capital Projects	9	9	10	10
PUBLIC WORKS TOTAL	63.75	63.67	63.67	63.67

*One Custodian in Custodial Services is funded in UofH Fund

Note: Personnel listed for General Fund only. Water/Sewer personnel accounted for in the Water/Sewer Fund.

**PUBLIC WORKS
EXPENDITURE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**



Note: Custodial Services and ROW Departments calculate at 0% due to low number of employees compared to the total, therefore, are not included in the graph. PW Operations Admin and PW & Engr Admin appear at 0% due to low number of personnel compared to the total, but have a higher number of employees than Custodial Services and ROW departments.

PUBLIC WORKS

1405 - 1440 and 3520 - 3590

OVERVIEW

The Public Works Department with the Engineering & Capital Projects Department report to the Assistant City Manager and are responsible for maintaining the City's infrastructure and mobility. The Administration 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. In addition, The Public Works Department manages the water/wastewater operations of the City within the Enterprise, Water & Sewer Fund.

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

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

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

Key Budget Items for FY 2016 include:

- ◆ Atser Software Maintenance Upgrade - \$58,000.
- ◆ Animal Services Facility Rehab - \$35,000.
- ◆ Old Fire Stations #2 and #3 demolition - \$30,000.
- ◆ Corridor Traffic Signal Timing - \$50,000.
- ◆ Annexation area signs, hardware, lane markings, and sign poles - \$34,144.
- ◆ Span wire rebuild - \$192,000.

GOALS

- ◆ Provide reliable, safe, and aesthetically pleasing roadways and sidewalk systems through systematic inspection and maintenance.
- ◆ Maintain and enhance where possible the appearance of City ROW through street sweeping, turf and landscape maintenance management practices.
- ◆ Reduce flooding and minimize the chance of property damage, injury or loss of life through a program of drainage facility maintenance and construction.
- ◆ Maintain a Project Management staff that is highly trained and proficient with the necessary tools to manage complex projects in a professional manner.
- ◆ Manage project scope, schedule and budget, and provide innovative solutions to deliver best value projects within budget and on schedule.
- ◆ Provide effective Right-of-Way coordination to resolve public and private utility conflicts in advance of project construction.
- ◆ Develop and maintain the City's Five-Year CIP in conjunction with the Finance Department
- ◆ Develop and maintain the City's Design Criteria Manual, Specifications, Standard Details, and Infrastructure Master Plans.
- ◆ Develop a strategic department growth plan that efficiently provides support to our Capital Improvement Program, the Public Works Department, Parks & Recreation Department, and other City departments.

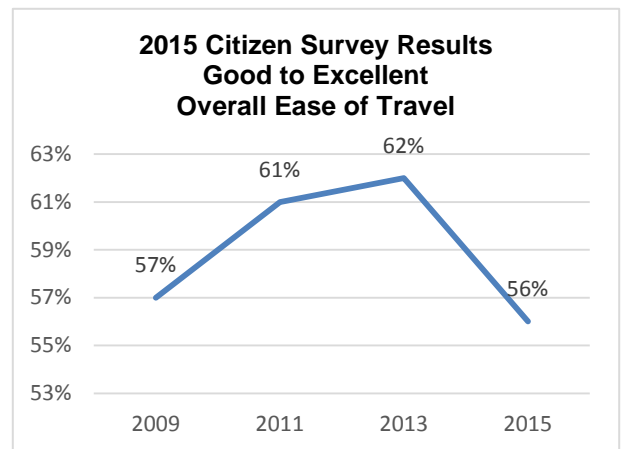
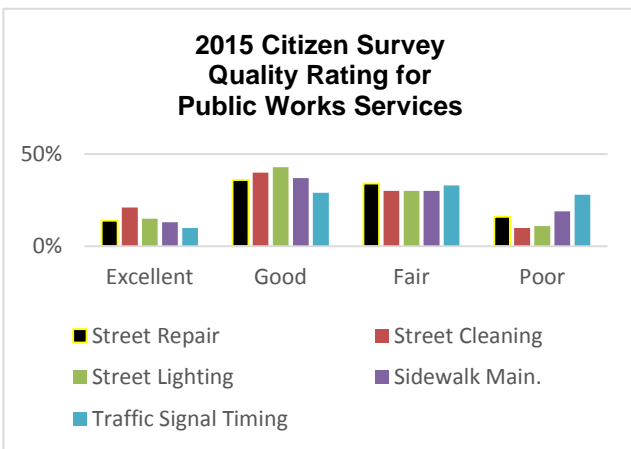
**PUBLIC WORKS
1405 - 1440 and 3520 - 3590**

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Managed comprehensive repair of Dectron system at the Natatorium and developed new maintenance procedures to safeguard against like failures in the future.
- ◆ Developed new management team and service philosophy in Fleet Services Division.
- ◆ Developed a street sweeping program that outlines 209 lane miles of roadway swept on a quarterly or twice per year frequency.
- ◆ Completed ROW assessment and presented results to City Council.
- ◆ Developed and managed a right-of-way transition program, returning the grounds maintenance of all private property that was once maintained twelve times per year through City resources back to the private landowner.
- ◆ Installed 350ft of 16" water line offset on Dixie Farm Road and Pearland Parkway.
- ◆ Cleaned approximately 7,003' of various sized culverts.
- ◆ Cleaned approximately 7,421' of ditches.
- ◆ Installed approximately 202' of culverts and 32,292 linear feet of sidewalk.
- ◆ Completion and submission of 5 project applications for the Transportation Improvement Plan (TIP).
- ◆ Completion of the design for Reflection Bay WWTP Expansion.
- ◆ Completion of the Traffic Management Plan.
- ◆ Completion of a number of local projects, including but not limited to: Intelligent Traffic Management System, Hawk Hillhouse Road Sanitary Sewer, Business Center Drive Library Expansion, Walnut Lift Station, Hatfield Basin Trunk Sewer, and SH35 Water Line.

FISCAL YEAR 2016 OBJECTIVES

- ◆ Begin the development of a facility condition rating system that identifies the condition of major infrastructure at City facilities and identifies the remaining useful life of each.
- ◆ Manage rehabilitation of roadways identified through ROW assessment and funded through budget process.
- ◆ Select work order system vendor and begin integration with ERP system as well as ROW Assessment and GIS.
- ◆ Complete City-wide ITS traffic signal project upgrades.
- ◆ Implement new signal timing plans along key corridors.
- ◆ Identify water and sanitary collection system infrastructure that has outlived its expected life and replace or repair those lines as resources allow.
- ◆ Install/replace 500 linear feet of culvert pipe via City crews and contractor.
- ◆ Install/replace 4,100 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.
- ◆ Improve the effectiveness of our services by maintaining projects budget, scope, schedule and communication with the community, internal department partners, external partners and sponsors.
- ◆ Build quality into project management processes in order to ensure the community's expectations are met and satisfaction with services are achieved.



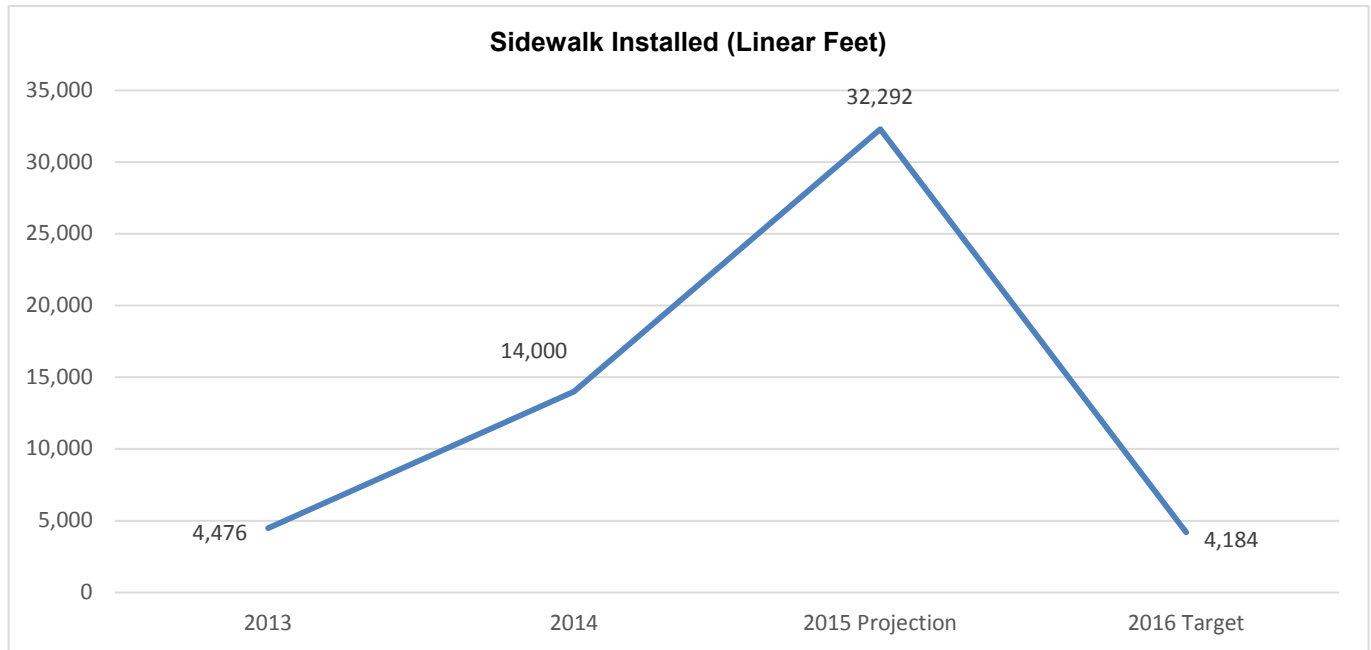
**PUBLIC WORKS
1405 - 1440 and 3520 - 3590**

PERFORMANCE MEASURES

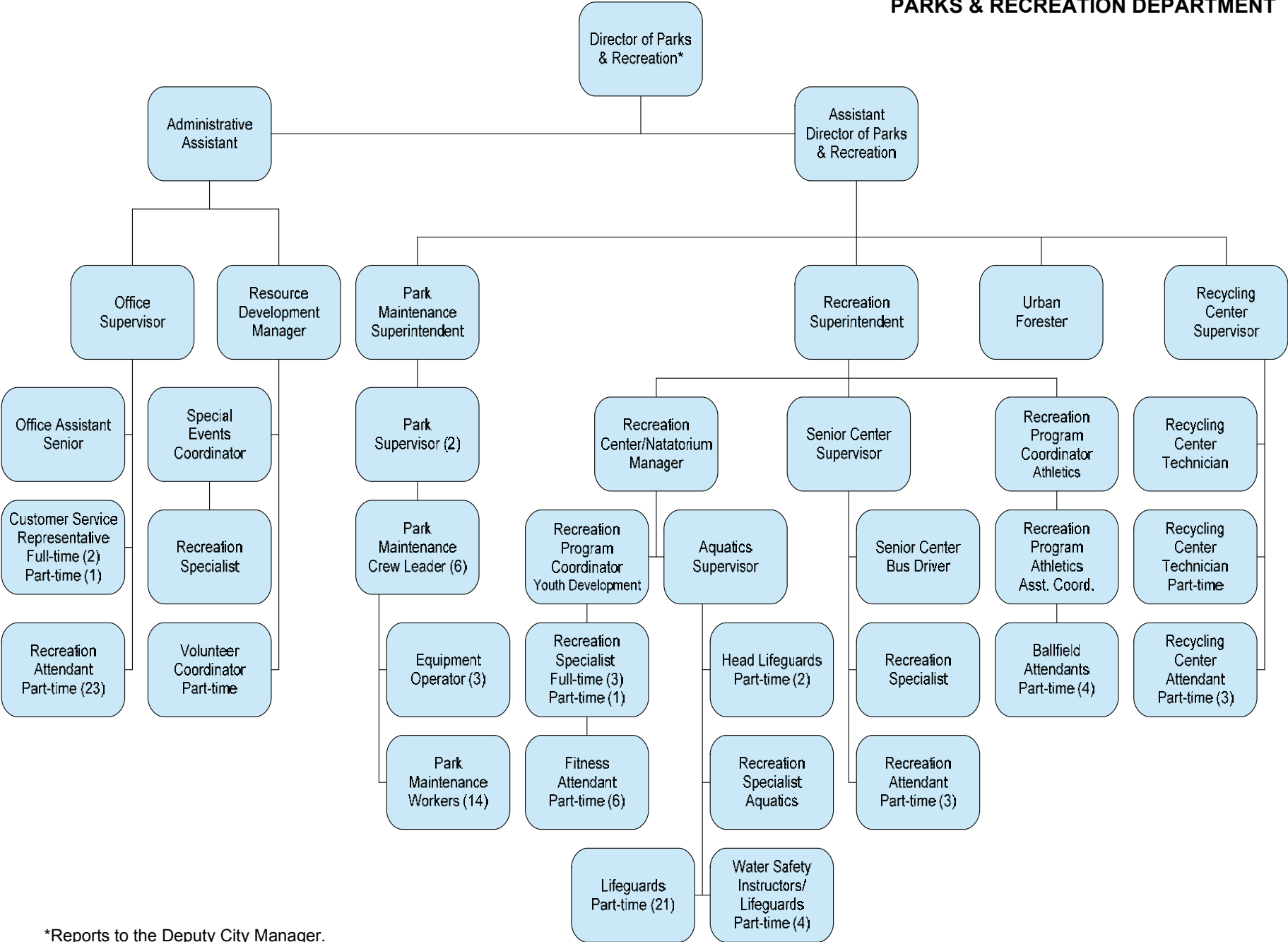
	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Percent of water plants mowed within the 2-week schedule	100%	96%	75%	90%
Street Sweeping in Miles	1,155	950	778	800
Ditch/Culvert Cleaning (in feet)	124,167	54,879	20,452	33,000
Percent of lane miles in need of repair (asphalt)	37%	37%	37%	37%
Average backlog of sidewalk/curb repair work orders	536	644	766	700
Number of Potholes Repaired	1,682	3,886	3,500	3,500
Culvert Pipe Installed/Replaced (Feet)	606	313	300	500
Total value of current active projects (millions)	\$274.7	\$199	\$231	\$117.3*
Percent of Change Orders to Total Contract Value	0.15%	<5%	<5%	<5%
Average number of active projects being administered	29	30	35	40
<i>Percent of active projects started on schedule**</i>	75%	81%	67%	75%
<i>Percent of active projects completed on schedule**</i>	57%	67%	63%	65%

*FY16 targets do not include FY15 budgeted projects that begin in FY16, or carry over into FY16. Based on CIP.

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



PARKS & RECREATION DEPARTMENT



*Reports to the Deputy City Manager.

**PARKS & RECREATION
EXPENDITURE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**

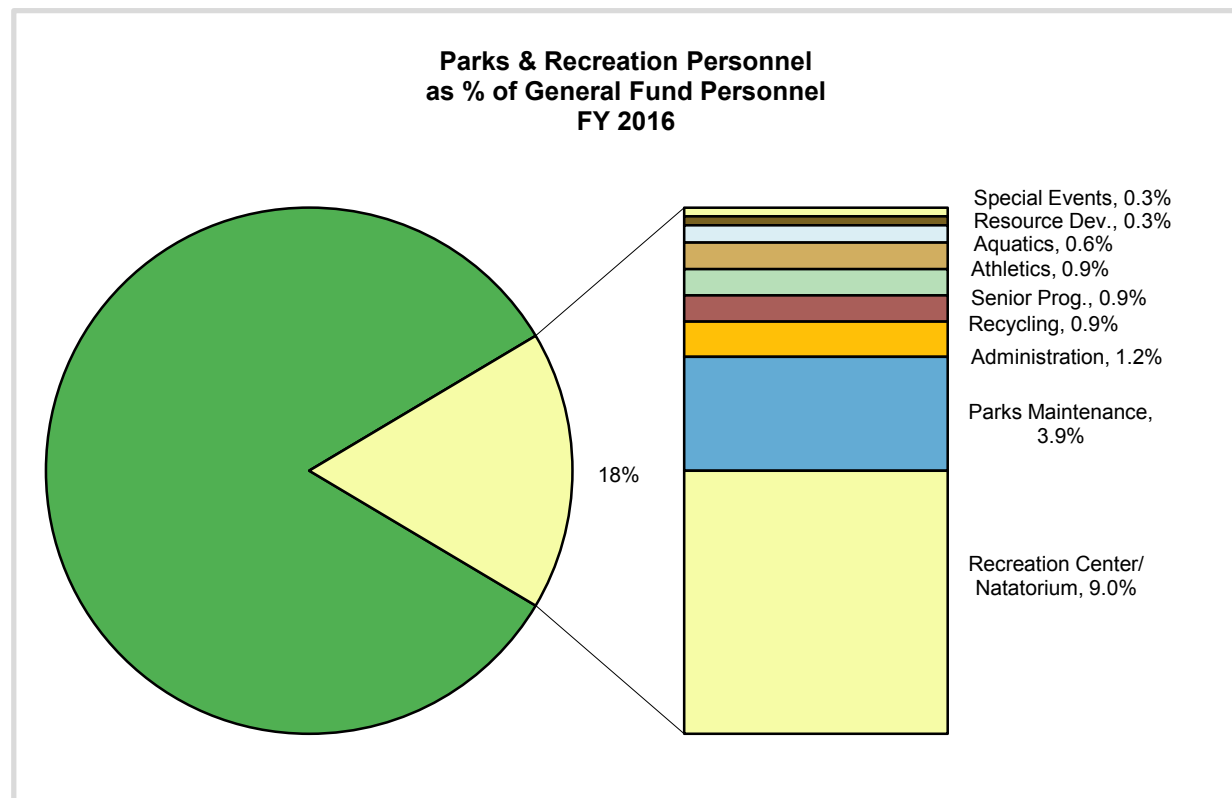
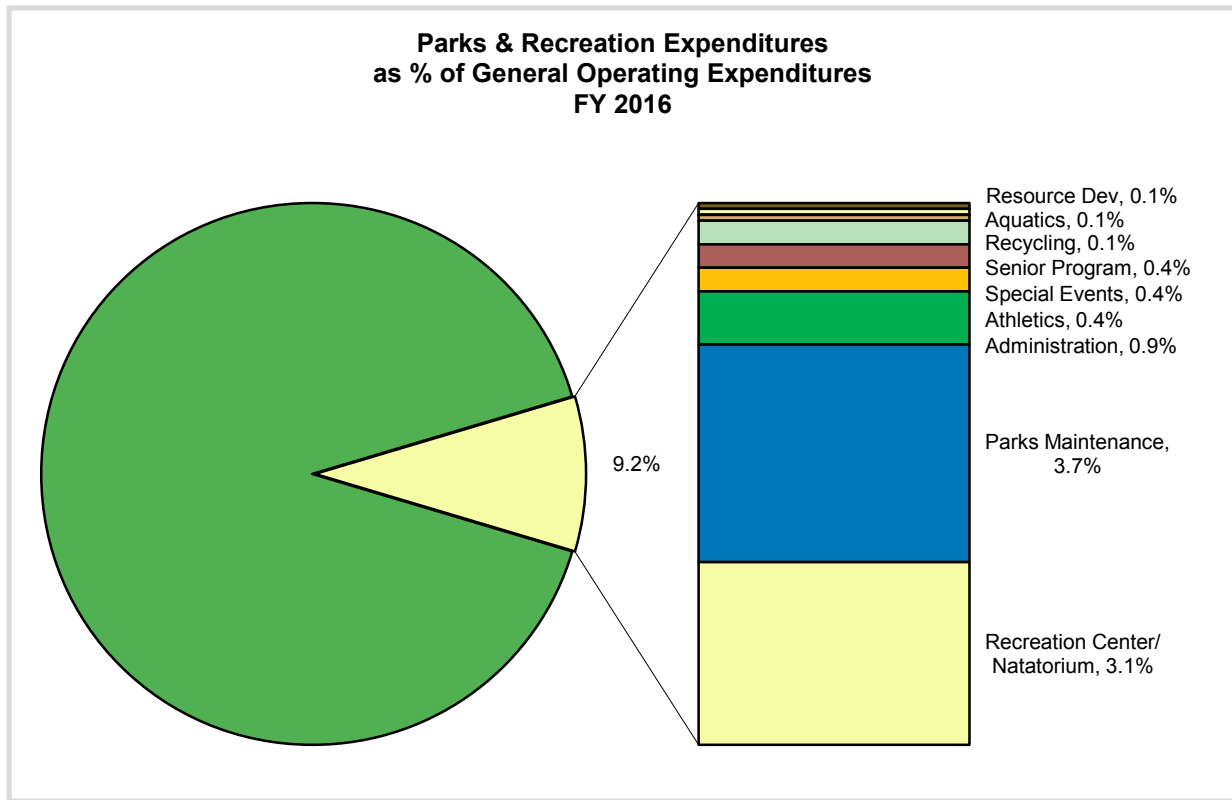
EXPENDITURES BY DEPT / DIVISION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Administration	885,093	695,026	700,181	618,155
Resource Development	191,300	131,834	130,661	122,137
Recreation Center/Natatorium	1,791,973	2,275,660	2,163,765	2,249,197
Westside Events Center	171,703	308		
Parks Maintenance West (ROW Mowing)	931,107			
Parks Maintenance (former Parks Mtce East)	1,122,670	2,377,024	2,207,760	2,616,758
Athletics	266,017	366,480	339,893	329,357
Special Events	230,942	339,356	319,916	319,682
Senior Program	241,118	215,161	233,685	283,592
Youth Development	181,379			
Aquatics	103,166	141,223	141,226	148,398
Recycling	214,606	229,527	221,635	57,475
PARKS & RECREATION TOTAL	6,331,074	6,771,599	6,458,722	6,744,751

EXPENDITURES BY CATEGORY

Salaries & Wages	3,838,667	4,005,987	3,770,958	3,987,627
Materials & Supplies	384,336	467,755	461,234	506,516
Building Maintenance	308,261	370,938	510,085	627,703
Equipment Maintenance	162,042	147,829	139,725	115,101
Miscellaneous Services	1,471,816	1,680,137	1,475,990	1,456,453
Sundry Charges		800	800	331
Inventory	17,032		1,777	
Capital Outlay	148,920	98,153	98,153	51,020
PARKS & RECREATION TOTAL	6,331,074	6,771,599	6,458,722	6,744,751

STAFFING BY DEPT/DIVISION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Administration	7	8	8	8
Resource Development	2	2	2	2
Recreation Center/Natatorium (RC/N)	61	64	64	63
Westside Events Center (WEC)	3			
Parks Maintenance West	15			
Parks Maintenance (former Parks Mtce East)	15	27	27	27
Athletics	6	6	6	6
Special Events	2	2	2	2
Senior Program	5	6	6	6
Youth Development				
Aquatics	4	4	4	4
Recycling	6	6	6	6
PARKS & RECREATION TOTAL	126	125	125	124

**PARKS & RECREATION
EXPENDITURE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**



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, senior citizens programs, and parks maintenance, the department maintains 10 neighborhood parks and 3 larger community parks, a Recreation Center/Natatorium, the Westside Events Center, the Melvin Knapp Senior Center, and the Recycling Center.

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

Key Budget Items for FY 2016 include:

- ◆ Replacement/lease of weight and cardio equipment for the Pearland Recreation Center - \$103,000.
- ◆ Replacement of safety surface (Fall Zone) at Southdown Park Playground - \$71,020.
- ◆ Transition of Stella Roberts Recycle Center operations to Keep Pearland Beautiful.

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 2015 ACCOMPLISHMENTS

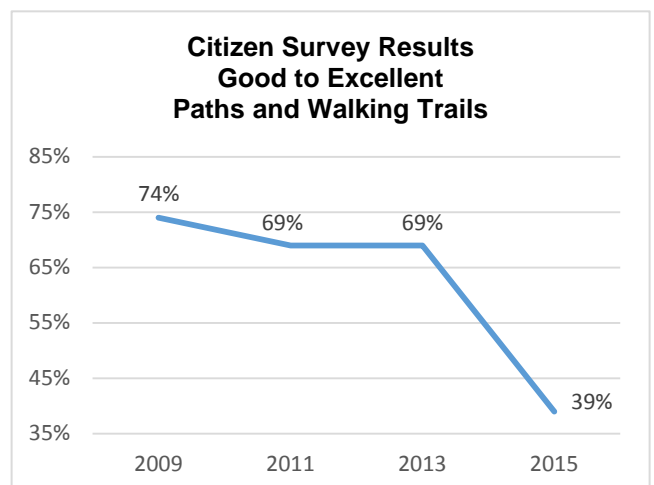
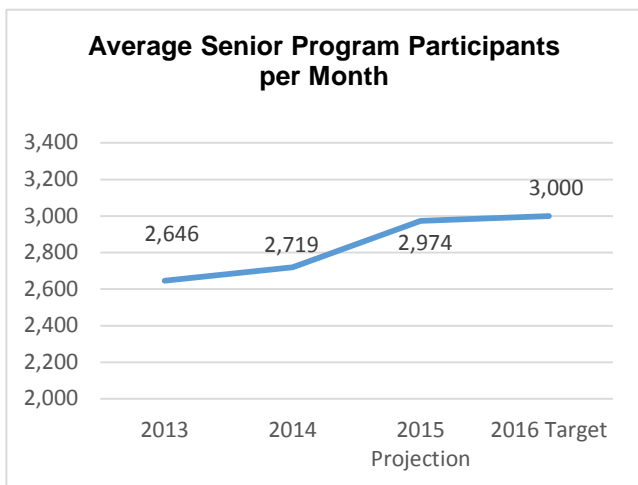
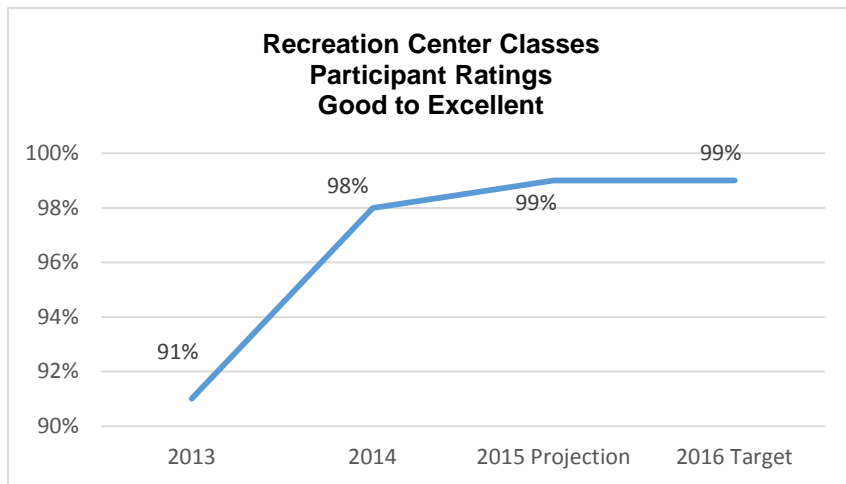
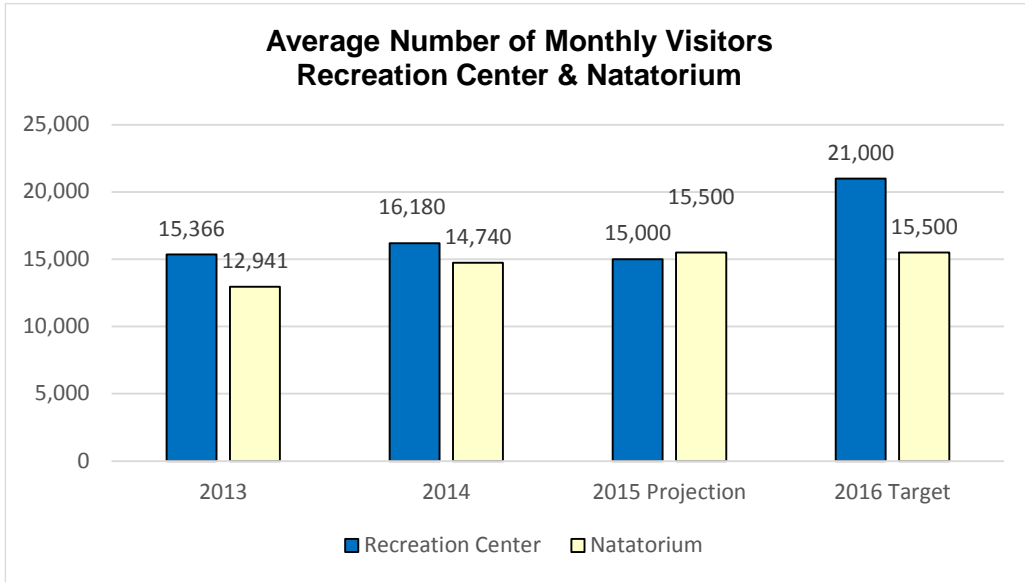
- ◆ Athletic staff attended the TAAF Summer Games as liaison for youth basketball, track and field.
- ◆ Launched the first Recognized Sports Association (RSA) designation with Pearland Girls Softball Association (PGSA).
- ◆ Rentals at Veterans Sports Complex increased by 25% over 187 days.
- ◆ Knapp Senior Center memberships have increased by 48.9% from 2013 to 2015.
- ◆ Birthday Bash membership sales saw a \$9,000 increase at the event compared to FY 14 numbers.
- ◆ The City of Pearland, via the office of the Urban Forester, achieved yet another year of Tree City USA recognition along with this year achieving a Growth Award and Tree Campus USA (UHCL-Pearland) distinction.
- ◆ Installed first municipal floating wetlands in Texas at John Hargrove Environmental Complex.

FISCAL YEAR 2016 OBJECTIVES

- ◆ Develop and implement new youth recreational programs such as youth kickball, soccer tots and 7 on 7 youth football.
- ◆ Develop partnership to introduce youth and adult tournaments at Shadow Creek Sports Complex.
- ◆ Develop and implement adult and senior recreational programs.
- ◆ Provide inclusive transportation opportunities for those with ADA needs by collaborating with local providers and other organizations.
- ◆ Hosting 2016 Jr. Swimming/Diving Special Olympics.
- ◆ Implement organic fertilization program to complement increased over-seeding efforts.
- ◆ Update park signs in accordance with adopted standards.
- ◆ Comprehensive review of Parkland Dedication Ordinance.

PARKS & RECREATION – 3340-3397

PERFORMANCE MEASURES



**WATER AND SEWER FUND - 30
FY 2016 ADOPTED BUDGET**

OVERVIEW

The Water & Sewer Fund is an enterprise fund that includes water and sewer system operations. The fund is operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The City provides water and sewer service to approximately 36,000 residential and commercial customers. Water & Sewer revenues provide 88% 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 2016, a water and sewer revenue increase of 16% is required to meet the needs of the system.

	FY 2014 ACTUAL	FY 2015 AMENDED BUDGET	FY 2015 YEAR END PROJECTION	FY 2016 ADOPTED BUDGET
REVENUES				
SALE OF WATER	\$14,937,971	\$16,909,444	\$14,348,930	\$17,846,715
SEWER REVENUES	12,528,663	13,801,224	12,832,871	16,181,749
OTHER SERVICE CHARGES	1,462,140	1,539,728	1,590,509	1,617,554
INTEREST INCOME	79,854	48,700	139,650	105,000
OTHER MISCELLANEOUS INCOME	274,466	257,800	224,040	232,557
TRANSFERS IN	2,483,836	2,568,222	2,568,222	2,582,700
CAPITAL LEASE PROCEEDS		458,000	458,000	
TOTAL	31,766,930	35,583,118	32,162,222	38,566,275
EXPENSES				
PUBLIC WORKS				
ADMINISTRATION		558,545	553,840	568,079
LIFT STATIONS	1,106,723	1,648,469	1,627,853	1,398,412
WASTEWATER TREATMENT	4,712,630	4,443,956	4,609,472	4,614,742
WATER PRODUCTION	7,004,756	9,274,610	8,417,459	7,982,126
DISTRIBUTION & COLLECTION	2,100,910	2,676,461	2,459,381	2,023,112
CONSTRUCTION	934,080	982,718	875,280	733,434
WATER METER SERVICES		1,443,783	1,406,761	1,583,527
ROW MOWING		486,625	378,567	439,456
UTILITY CUSTOMER SERVICES	1,779,110	1,353,777	1,090,447	1,173,683
INFORMATION SYSTEMS - GIS	234,138	171,416	128,755	175,429
OTHER REQUIREMENTS	12,069,952	14,797,134	14,047,781	17,730,759
TOTAL	29,942,299	37,837,494	35,595,596	38,422,759
REVENUES OVER/(UNDER) EXPENSES	1,824,631	(2,254,376)	(3,433,374)	143,516
Beginning Cash Equivalents	13,549,144	15,373,775	15,373,775	11,940,401
Reserve for Debt Service	1,929,503	2,278,256	2,278,256	2,623,222
Ending Cash Equivalents	\$13,444,272	\$10,841,143	\$9,662,145	\$9,460,694
Bond Coverage - 1.4	1.55		1.30	1.71
Cash Reserve Ratio - 25%	45%		27%	25%

**WATER & SEWER FUND
REVENUE & EXPENSE SUMMARY
FY 2016 ADOPTED BUDGET**

FISCAL YEAR 2014-2015

Projected revenues of \$32,162,222 are \$3,420,896, or 9.6%, less than planned and \$395,292, or 1.2%, greater than the fiscal year 2014 actual of \$31,766,930 despite a 4.63% revenue increase, approved effective October 2014, and a 2.3% growth in residential connections. The fiscal year 2015 projected revenue is lower than the amended budget due to the increase in rainfall the City has been experiencing this fiscal year (63 inches October through August versus 39 inches last year October through August), thus reducing water usage for sprinklers, etc. Revenues from the sale of water and sewer services are projected to be \$3,528,867 or 11.5% lower than budgeted. Other service charges are projected to come in slightly over the amended budget amount.

Fiscal Year 2015 expenses are anticipated to be \$35,595,596. This is \$2,241,898 less than the amended budget of \$37,837,494, as some programs were reduced given the known shortfall in revenues. Expenses are \$5,653,297 higher than the fiscal year 2014 actual. Although less than the amended budget, projected expenses in water production were higher than the previous year due to high levels of manganese and iron at one of the water plants, requiring the purchase of surface water for residential and commercial use. This was offset by the renegotiation of the GCWA water purchase contract which freed up a \$233,000 reserve. The ending balance at 9/30/15 is estimated to be \$9,662,145 with a 27% cash reserve ratio and a bond coverage of 1.30.

FISCAL YEAR 2015-2016

Fiscal Year 2016 revenues total \$38,566,275, an \$6,404,053 increase from the fiscal year 2015 projections and a \$2,983,157 increase from fiscal year 2015 amended budget. Water and sewer charges increased by \$6,846,663, or 25.2%, over the 2015 projections. This is mainly due to an anticipated revenue increase of 16%, or \$4,700,343, and an increase in customer growth of 2.5%.

Fiscal year 2016 expenses total \$38,422,759 and include annual debt service payments of \$14.4 million, an increase of \$3.9 million from fiscal year 2015. Expenses are \$2,827,163 or 7.9%, higher than the fiscal year 2015 projections and are \$585,265, or 1.5%, higher than the amended budget.

Enhancements to the budget total \$892,613, \$74,433 recurring and \$818,180 non-recurring. Enhancements include additional funding for large meter testing (\$41,656), 2" meter testing (\$8,700), 6" meter in vault replacement (\$13,777), 6" combination meter (\$10,300), chemical feeder (\$25,000), a restroom at the 518 water facility (\$15,000), RD 7000 line locator (\$8,000), replacement of chemical containment walls at 11 water plants (\$350,000), and the second year pro-rata share of ERP (\$350,180).

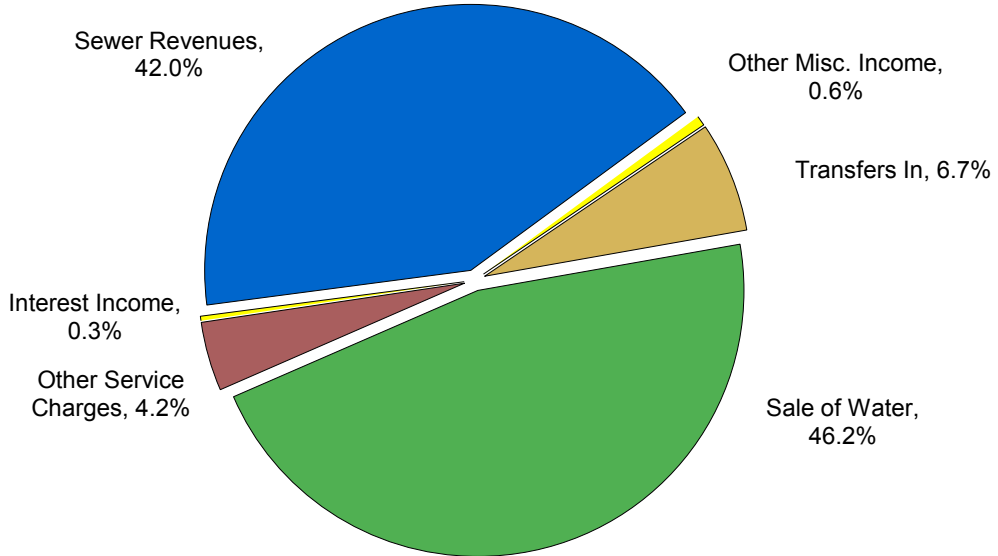
The budget anticipates two water/sewer bond sales; one totaling \$4.84 million to fund infrastructure improvements in the capital improvement program with the first debt service payment in fiscal year 2017. The second is TWDB financing in the amount of \$55 million for Reflection Bay Reclamation Facility Expansion. The budget includes \$3.8 million for an annual debt service payment associated with the Texas Water Development Board Loan.

Available ending balance at 9/30/2016 is expected to be \$9,460,694. With the 16% revenue increase, revenues exceed expenditures by \$143,516. Bond coverage is 1.71 and cash reserves are 25%.

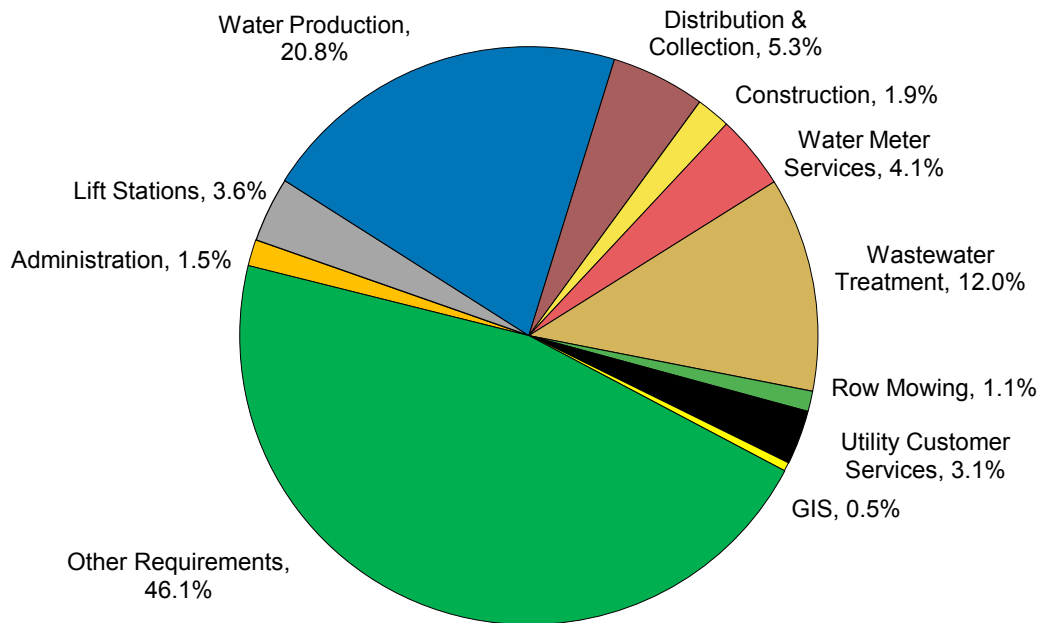
Based on a 16% revenue increase and rate increases allocated to the base and volume charges monthly bills based on consumption scenarios are as follows:

RESIDENTIAL WITH SEWER CAP OF 6,000 GALLONS			
Consumption	Current Bill	2016 Bill	Amount Changed
Base (0-2,000)	\$26.39	\$31.22	\$4.83
6,000	\$52.15	\$61.02	\$8.87
10,000	\$67.99	\$78.42	\$10.43
15,000	\$87.79	\$100.17	\$12.38

WATER AND SEWER REVENUES FY 2016



WATER & SEWER FUND EXPENSES FY 2016



**WATER & SEWER FUND
REVENUES
FY 2016 ADOPTED BUDGET**

ACCOUNT NUMBER	REVENUE CATEGORY	FY 2014 ACTUAL	FY 2015 AMENDED BUDGET	FY 2015 YEAR END PROJECTION	FY 2016 ADOPTED BUDGET
030-0000-353.04-02	Water Sales	14,937,971	16,909,444	14,348,930	17,846,715
030-0000-353.04-03	Sewer Charges	12,528,663	13,801,224	12,832,871	16,181,749
030-0000-353.04-04	Sanitation Billing Fee	366,322	376,752	377,407	390,054
030-0000-353.04-07	Connection Fee	169,917	162,740	168,000	170,200
030-0000-353.04-09	Water Tap Fee	367,293	475,965	472,000	450,000
030-0000-353.04-10	Sewer Tap Fee	14,720	14,500	4,902	5,000
030-0000-353.04-11	Late Payment Fee	477,977	443,000	495,000	510,000
030-0000-353.04-12	Meter Set Fee	5,500	3,600	2,550	2,700
030-0000-353.04-13	Curb Stop Replacement Fee	161	161	500	500
030-0000-353.04-14	Reconnect Fee	25,325	27,810	30,000	45,400
030-0000-353.04-15	Grease Trap Fee	34,600	35,000	39,400	40,500
030-0000-353.04-99	Miscellaneous	325	200	750	3,200
*CHARGES FOR SERVICE		28,928,774	32,250,396	28,772,310	35,646,018
030-0000-356.00-00	Interest Income	92,519	48,700	139,650	105,000
030-0000-356.06-00	Unrealized Capital Gain	(12,665)			
*INTEREST		79,854	48,700	139,650	105,000
030-0000-358.07-00	Phone & Fax Reimbursement	425		3,680	3,557
030-0000-358.10-00	Recycle	85,185	135,000	103,000	106,000
030-0000-358.12-00	NSF Fees	9,075	8,300	8,360	9,000
030-0000-358.15-00	Sale of Property	60,317	9,000	9,000	9,000
030-0000-358.16-00	Cash Short/Over	92			
030-0000-358.98-00	Reimbursements	413			
030-0000-358.99-00	Miscellaneous	118,959	105,500	100,000	105,000
*MISCELLANEOUS		274,466	257,800	224,040	232,557
030-0000-359.11-00	From Fund 42	1,568,733	1,709,713	1,709,713	1,674,203
030-0000-359.12-00	From Fund 44	624,612	623,018	623,018	670,416
030-0000-359.23-00	From Fund 67	55,000			
030-0000-359.99-00	From Fund 10	235,491	235,491	235,491	238,081
*INTERFUND TRANSFERS		2,483,836	2,568,222	2,568,222	2,582,700
030-0000-360-03-00	Capital Lease Proceeds		458,000	458,000	
*CAPITAL PROCEEDS			458,000	458,000	
TOTAL		31,766,930	35,583,118	32,162,222	38,566,275

**ENTERPRISE (WATER & SEWER) FUND - 30
EXPENSE AND STAFFING SUMMARY
FY 2016 ADOPTED BUDGET**

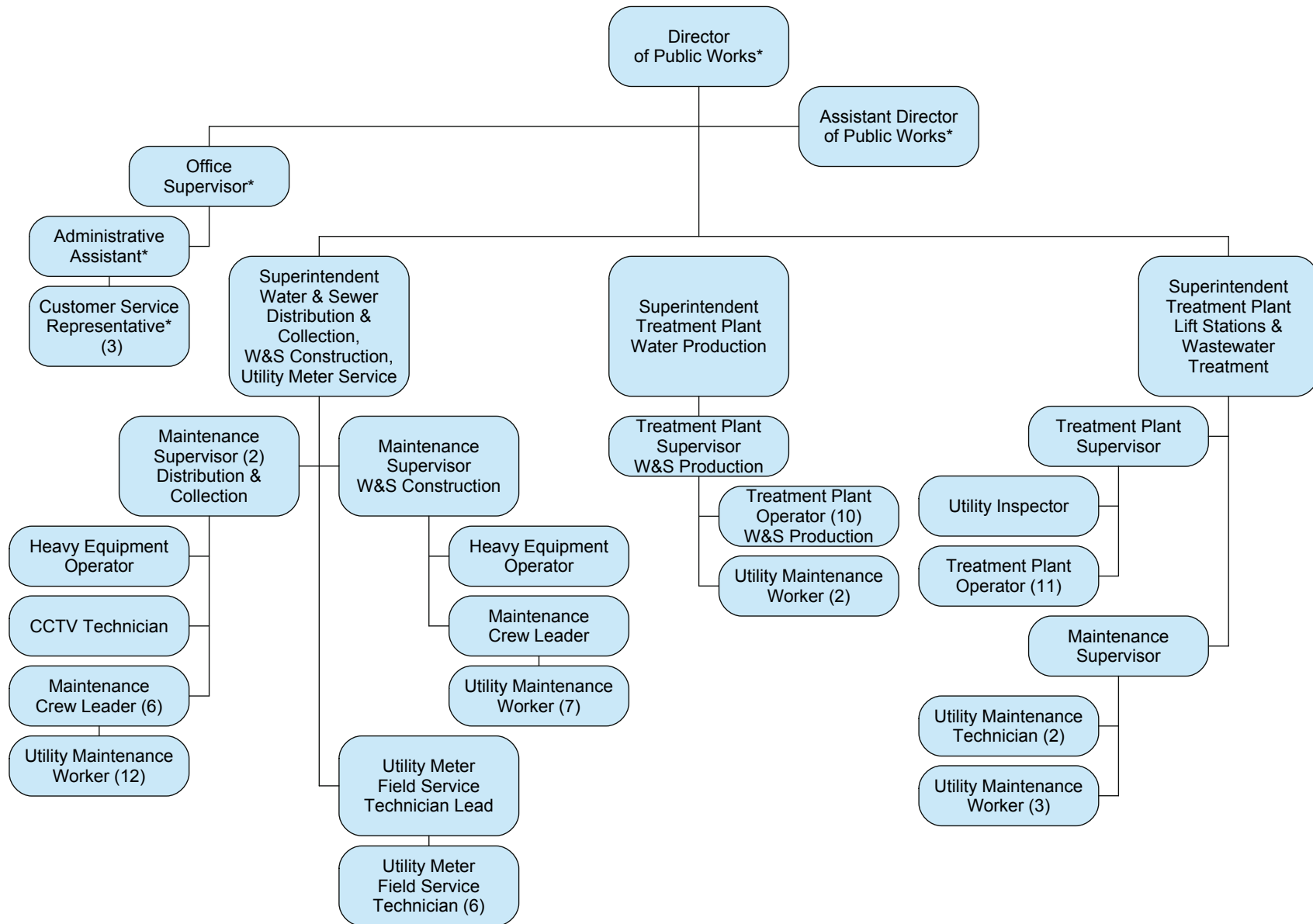
EXPENSES BY DEPT/DIVISION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Public Works Operations Administration		558,545	553,840	568,079
Lift Stations	1,106,723	1,648,469	1,627,853	1,398,412
Wastewater Treatment	4,712,630	4,443,956	4,609,472	4,614,742
Water Production	7,004,756	9,274,610	8,417,459	7,982,126
Distribution & Collection	2,100,910	2,676,461	2,459,381	2,023,112
Construction	934,080	982,718	875,280	733,434
Water Meter Services		1,443,783	1,406,761	1,583,527
ROW Mowing		486,625	378,567	439,456
Sub-Total Public Works	15,859,099	21,515,167	20,328,613	19,342,888
Utility Customer Services	1,779,110	1,353,777	1,090,447	1,173,683
Information Systems - GIS	234,138	171,416	128,755	175,429
Other Requirements	12,069,952	14,797,134	14,047,781	17,730,759
WATER & SEWER FUND TOTAL	29,942,299	37,837,494	35,595,596	38,422,759

EXPENSES BY CATEGORY	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Salaries & Wages	5,515,437	6,228,377	5,821,966	6,451,789
Materials & Supplies	5,676,476	6,831,180	6,383,973	6,645,763
Building Maintenance	122,972	82,350	86,787	94,621
Equipment Maintenance	1,895,121	2,281,661	2,258,175	1,722,494
Miscellaneous Services	4,404,470	5,565,464	5,183,078	5,167,230
Inventory	124,597	71,445	62,345	24,200
Transfers/Other Charges	11,815,247	13,705,706	13,838,630	17,478,662
Capital Outlay	387,979	3,071,311	1,960,642	838,000
WATER & SEWER FUND TOTAL	29,942,299	37,837,494	35,595,596	38,422,759

STAFFING BY DEPT/DIVISION	FY 2014 Actual	FY 2015 Amended Budget*	FY 2015 Year End Projection	FY 2016 Adopted Budget
Public Works Operations Administration		7.33	7.33	7.33
Lift Stations	10.0	7.0	7.0	7.0
Wastewater Treatment	14.75	15.0	15.0	15.0
Water Production	15.0	15.0	15.0	15.0
Distribution & Collection	27.5	23.0	23.0	23.0
Construction	13.0	9.0	9.0	9.0
Water Meter Services		7.0	7.0	7.0
ROW Mowing		7.0	7.0	7.0
Sub-Total Public Works	80.25	90.33	90.33	90.33
Information Systems - GIS	4.0	3.0	3.0	3.0
Utility Customer Services	22.0	15.0	15.0	15.0
WATER & SEWER FUND TOTAL	106.25	108.33	108.33	108.33

*Same as adopted budget, unless where noted.

PUBLIC WORKS WATER & SEWER ORGANIZATION



*Director of Public Works reports to the Assistant City Manager
 Positions are budgeted at 75% in the Water & Sewer Fund
 Utility Customer Service organization is shown in General Government, Finance Department
 Information Systems-GIS organization is shown in General Government, Information Systems

PUBLIC WORKS - UTILITIES – 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. These divisions manage all water facilities, including, but not limited to 73 lift stations and 5 treatment plants.

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

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

Key Budget Items for FY 2016 Include:

- ◆ Replace seven F150 pickups - \$175,000
- ◆ Replace two Ford Rangers with two F150 pickups- \$50,000
- ◆ Chemical feeder - \$25,000
- ◆ Water facility restroom at 518 water facility- \$15,000
- ◆ Chemical containment walls (13) - \$350,000
- ◆ Reduced pigging of water lines in FY 2016 - (\$240,000)
- ◆ Reduced interior lining in FY 2016 - (\$200,000)
- ◆ Meter testing - \$50,356
- ◆ Two 6" meters - \$24,077
- ◆ RD 7000 plus line locator - \$8,000
- ◆ Rate Model Update - \$70,000
- ◆ ERP – W/S Prorata share, year 2 - \$350,180

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.
- ◆ 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.

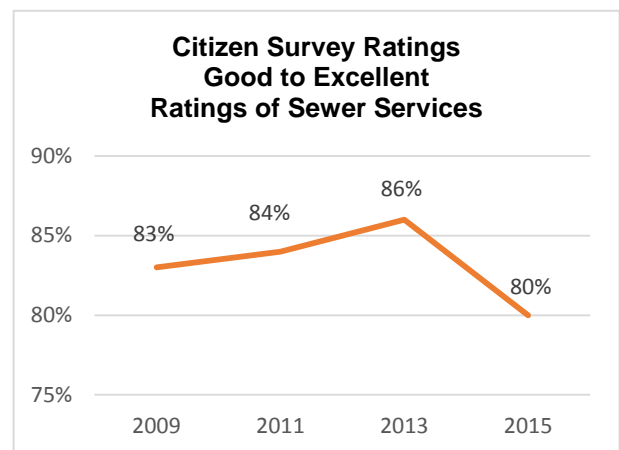
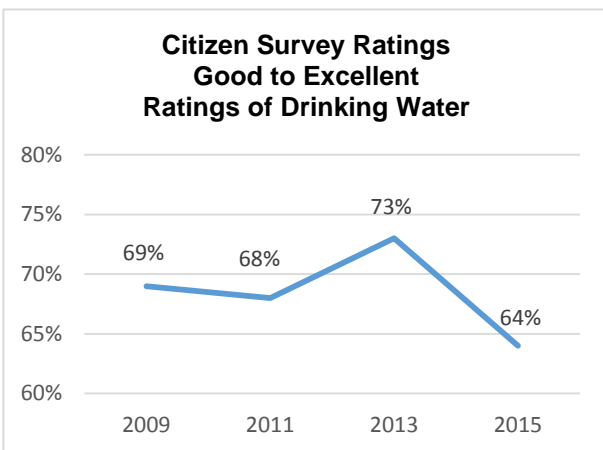
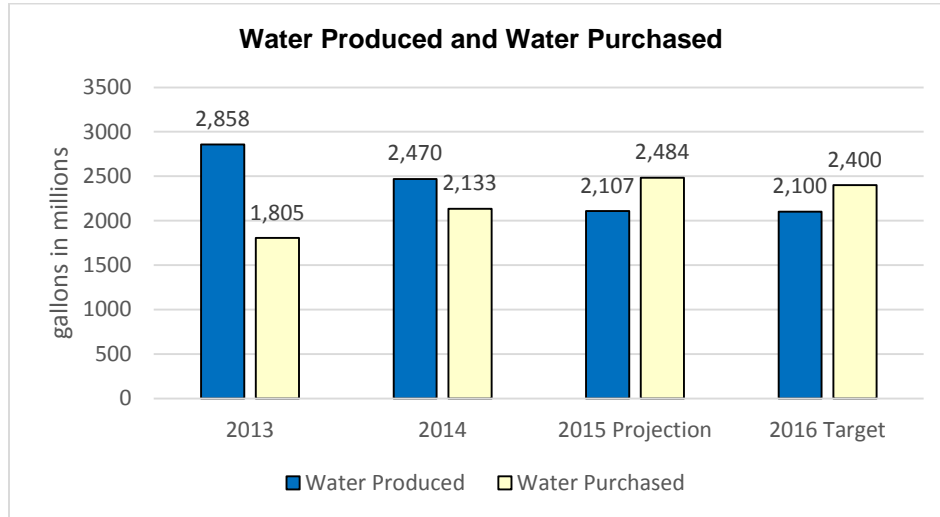
FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Integrated Meter Services divisions into Public Works Department.
- ◆ Installed 350 feet of sewer gravity main and two manholes on McLean Road.
- ◆ Completed installation of 3,500 feet of new 6 inch water line, 7 fire hydrants, and 74 services in Linwood Oaks subdivision.
- ◆ Installed 350 feet of 16 inch water line offset on Dixie Farm Road and Pearland Parkway.
- ◆ Completed rehabilitation of Walnut lift station.

PUBLIC WORKS - UTILITIES – 4020-4080

FISCAL YEAR 2016 OBJECTIVES

- ◆ Continue to identify water and sanitary lines that have outlived their expected life or are likely to fail, and replace or repair those lines as resources allow.
- ◆ Install vacuum chemical feeder at 521 water production facility.
- ◆ Build new compliant containment walls for chemical tanks at all water facilities.
- ◆ Internally rehab a bolted ground water storage tanks at the Garden Road water facility.
- ◆ Internally rehab two welded ground water storage tanks, one at Kirby Drive water facility, and the other at the Magnolia water facility.



PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Wastewater gallons treated in billion gallons	2.530	2.493	3.331	3.925
Cost per gallon to treat wastewater	\$0.0015	\$0.0015	\$0.0014	\$0.0015
Water main installation (feet)	5,328	1,615	4,650	8,600
Sewer main installation (feet)	0	0	350	0
Cost per gallon of water purchased	\$0.0043	\$0.0023	\$0.0019	\$0.0020
Percent of time Waste Water Treatment Plant over capacity	58%	61%	71%	63%

**FINANCE
UTILITY CUSTOMER SERVICES – 4145**

OVERVIEW

Utility Customer Services (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.

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

Key Budget Items for FY 2016 Include:

- ◆ Increase of utility rate based on rate model calculations for fiscal year 2016.

GOALS

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

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Full transition of Field Service Technicians to Public Works Department according to the City's 2014-15 departmental restructuring plan.
- ◆ Increased customer E-payments by 31% percent over 2013.
- ◆ Increased paperless records management practices through electronic conversion of H.T.E. reports.
- ◆ Collaboratively developed and implemented with waste contractor a City-wide waste services reroute plan.
- ◆ Audited and corrected all MUD 18 accounts to ensure correct billing of MUD fees.
- ◆ Recovered approximately \$11K of \$48K of outstanding delinquent garbage debt owed to the City
- ◆ Lowered number of service disconnections for delinquent accounts.

FISCAL YEAR 2016 OBJECTIVES

- ◆ Implement 16% revenue increase through newly adopted utility rate.
- ◆ Work with waste service contractor to improve consistent service performance for residents and customers.
- ◆ Increase messaging to customers relating to services and topics of interest provided by Water Billing & Collections Department.
- ◆ Refresh staff training of customer service through introduction and reinforcement of "The Pearland Way."
- ◆ Prepare process documentation and system account clean-up for ERP Implementation on January 1, 2016, with plans for full "go live" conversion to New World Systems by October 1, 2016.

PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projection	FY 2016 Target
Annual meter reads	403,220	414,449	430,000	454,000
Percent of payments processed on-line	43%	45%	50%	55%
Number of cut-offs	1,906	1,061	1,000	900

**ENTERPRISE FUND DEBT MATURITY SCHEDULE
FY 2016 ADOPTED BUDGET**

**ENTERPRISE FUND DEBT
REVENUE BONDS**

Year	Principal	Interest	Total
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	3,973,586	8,583,586
2020-2021	4,870,000	3,784,576	8,654,576
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	1,742,731	9,207,731
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	110,063	1,005,063
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	107,410,000	51,942,217	159,352,217

**GENERAL OBLIGATION
& REFUNDING SERIES**

Year	Principal	Interest	Total
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	11,335,000	1,809,788	13,144,788

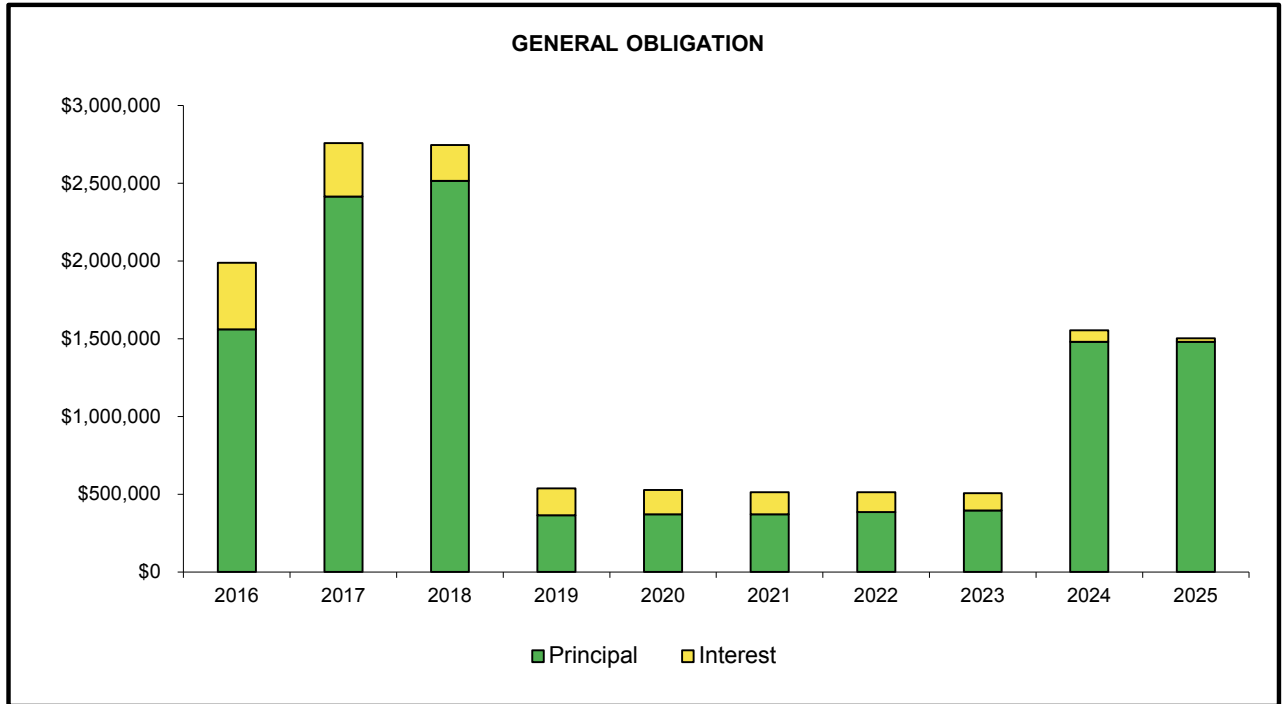
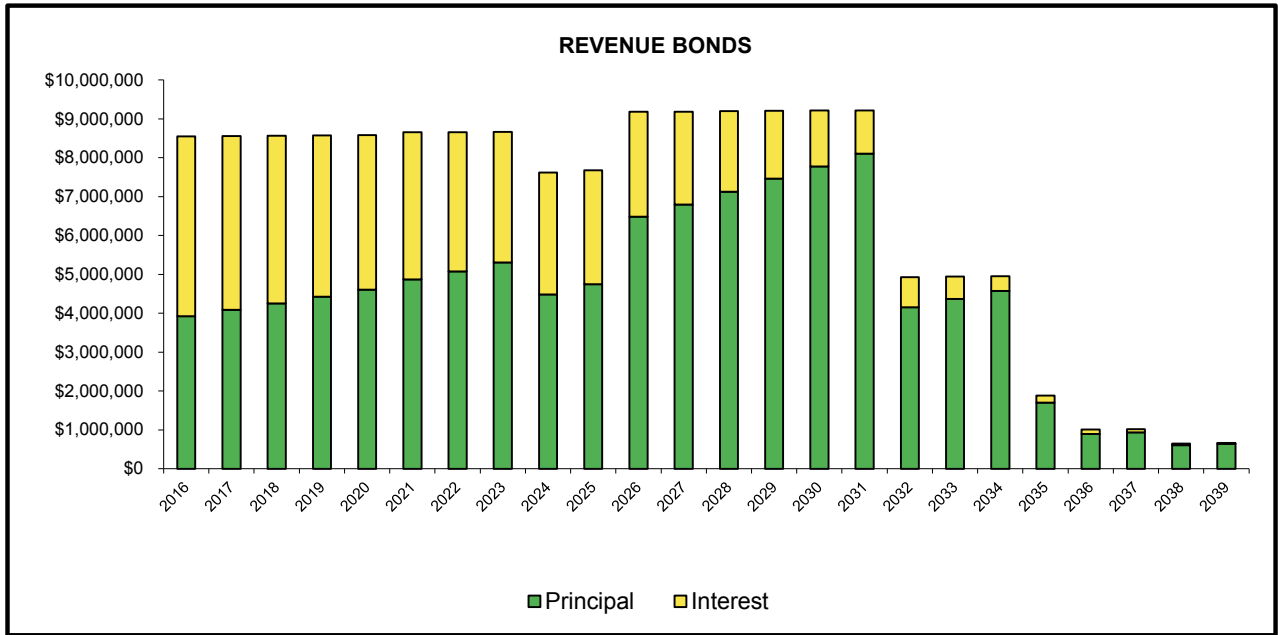
<u>Series Name</u>	<u>Principal Amount Outstanding</u>
General Obligation Improvement and Refunding Bonds 2009*	5,440,000
Water & Sewer Revenue Bonds Series 1999	2,445,000
Water & Sewer Revenue Bonds Series 2006	9,460,000
Water & Sewer Revenue Bonds Series 2007	34,740,000
Water & Sewer Revenue Bonds Series 2008	13,415,000
Water & Sewer Revenue Bonds Series 2009	10,955,000
Water & Sewer Revenue Bonds Series 2010A	12,100,000
Water & Sewer Refunding Bonds Series 2010B	7,520,000
Permanent Improvement Refunding Bonds Series 2012*	5,895,000
Water & Sewer Revenue Bonds Series 2012	7,715,000
Water & Sewer Revenue Bonds Series 2014	9,060,000
TOTAL	<u>118,745,000</u>

* Excluding portion associated with General Fund

**Does not include new debt anticipated to be issued in fiscal year 2016 or in the future.

Fiscal year 2016 anticipates a Texas Water Development Board financing of \$55 million and a Water & Sewer Revenue Bond in the amount of \$4.8 million.

**ENTERPRISE FUND DEBT TO MATURITY
FY 2016 ADOPTED BUDGET**



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

**ENTERPRISE FUND DEBT SERVICE SCHEDULE
FY 2016 ADOPTED BUDGET**

DATE	DESCRIPTION	AMOUNT ISSUED	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/16
3/1/2016	Series 1999 Revenue Bond	4,000,000		56,235	56,235	
9/1/2016			145,000	56,235	201,235	
	Fiscal Year Total		145,000	112,470	257,470	2,300,000
3/1/2016	Series 2006 Revenue Bond	13,845,000		233,784	233,784	
9/1/2016			745,000	233,785	978,785	
	Fiscal Year Total		745,000	467,569	1,212,569	8,715,000
3/1/2016	Series 2007 Revenue Bond	40,135,000		783,168	783,168	
9/1/2016			1,010,000	783,169	1,793,169	
	Fiscal Year Total		1,010,000	1,566,337	2,576,337	33,730,000
3/1/2016	Series 2008 Revenue Bond	14,950,000		314,420	314,420	
9/1/2016			290,000	314,420	604,420	
	Fiscal Year Total		290,000	628,840	918,840	13,125,000
3/1/2016	Series 2009 Permanent Improvement	11,660,000	1,220,000	114,388	1,334,388	
9/1/2016	and Refunding Bonds*			97,613	97,613	
	Fiscal Year Total		1,220,000	212,000	1,432,000	4,220,000
3/1/2016	Series 2009 Revenue Bond	13,130,000		267,906	267,906	
9/1/2016			400,000	267,906	667,906	
	Fiscal Year Total		400,000	535,813	935,813	10,555,000
3/1/2016	Series 2010A Revenue Bond	14,040,000		245,241	245,241	
9/1/2016			410,000	245,241	655,241	
	Fiscal Year Total		410,000	490,481	900,481	11,690,000
3/1/2016	Series 2010B Refunding Bond	8,970,000		141,222	141,222	
9/1/2016			370,000	141,222	511,222	
	Fiscal Year Total		370,000	282,444	652,444	7,150,000
3/1/2016	Permanent Improvement and	6,230,000	340,000	112,200	452,200	
9/1/2016	Refunding Bond Series 2012*			103,700	103,700	
	Fiscal Year Total		340,000	215,900	555,900	5,555,000
3/1/2016	Series 2012 Revenue Bond	8,670,000		109,128	109,128	
9/1/2016			355,000	109,128	464,128	
	Fiscal Year Total		355,000	218,255	573,255	7,360,000
3/1/2016	Series 2014 Revenue Bond	9,210,000		162,309	162,309	
9/1/2016			195,000	162,309	357,309	
	Fiscal Year Total		195,000	324,619	519,619	8,865,000
	TOTAL	144,840,000	5,480,000	5,054,728	10,534,728	113,265,000

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

**ENTERPRISE FUND DEBT SERVICE SCHEDULE
FY 2016 ADOPTED BUDGET**

Description	Rate	Date Issued	Amount Issued	Amount Outstanding As Of 9/30/16	Annual	Requirements	
		Maturity				Annual	Requirements
Water & Sewer Revenue Bond Series 1999	4.60%	1999	4,000,000	2,300,000	3/1/2016	56,235	Interest
		2020			9/1/2016	56,235	Interest
					9/1/2016	145,000	Principal
Water & Sewer Revenue Bond Series 2006	4.5%,4.3%,4.375%,4.625% 4.75%,5.00%,5.125% 4.88%	2006	13,845,000	8,715,000	3/1/2016	233,784	Interest
		2031			9/1/2016	233,785	Interest
					9/1/2016	745,000	Principal
Water & Sewer Revenue Bond Series 2007	5.5%, 5.25%, 5%, 4.5% 3.5%,4.48%	2007	40,135,000	33,730,000	3/1/2016	783,168	Interest
		2031			9/1/2016	783,169	Interest
					9/1/2016	1,010,000	Principal
Permanent Imp and Refunding Bonds 2009*	2.00%, 2.50%, 2.75% 5%,4.%	2009	11,660,000	4,220,000	3/1/2016	114,388	Interest
		2018			3/1/2016	1,220,000	Principal
					9/1/2016	97,613	Interest
Water & Sewer Revenue Bond Series 2008	3.25%,4.125%,4.2%, 4.5% 4.3%,5%,4.67%	2008	14,950,000	13,125,000	3/1/2016	314,420	Interest
		2034			9/1/2016	314,420	Interest
					9/1/2016	290,000	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	13,130,000	10,555,000	3/1/2016	267,906	Interest
		2034			9/1/2016	267,906	Interest
					9/1/2016	400,000	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%	2010	14,040,000	11,690,000	3/1/2016	245,241	Interest
		2035			9/1/2016	245,241	Interest
					9/1/2016	410,000	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	8,970,000	7,150,000	3/1/2016	141,222	Interest
		2023			9/1/2016	141,222	Interest
					9/1/2016	370,000	Principal
Per. Improv. & Refunding Bond Series 2012*	3.0%,4.0%,5.0%,3.72%	2012	6,230,000	5,555,000	3/1/2016	112,200	Interest
		2025			9/1/2016	103,700	Interest
					9/1/2016	340,000	Principal
Water & Sewer Revenue Bond Series 2012	2.00%, 3.00%, 3.10% 3.25%, 3.375%, 3.5%, 3.625%,3.07%	2012	8,670,000	7,360,000	3/1/2016	109,128	Interest
		2037			9/1/2016	109,128	Interest
					9/1/2016	355,000	Principal
Water & Sewer Revenue Bond Series 2014	2.0%, 3.0%, 3.125%, 3.250%, 3.375%, 3.50%, 3.625%, 4.0%	2014	9,210,000		3/1/2016	162,309	Interest
		2039			9/1/2016	162,309	Interest
					9/1/2016	195,000	Principal
TOTAL			144,840,000	104,400,000		10,534,728	

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

**SOLID WASTE FUND - 31
SUMMARY OF REVENUES, EXPENSES AND FUND BALANCE
FY 2016 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, with an amendment in December 2013, and expiring September 30, 2021. The contract allows for service rates to adjust annually to the reported Consumer Price Index for the Houston MSA and allows for quarterly rate adjustments based on diesel fuel prices, up or down.

The fiscal year 2015 projection is based on a current rate of \$17.64 per household per month from October through December, \$17.48 from January through March, \$17.32 from April through June and back up to \$17.48 from July through September pursuant to quarterly fuel adjustments provided for in the Waste Management contract.

The fiscal year 2016 budget assumes no change to the base rate effective October 2015, based on CPI in April 2015, and includes growth in the customer base of 75 to 95 new units per month. No rate adjustments for fuel are included.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
<u>OPERATING REVENUES</u>				
Charges for Services	\$6,974,338	\$6,603,258	\$6,675,565	\$6,818,144
Miscellaneous	34,135	12,731	35,376	10,958
Interest Income	1,235	660	1,895	1,895
TOTAL	7,009,708	6,616,649	6,712,836	6,830,997
<u>OPERATING EXPENSES</u>				
Miscellaneous Services	6,648,745	6,603,258	6,702,753	6,818,144
Other Expenses	14,818		13,320	13,320
Infer-fund Transfers	146,794		340,000	
TOTAL	6,810,357	6,603,258	7,056,073	6,831,464
REVENUES OVER (UNDER) EXPENSES	199,351	13,391	(343,237)	(467)
BEGINNING CASH EQUIVALENTS	212,401	411,752	411,752	68,515
ENDING CASH EQUIVALENTS	\$411,752	\$425,143	\$68,515	\$68,048

SOLID WASTE - FUND 31

GOALS

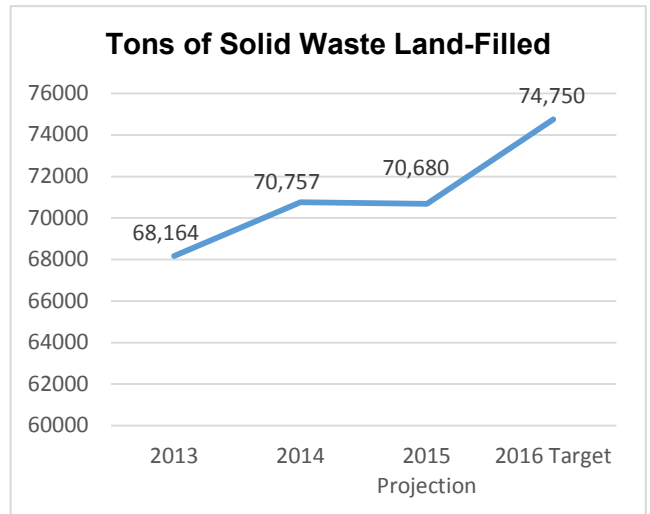
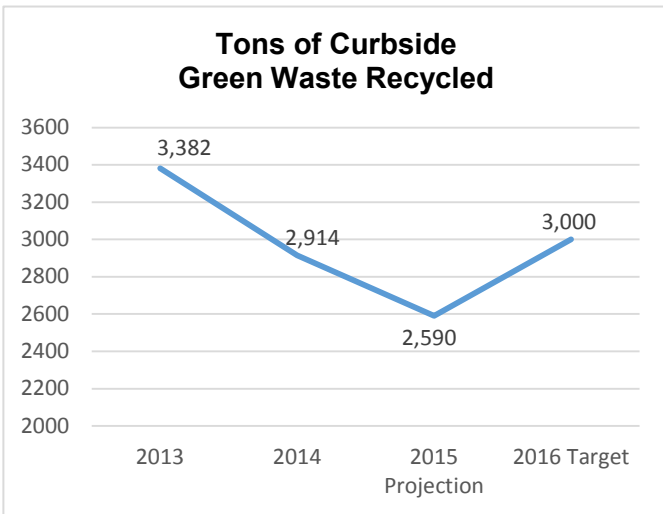
- ◆ Provide consistent, high-quality solid and green waste collection and disposal services to residents and commercial businesses within the City of Pearland.
- ◆ Provide public education and awareness to residents and businesses as necessary.
- ◆ Provide proactive client notification of changes that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

FISCAL YEAR 2015 ACCOMPLISHMENTS

- ◆ Developed collaborative plan to reroute the collection of residential and commercial recycling, as well as solid and green waste to improve overall performance in the City.
- ◆ Updated and replaced commercial recycling containers for local businesses with those that have external descriptions of proper use to avoid contamination with solid and/or green waste.

FISCAL YEAR 2016 OBJECTIVES

- ◆ Improve communication protocols to ensure completion of routes by deadlines.
- ◆ Discontinue service to customers with payment and account delinquencies.
- ◆ Field recycling services out to the Keep Pearland Beautiful non-profit organization.



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



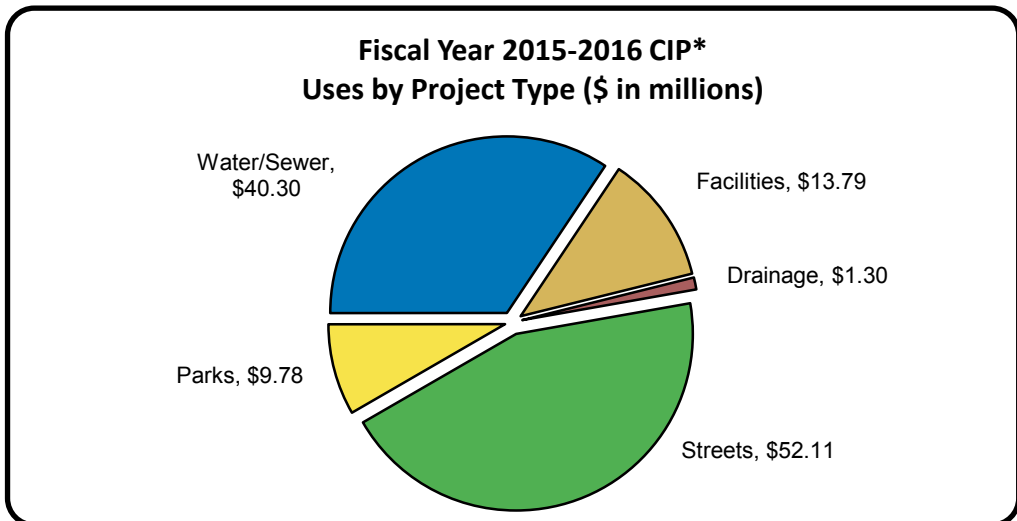
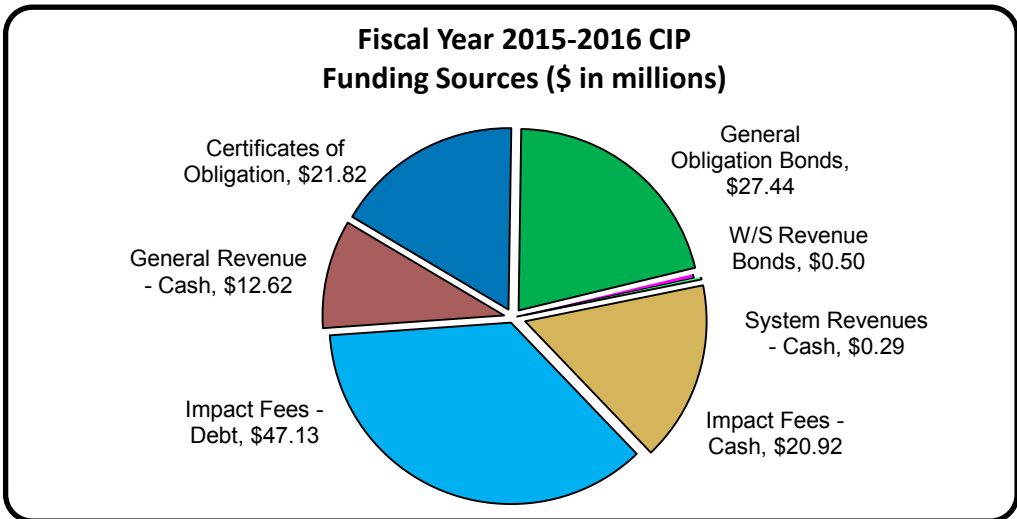
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CAPITAL PROJECT FUNDS FY 2016 ADOPTED BUDGET

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

The City maximizes every source of funding available and is constantly looking at leveraging funding through the use of federal, state and county dollars. The City has received HGAC TIP funding in the amount of \$69 million for improvements to several streets over the next few years and has submitted projects for consideration and funding in the amount of \$60,522,356 for the 2015 to 2019 call for projects. 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 (2016-2020) totaling \$481 million. The Five-Year CIP completes the 2007 bond referendum in 2019. New/proposed capital needs in the amount of \$100,659,864 have been identified, excluding potential projects that would arise from the completion of master plans, such as the parks master plan, the drainage master plan, the facilities assessment study or potential transportation improvement plan opportunities. Keeping with Council's direction to have a manageable program that can be reasonably completed within a three to five year time period, the City has prioritized projects and has capped the next bond referendum at \$70,378,613, which is used in the Five-Year CIP and forecast.

The first year of the Five-Year Capital Improvement Program is incorporated into the annual budget to appropriate funds. Capital projects for fiscal year 2015-2016 total \$117,284,938, excluding transfers and bond issuance costs.



*\$13.44 million is in reserves.

Water/Sewer projects total \$40.3 million, or 34.4%, of the capital improvement program. Major projects include the relocation of utilities to allow for the construction of SH 288 Toll Lanes, installation of approximately 7,500 feet of 16" waterline along Alameda Rd from Broadway to Mooring Point, design of a waterline extension along McHard Road, installation of approximately 3,000 LF of 12" waterline along Hughes Ranch Road from CR 94 to Cullen Parkway, design of underground piping infrastructure at water production facilities, replacement of transit waterline pipe throughout the city, preliminary engineering report for the construction of a 10 MGD surface water treatment plant, oversizing of the Riverstone Ranch development's sewer infrastructure, expansion of the Reflection Bay Water Reclamation facility by 4 MGD, installation of the McHard Road Trunk Sewer from Garden to Southdown WWTP, and preliminary engineering for the expansion of the Barry Rose WWTP from 3.1 MGD to 4.5 MGD.

Street projects total \$52.1 million, or 44.4%, of the total and include funding for the right-of-way and design of a 3.5 mile extension of McHard Road from Mykawa Road to Cullen Parkway, improvements to Bailey Road to a 4-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 widening of Max Road from the future Hughes Ranch alignment and connecting with Reid Boulevard and the reconstruction of Hughes Ranch Road (CR 403) from Cullen to Smith Ranch Road from a 2-lane asphalt open ditch roadway to a 4-lane concrete curb and gutter boulevard. Fite Road will be extended approximately 2,500 feet east of McLean, running adjacent to Centennial Park and Old Alvin Road will be designed for widening from Plum Street to McHard Road from a 2-lane asphalt to a 4-lane undivided curb and gutter roadway. McHard, Fite, Max and Bailey are 80% funded by HGAC TIP funds and Hughes Ranch Road has been submitted for consideration of HGAC TIP funds.

Facilities total \$13.8 million, or 11.8%, and include \$5,245,081 for the remodel of approximately 50,910 square feet of space in the City Hall Complex. Funding will support the renovation to better accommodate departmental staff at City Hall and in the Community Center for growth, efficiencies and safety. In addition, construction for a new 10,000 – 12,000 square foot office facility at the Orange Street Service Center and the expansion of the Tom Reid Library by approximately 8,174 square feet are also included. Also, the City will begin design of the relocation of Fire Station 1.

Drainage projects to be \$1.3 million, or 1.1%, of the total and include \$600,800 for design and land acquisition 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 the land acquisition and engineering for Cullen/FM 518 detention pond is also included this year.

Parks projects total \$9.8 million, or 8.3%, 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 2 new lighted softball fields, the installation of a new picnic pavilion, and additional parking. Funding is included for the construction of Green Tee Terrace Trail, which will be a 10-foot hike and bike trail from the Pearland Eastside Library/City Hall to Barry Rose Road, along the Clear Creek Corridor and the extension of the Shadow Creek Ranch Trail from east of Kirby Drive to Shadow Creek Ranch Park. The construction 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 construction on a building to demonstrate/program environmental educational displays, demonstration gardens, interpretive exhibits, restrooms, a classroom with a 50 seat capacity, 400 sq. ft. of storage and pervious parking areas.

For the Water/Sewer component, the City anticipates two bond sales, one totaling \$4.84 million to fund infrastructure improvements in the capital improvement program, and the second is TWDB financing in the amount of \$55 million for the Reflection Bay Reclamation Facility Expansion for 2016 and 2017 construction expense.

For the remaining \$77.0 million, the City anticipates selling \$21.8 million in GO Bonds approved by the voters in 2007 and selling Certificates of Obligation in the amount of \$12.6 million mainly for facility projects not anticipated with the 2007 bond referendum but needed for Public Safety (Fire Station #1), Public Works, Library and City Hall. A total of \$22.4 million will come from HGAC Transportation Improvement Program funds and developer contributions, mainly for street projects, and an additional \$14.6 was submitted for consideration of HGAC Transportation Improvement funds. Cash and future bonds proceeds make up the remaining sources.

**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES
FY 2016 ADOPTED BUDGET**

Governmental Fund

	Fund 050	Fund 068	Fund 203	Total
Revenues:				
Interest Income	4,000	4,500	40,000	48,500
Bond Proceeds		12,303,760	22,825,864	35,129,624
Impact Fees				
Miscellaneous				
Intergovernmental	2,743,963	5,244,788	34,796,437	42,785,188
Transfers In		402,014	1,251,000	1,653,014
Total Revenues	2,747,963	17,955,062	58,913,301	79,616,326
Expenditures:				
Drainage			1,300,800	1,300,800
Parks		5,257,571	4,524,925	9,782,496
Facilities		10,685,256	3,108,225	13,793,481
Streets	375,000	1,477,952	49,887,050	51,740,002
Water				
Sewer				
Total Projects	375,000	17,420,779	58,821,000	76,616,779
Issuance Costs		258,000	430,000	688,000
Other Non-Operating	2,112,973			2,112,973
Transfers Out	302,995	320,558	616,055	1,239,608
Total Non-Operating	2,415,968	578,558	1,046,055	4,040,581
Total Expenditures	2,790,968	17,999,337	59,867,055	80,657,360
Revenues Over/ (Under) Expenditures	(43,005)	(44,275)	(953,754)	(1,041,034)
BEGINNING BALANCE	375,626	92,458	1,450,521	1,918,605
Reserved				
ENDING BALANCE	\$ 332,621	\$ 48,183	\$ 496,767	\$ 877,571

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

**CAPITAL PROJECT FUNDS
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCES
FY 2016 ADOPTED BUDGET**

Enterprise Fund

	Fund 042	Fund 044	Fund 067	Fund 301	Fund 302	Total	GRAND TOTAL
Revenues:							
Interest Income	45,000	8,000	14,872	3,300	1,000	71,172	119,672
Bond Proceeds	48,758,055		1,190,260			49,948,315	85,077,939
Impact Fees	3,508,278	882,270				4,390,548	4,390,548
Miscellaneous							42,785,188
Intergovernmental							42,785,188
Transfers In			827,560	500,000		1,327,560	2,980,574
Total Revenues	52,311,333	890,270	2,032,692	503,300	1,000	55,738,595	135,354,921
Expenditures:							
Drainage							1,300,800
Parks							9,782,496
Facilities							13,793,481
Streets					371,037	371,037	52,111,039
Water	2,331,110		749,460	550,000		3,630,570	3,630,570
Sewer	34,614,000		1,802,552	250,000		36,666,552	36,666,552
Total Projects	36,945,110		2,552,012	800,000	371,037	40,668,159	117,284,938
Issuance Costs	1,107,500					1,107,500	1,795,500
Other Non-Operating							2,112,973
Transfers Out	1,968,242	670,416	196,863	468,700	400,000	3,704,221	4,943,829
Total Non-Operating	3,075,742	670,416	196,863	468,700	400,000	4,811,721	8,852,302
Total Expenditures	40,020,852	670,416	2,748,875	1,268,700	771,037	45,479,880	126,137,240
Revenues Over/ (Under) Expenditures	12,290,481	219,854	(716,183)	(765,400)	(770,037)	10,258,715	9,217,681
BEGINNING BALANCE	7,385,443	923,912	859,207	1,114,453	770,037	11,053,052	12,971,657
Reserved	13,700,000					13,700,000	13,700,000
ENDING BALANCE	\$ 5,975,924	\$ 1,143,766	\$ 143,024	\$ 349,053	\$ -	\$ 7,611,767	\$ 8,489,338

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

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project # Project Name Project Description

Drainage Projects						
DR 1103	Cullen/FM 518 Detention Pond	The City's Sub-Regional Detention Master Plan identified the southwest quadrant of FM 518/ Cullen Parkway as a potential location for a sub-regional detention pond. The pond would be constructed in phases with developer contributing land or excavation. This 1st phase includes minor ROW acquisition, existing ditch improvements and possible underground storm sewer improvements. Ultimate service area is approximately 265 acres.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$4,808,000	\$700,000	\$0	\$0	\$0	\$0	\$0
DR 1302	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.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$3,795,434	\$600,800	\$0	\$0	\$0	\$0	\$0
Drainage Total Budget	2016 Budget	2016	2017	2018	2019	2020
\$8,603,434	\$1,300,800	\$0	\$0	\$0	\$0	\$0

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project # Project Name Project Description

Parks Projects						
P20001	Independence Park Ph I	Phase I improvements include a reorientation of the entry into the park, relocation and replacement of the existing playground, improvements to electrical & lighting along with minor architectural details in the existing pavilion, blast and repaint basketball court, the construction of additional parking, a small stage and sloped earthen berm type amphitheater for special events and landscaping.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$3,638,510	\$1,906,803	\$0	\$27,890	\$57,582	\$59,445	\$61,371
P20004	Delores Fenwick Nature Center	The project will include a building to demonstrate/program environmental educational displays, demonstration gardens, interpretive exhibits, offices, restrooms, a classroom with a 50 seat capacity, 400 sq. ft. of storage and pervious parking areas.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$2,308,653	\$790,122	\$0	\$0	\$185,849	\$284,116	\$294,679
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.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$2,766,295	\$1,828,000	\$56,966	\$76,045	\$76,118	\$76,118	\$76,118
PK1401	Shadow Creek Ranch Trail	Construction of a 10 ft. wide hike and bike trail along the southern bank of Clear Creek beginning on the east side of Kingsley Drive and extending east approximately 1,300 ft. terminating at Kirby Drive. Project will include shaded seating areas, bike facilities, educational and/or themed signage and may include improvements to the existing trail head parking area.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$1,935,458	\$1,624,755	\$0	\$4,379	\$6,130	\$6,436	\$6,758
PK1402	Green Tee Terrace Trail	Extension of a 10-foot hike and bike trail 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.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$4,173,936	\$3,632,816	\$0	\$3,077	\$6,461	\$6,784	\$7,123
Parks Total Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$14,822,852	\$9,782,496	\$56,966	\$111,391	\$332,140	\$432,899	\$446,049

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project # Project Name Project Description

Facility Projects

F20002	Tom Reid Library Expansion	The library expansion will increase the now 20,584 sf building by 8,174 sf for an overall floor plan area of 28,758 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. Additional scope includes replacement of three existing HVAC units and replacement of the entire roof.
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Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$4,695,335	\$4,343,300	\$0	\$90,382	\$90,382	\$90,382	\$90,382

FA0904	City Hall Complex Renovations	The existing Community Center was constructed in 1983 and City Hall in 1986. Departmental Space Programming was completed in 2014. This program incorporates the remodel of approximately 23,110 sq.ft. 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 sq.ft. in City Hall, the replacement of HVAC systems, modifications to the Council Chambers, Administration, City Secretary, Legal, HR and Receptionist spaces, and includes security and safety (exterior lighting) improvements for both buildings.
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Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$5,885,477	\$5,245,081	\$0	\$0	\$0	\$0	\$0

FA1404	Orange Street Service Center	Phase 1 of the project will consist of a new 10-12,000 sq.ft. office facility to house an estimated 150 staff to include the Assistant City Manager, Public Works Administration, Engineering and Projects Department. This building will replace the existing office area that was built before windstorm requirements and no longer can meet many of the current life safety and ADA codes. This phase will also structurally upgrade and remodel one or more of the existing out-buildings to provide a new lunch room/kitchen/training, area locker rooms and showers, and crew support facility.
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Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$4,229,000	\$3,800,100	\$0	\$0	\$0	\$0	\$0

FA1602	Fire Station #1	Construction of approximately 8,500 sq.ft. station to house one 4-person Engine Crew and one 2-person EMS Ambulance Crew. Station will include 6 dorm rooms, 2 restrooms with showers, a kitchen dining area, a dayroom, a station command office, and exercise room. Equipment area will consist of 2-80 ft. deep drive-thru apparatus bays, bunker gear and medical supply storage areas, and an EMS decontamination area. Facility will be located on McHard Road near Pearland Parkway on City owned land. The building will be designed to add a third 80-ft. deep apparatus bay in the future.
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Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$4,183,000	\$405,000	\$0	\$0	\$78,284	\$81,504	\$92,264

Facility Total Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$18,992,812	\$13,793,481	\$0	\$90,382	\$168,666	\$171,886	\$182,646

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project # Project Name Project Description

Streets Projects						
T08002	Bailey Road - Veterans to FM1128	The extension of approximately 2.76 miles of 4-lane concrete curb and gutter divided boulevard with raised medians, curb and gutter, underground drainage, street lighting and landscaping from approximately 1,300 ft. west of FM 1128 to Veterans Drive. The project includes the full build out of the Bailey Intersection at FM1128. Detention has been provided in the Cowart's Creek Diversion project.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$33,311,733	\$18,244,345	\$0	\$80,611	\$84,642	\$88,874	\$93,318
T20002	Old Alvin Road Widening - Plum Street to McHard Road	Reconstruction of approximately 1 mile of Old Alvin Rd from Plum St to McHard Rd from a 2-lane asphalt to a 4-lane undivided curb and gutter roadway. East side from McHard to Knapp to have 6 ft. sidewalks.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$12,196,089	\$1,514,800	\$0	\$0	\$0	\$8,057	\$32,226
TR1201	Hughes Ranch Road (CR 403) - Cullen to Smith Ranch Road	Reconstruction of CR403 from Cullen to Smith Ranch Road from a 2-lane asphalt open ditch roadway to a 4-lane concrete curb and gutter boulevard for a distance of 2 miles. Brown and Gay Engineering is currently completing construction plans. Environmental clearance issued 2011, currently acquiring right of way. 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.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$27,469,536	\$17,344,591	\$0	\$14,447	\$57,786	\$57,786	\$57,786
TR1202	Fite Road Extension - Veterans to McLean	An extension of Fite Road approximately 2,500 ft. east of McLean, running adjacent to Centennial Park, tying into Veterans Drive. The project includes 4 lanes, undivided, of concrete curb and gutter including storm sewers, outfalls and detention, a traffic signal at McLean Road and includes approximately 800 ft. of sound wall.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$4,951,662	\$3,631,172	\$8,240	\$16,786	\$17,625	\$18,506	\$19,432
TR1205	Max Road Expansion - Hughes Ranch to Reid Blvd.	Widen 3,700 LF of Max Road from the future Hughes Ranch alignment and connecting with Reid Boulevard, just west of the Food Town shopping center. The roadway will be 4 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.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$6,462,617	\$1,550,000	\$4,097	\$28,231	\$29,642	\$31,124	\$32,681

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project #	Project Name	Project Description				
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.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$3,501,904	\$1,240,790	\$0	\$0	\$0	\$0	\$0
TR1404	Kirby Drive Expansion - Boradway to CR 59	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 2 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 main will be extended approximately 800 ft. south to County Road 59.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$3,314,107	\$1,066,260	\$18,170	\$25,438	\$26,710	\$28,045	\$29,447
TR1405	McHard Road Extension (Mykawa Road to Cullen Parkway)	The extension of approximately 3.5 miles of McHard Road, from Cullen Parkway to Mykawa Road, consisting of a 4-lane, concrete, curb and gutter, divided roadway with raised medians and underground drainage. Includes storm sewers, outfalls and detention, five traffic signals at secondary thoroughfares and major collectors, sidewalks, street lighting and landscaping. This project will be coordinated with the McHard Road Trunk Sewer extension and McHard Road Water Line Extension.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$42,708,789	\$4,378,289	\$0	\$0	\$0	\$86,277	\$103,533
TR1501	Smith Ranch Road Extension (CR 94) - Hughes Ranch Road to Broadway	Expansion of Smith Ranch Road from 2-lanes of asphalt into 4-lanes, divided, with raised medians, concrete curb and gutter, storm sewer, and landscaping. Project will include planning and construction of provisions for utility services along both sides of the right of way. Limits are from Hughes Ranch Road, south approximately 3,250 LF to 2,040 LF north of Broadway.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$5,966,034	\$916,803	\$0	\$0	\$15,813	\$33,208	\$34,869
TR1601	Intersection Improvements	With the continuous development driven evolution of traffic patterns and counts, intersections encounter increasing traffic flows than they were originally constructed to handle, increasing congestion and raising safety concerns. Intersections will be modified in design or signalization to address the rapidly changing traffic patterns as and where they occur, beginning with the Pearland Parkway-Boroadway intersection in 2016.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$1,787,000	\$375,000	\$0	\$0	\$0	\$0	\$0

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project #	Project Name	Project Description				
TR1602	Safe Routes to School Improvements	As identified in the Safe Routes to School Plan, sites may include the installation of sidewalks, drainage improvements, roadway widening, crosswalk enhancements/improvements and other traffic improvements. City staff has prioritized and produced cost estimates that include detailed scopes of work required and a project schedule. Improvements planned for Challenger Elementary, HC Carlestone Elementary and Barbara Cockrell Elementary will be done with Hughes Ranch Rd project, if funded.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$2,738,503	\$1,477,952	\$0	\$0	\$0	\$0	\$0
TR1603	West McHard Pedestrian Path	Design and construction of an 8-ft. wide concrete pedestrian path along the north right of way from the Country Place Boulevard/McHard Road intersection approximately 3,250 ft. to the intersection of McHard Road and Country Place Parkway. This configuration will tie into existing pedestrian features at the traffic signals on both east and west ends.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$371,037	\$371,037	\$0	\$0	\$0	\$0	\$0
Facility Total Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$144,779,011	\$52,111,039	\$30,507	\$165,513	\$232,218	\$351,877	\$403,292

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project # Project Name Project Description

Water Projects						
WA1001	General Engineering/CIP Administration	This project provides services necessary for the entire CIP and not project specific but is specific to the water or wastewater projects. The Wastewater and Water Models will be updated and any special studies will be completed as necessary.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$1,166,078	\$50,000	\$0	\$0	\$0	\$0	\$0
WA1501	Toll Road Utility Relocations	The project consists of relocating 600 LF of 16" water main by directional drill beneath the northern embankment for the FM518 overpass on SH288. At Smith Ranch approximately 1,330 ft. of 12" PVC water line will be relocated and placed in 18" steel casing. At this same location, approximately 970 ft. of 4" Force Main will be relocated by open cut and another 130 ft. by directional drill and placed in steel casing to allow for the installation of the T-Ramp.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$789,460	\$749,460	\$0	\$0	\$0	\$0	\$0
WA1505	FM521 Waterline (Broadway to Mooring Pointer)	7,500 ft. of 16" water line along Alameda Rd from Broadway to Mooring Pointer.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$1,758,000	\$1,546,110	\$0	\$0	\$0	\$0	\$0
WA1601	McHard Rd. 16" Waterline Phase II	Phase II extends from Cullen Parkway to Mykawa a total of 17,340 LF. This portion of the project is timed to coincide with Right of Way approval and acquisition for the McHard Road project.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$5,936,480	\$100,000	\$0	\$0	(\$375,000)	(\$750,000)	(\$750,000)
WA1602	Hughes Ranch Road West 12" Water Line	Installation of approximately 3,000 LF of 12" water line along Hughes Ranch Road from CR 94 to Cullen Parkway. This water line connection will be done in coordination with the Hughes Ranch Road Expansion from CR 94 to Cullen Parkway. Infill of existing system 1,550 LF North Hampton to Brookney and 1,450 LF Smith to May Court.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$1,201,000	\$585,000	\$0	\$0	\$0	\$0	\$0
WA1603	Underground Piping Infrastructure at Water Production Facilities	This project will replace significant portions of the aging large diameter water conveyance pipe located at water production facilities. This project will inspect each facility and make recommendations for the design and replacement of failing piping within each facility.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$1,250,000	\$250,000	\$0	\$0	\$0	\$0	\$0

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project #	Project Name	Project Description				
WA1604	Transite Pipe Water Line Replacement	Replace approximately 50 miles of failing transite pipe water lines (over 30 years old) in the City with PVC water lines. The project will replace the water line infrastructure in the following locations over a period of years - Corrigan Subdivision, Old Towne, Summerset/Shrine, Country Place, Green Tee, Westminster, Brookside Acres, Shadycrest, Creek View, Parkview, Wood Creek, Heritage Green, Clear Creek Estates, Twin Creek Woods.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$14,110,000	\$250,000	\$0	\$0	\$0	\$0	\$0

WA1605	Surface Water Plant	Pilot testing, design, and construction of a 10 MGD Surface Water Treatment Plant that will treat raw water from the Gulf Coast Water Authority (GCWA) canal for distribution throughout the City's water system. In addition, the project will include 24" transmission lines. A future phase will include an additional 10 MGD of capacity. The plant will be located on City property on CR48 south of CR59, which is adjacent to the GCWA canal. Pilot testing will begin in FY2017 followed by design and construction. The project is scheduled to be completed over a five-year period with new capacity available by 2022.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$88,915,000	\$100,000	\$0	\$0	\$0	\$0	\$0

Water Total Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$115,126,018	\$3,630,570	\$0	\$0	(\$375,000)	(\$750,000)	(\$750,000)

**SUMMARY OF CAPITAL PROJECTS
FY 2016 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.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$713,609	\$163,452	\$0	(\$12,300)	(\$16,400)	(\$16,400)	(\$16,400)
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.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$1,582,776	\$850,000	\$0	\$0	\$0	\$0	\$0
WW1405	Reflection Bay Water Reclamation	Growth rates within the service area have increased both average daily flows and the biological loading contained in the plant's influent requiring construction of a 4 MGD treatment capacity expansion. The project includes the design, permitting and construction upgrades of the lift station, headworks, addition of four continuous flow 1 MGD basins modifications to the existing basins to create two additional 1 MGD continuous flow basins, new filtration and UV disinfectant systems, expansion of the sludge holding tanks, addition of two belt press dewatering systems, a new non-potable water system and new SCADA control for a total plant capacity of 6 MGD.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$48,822,000	\$29,814,000	\$0	\$0	\$180,258	\$240,344	\$240,344
WW1406	McHard Rd Trunk Sewer (Garden to Southdown WWTP)	Install, along McHard Rd, approximately 4,500 ft. of 24" trunk sewer from Cullen to Southdown WWTP; 5,800 ft. of 18" trunk sewer from Cullen to Max Road; and approximately 4,000 LF of 15" trunk sewer from Max Road to Garden Road.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$5,641,161	\$1,155,000	\$0	\$0	\$0	\$0	\$0
WW1502	Barry Rose WWTP Expansion	In 2015, staff will conduct a Preliminary Engineering Report to determine the specific design parameters required for the plant expansion, including volume and biological loading. In 2017, capacity expansion design will begin. In 2018, the package plant will be relocated to Barry Rose plant to ensure plant effluent remains within permit during the construction schedule. In 2020, construction of approximately a 2 MGD sequencing batch reactor plant will begin which will be a separate plant to be run in parallel with the existing plant, for a total capacity of 5 MGD.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$32,560,000	\$300,000	\$0	\$0	\$0	\$42,060	\$168,241

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project #	Project Name	Project Description				
WW1506	Lift Station Program	FY16 - Convert the Springfield lift station into a manhole and gravity flow all wastewater 1,300 ft. south to the Park Village Lift station on the east side of McLean. FY17 - Convert the Pearland Heights Lift Station into a manhole and gravity flow the wastewater to the lift station located at 1630 Rice Road. FY18 - Demolish and reconstruct the 30 year old Mary's Creek Lift Station in the area adjacent to the current location.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$3,016,650	\$440,800	\$0	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)
WW1507	Sanitary Sewer Rehabilitation	Inflow and infiltration program to replace failing waste water lines over thirty years of age in the following areas over a period of years - Corrigan Subdivision, Old Towne, Summerset/Shrine, Country Place, Green Tee, Westminster, Brookside Acres, Shadycrest, Creek View, Parkview, Wood Creek, Heritage Green, Clear Creek Estates, Twin Creek Woods.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$15,100,000	\$250,000	\$0	\$0	\$0	\$0	\$0
WW1601	Orange Mykawa Lift Station Retirement - WWM Project 33	Abandonment of lift station and installation of new 12" gravity sewer line along Mykawa from Orange to Walnut for approximately 3,386 LF. To be completed in coordination with Mykawa Road construction.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$1,175,200	\$166,300	\$0	(\$4,100)	(\$8,200)	(\$8,200)	(\$8,200)
WW1602	Relocation Mykawa Scott LS - WWM Projects 5	Replacement of the existing lift station, a new 12" force main, approximately 2,500 LF, from Mykawa to SH35 and a new 8-12" gravity line, approximately 3,430 LF along Mykawa from Scott Street to Shank. Project will be coordinated with Mykawa Rd. construction.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$4,487,720	\$335,000	\$0	(\$2,050)	(\$8,200)	(\$8,200)	(\$8,200)
WW1603	JHEC WWTP Expansion - WWM Project 29A	A 2 MGD expansion to the existing 4 MGD wastewater treatment plant that will increase the wastewater treatment capacity to 6 MGD facility at the John Hargrove Environmental Center.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$36,718,300	\$2,960,000	\$0	\$0	\$80,115	\$240,344	\$240,344
WW1604	Green Tee 1 to Riverstone Wastewater Diversion (Longwood Service Area Phs 1)	Install 5,100 LF of 8" force main from Lift Station #34 on Green Tee Drive through the golf course by directional drill to the Riverstone Ranch Collection system receiving manhole at Donegal Street and Country Club Drive. This project works in conjunction with the Riverstone Ranch Oversizing agreement.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$923,000	\$182,000	\$0	\$0	\$0	\$0	\$0

**SUMMARY OF CAPITAL PROJECTS
FY 2016 ADOPTED BUDGET**

Project #	Project Name	Project Description				
WW1605	Roy/Max/Garden Roads Basin Sewage System - WWM Project 12	This project proposes approximately 4,940 LF of 18" trunk sewer along Broadway St. from Food Town's Lift Station to O'Day Rd, approximately 1,300 LF of 15" trunk sewer along Garden Rd from Broadway to the lift station and 1,200 LF of 12" sewer line along Roy/Max Rd from Broadway to Hickory Slough.				
Project Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$2,845,000	\$50,000	\$0	\$0	\$0	(\$10,933)	(\$16,400)

WWTP Total Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$153,585,416	\$36,666,552	\$0	(\$26,650)	\$219,373	\$470,815	\$591,529

Grand Total Budget	2016 Budget	O & M Impact				
		2016	2017	2018	2019	2020
\$455,909,543	\$117,284,938	\$87,473	\$340,636	\$577,397	\$677,477	\$873,516



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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 to pay 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).

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

COURT SECURITY FUND - 17
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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 FY 2016, the second part-time bailiff was increased to full-time and partially funded in both this fund and the General Fund. Beginning in fiscal year 2017, more 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 9/30/2016 is estimated to be \$4,624.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
FINES & FORFEITURES	\$ 53,213	\$ 57,008	\$ 52,802	\$ 52,800
INTEREST INCOME	180	200	130	120
TOTAL	53,393	57,208	52,932	52,920
EXPENDITURES				
SALARY & WAGES	62,942	82,203	78,595	90,218
MATERIALS & SUPPLIES	480	1,350	1,150	4,850
MISCELLANEOUS SERVICES	2,120	24,444	23,164	19,282
INVENTORY		1,500	1,428	
TOTAL	65,542	109,497	104,337	114,350
REVENUES OVER (UNDER) EXPENDITURES	(12,149)	(52,289)	(51,405)	(61,430)
FUND BALANCE - BEGINNING	129,608	117,459	117,459	66,054
FUND BALANCE - ENDING	\$ 117,459	\$ 65,170	\$ 66,054	\$ 4,624

CITYWIDE DONATION FUND - 18
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET

OVERVIEW

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

The fiscal year 2015 expenditures include \$1,998 for a laptop for a Humane Officer; \$15,924 for the replacement of gear racks with storage lockers for the Fire Department and \$1,973 for the purchase of a range for Fire Station #1 and table and chairs for Fire Station #5.

The fiscal year 2016 budget totals \$50,477 and includes \$477 for the Police Chaplain Program and \$15,000 for a LUCAS device (chest compression system) for the Fire Department. In fiscal year 2014 Pearland PETS presented Animal Services with a \$25,968 commitment toward the future purchase of a mobile adoption/disaster recovery vehicle. Animal Services currently has \$48,233 available, \$35,000 of which will be used for a first phase renovation of the existing facility in fiscal year 2016, leaving a balance of \$10,690. The balance will be held to fund a portion of the mobile vehicle at a future time. The balance available also includes \$2,197 for EMS/Fire, \$6,093 for Fire Operations, \$3,787 for Police, and \$1,910 for the two libraries. The fund balance estimated is \$27,053 on 9/30/16.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 104	\$ 120	\$ 53	\$ 50
MISCELLANEOUS DONATIONS	40,775	23,130	27,856	20,300
TOTAL	40,880	23,250	27,909	20,350
EXPENDITURES				
MATERIALS & SUPPLIES	440	28,025	17,897	
MISCELLANEOUS SERVICES				477
INVENTORY	16,993	4,650	1,998	
TRANSFER TO FUND 10	21,000			35,000
CAPITAL OUTLAY	44,117	9,869	500	15,000
TOTAL	82,550	42,544	20,395	50,477
REVENUES OVER (UNDER) EXPENDITURES	(41,670)	(19,294)	7,514	(30,127)
FUND BALANCE - BEGINNING	91,337	49,667	49,667	57,180
FUND BALANCE - ENDING	\$ 49,667	\$ 30,373	\$ 57,180	\$ 27,053

COURT TECHNOLOGY FUND - 19
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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. Expenditures include the annual fee to access law enforcement warrant data, court software annual maintenance and internet service. Fund Balance at 9/30/2016 is estimated to be \$12,756, drawing down fund balance by \$9,845. Based on future fine activity, a portion of the expenditures may need to shift to the General Fund.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
FINES & FORFEITURES	\$ 60,846	\$ 65,500	\$ 60,000	\$ 60,000
INTEREST INCOME	202	10	25	20
TOTAL	61,048	65,510	60,025	60,020
EXPENDITURES				
MATERIALS & SUPPLIES	1,011	1,671	1,639	4,287
MISCELLANEOUS SERVICES	23,252	9,362	9,685	10,800
MAINTENANCE OF EQUIPMENT	13,682	55,632	58,582	54,778
INVENTORY				
CAPITAL OUTLAY	258,106	15,951	15,951	
TOTAL	296,051	82,616	85,857	69,865
REVENUES OVER (UNDER) EXPENDITURES	(235,002)	(17,106)	(25,832)	(9,845)
FUND BALANCE - BEGINNING	283,435	48,433	48,433	22,601
FUND BALANCE - ENDING	\$ 48,433	\$ 31,327	\$ 22,601	\$ 12,756

COURT JUVENILE MANAGEMENT FUND - 23
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET

OVERVIEW

The State of Texas has authorized the governing body of a municipality to collect a fee up to \$5 from each Class C misdemeanor conviction for the expenditures related to the employment of a Juvenile Case Manager. Pursuant to the Texas Code of Criminal Procedure, Article 102.0174, revenues generated from this fee must be deposited into a special fund. This new fund began with the 2010 fiscal year, 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 do not cover the full cost of the Juvenile Case Manager. The difference is made up by a draw down of fund balance. In two or three years, the fee will need to be increased in order to cover the cost. Fund Balance at 9/30/2016 is estimated to be \$38,630.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
FINES & FORFEITURES	\$ 36,066	\$ 38,250	\$ 37,000	\$ 37,000
INTEREST INCOME	86	72	65	60
TOTAL	36,152	38,322	37,065	37,060
EXPENDITURES				
SALARY & WAGES	42,345	42,629	42,972	42,835
MISCELLANEOUS SERVICES	794	1,600	1,600	1,600
TOTAL	43,139	44,229	44,572	44,435
REVENUES OVER (UNDER) EXPENDITURES	(6,988)	(5,907)	(7,507)	(7,375)
FUND BALANCE - BEGINNING	60,499	53,512	53,512	46,005
FUND BALANCE - ENDING	\$ 53,512	\$ 47,605	\$ 46,005	\$ 38,630

STREET ASSESSMENT FUND - 33
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET

OVERVIEW

City Council adopted an Ordinance pursuant to Chapter 313 of the Texas Transportation Code, authorizing the City to levy assessments against various persons and their property for the payment of a portion of the cost of public improvements. In fiscal year 2012, the City ordered improvements and levied assessments for Business Center Drive, from Broadway south to County Road 59. 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 2012, the City has collected \$764,381 in assessments, leaving a balance at 9/30/15 of \$1,720,535 due, excluding interest.

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

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
STREET ASSESSMENT	\$ 62,588		\$ 756,643	\$
TOTAL	62,588		756,643	
EXPENDITURES				
INTERFUND TRANSFER	62,588		756,643	
TOTAL	62,588		756,643	
REVENUES OVER (UNDER) EXPENDITURES				
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING				
	\$	\$	\$	\$

TRAFFIC IMPROVEMENT FUND - 35
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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 2015 revenues total \$11,692. Projected expenditures include \$91 towards County Road 94 and \$93,548 towards CR 48 per inter-local agreement with Brazoria County. Fiscal year 2016 revenues total \$3,000 and expenditures total \$46,800 towards the intersection of Discovery Bay and Business Center Drive. The fund balance at 9/30/2016 is estimated to be \$546,862.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
MISCELLANEOUS	\$ 40,850		\$ 8,781	
INTEREST INCOME	2,488	1,800	2,911	3,000
TOTAL	43,338	1,800	11,692	3,000
EXPENDITURES				
MISCELLANEOUS SERVICES			93,548	46,800
INTERFUND TRANSFERS	10,625	91	91	
TOTAL	10,625	91	93,639	46,800
REVENUES OVER (UNDER) EXPENDITURES	32,713	1,709	(81,947)	(43,800)
FUND BALANCE - BEGINNING	639,896	672,609	672,609	590,662
FUND BALANCE - ENDING	\$ 672,609	\$ 674,318	\$ 590,662	\$ 546,862

**REGIONAL DETENTION FUND - 43
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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.

There has been no activity as developers are detaining on-site via amenity ponds, vegetation, etc., versus conveying to a regional pond.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
MISCELLANEOUS				
REGIONAL DETENTION FEES				
TOTAL				
EXPENDITURES				
TRANSFER TO FUND 20				
TOTAL				
REVENUES OVER (UNDER) EXPENDITURES				
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING				

HOTEL/MOTEL OCCUPANCY TAX FUND - 45
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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.

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. For fiscal year 2015, Hotel Occupancy Tax revenue is projected to be \$1,507,942. Expenditures for fiscal year 2015 are estimated to be \$917,947. Expenditures include a co-sponsorship of the annual Pearland Crawfish Festival, International Festival, Winefest, and the Arts & Crafts Show, as well as funds to bring fiber to the offices. \$17,800 was carried over from fiscal year 2014 for the final invoices on the Convention & Visitors' Bureau (CVB) Website "Visitpearland.com" and the Taste of Pearland event.

Fiscal year 2016 revenue is anticipated to be \$1,535,233 with occupancy tax revenue at \$1,525,233, and total expenditures of \$927,604. The budget includes continued co-sponsorship of annual events, such as, International Festival, the Arts & Crafts Show, and the Winefest, as well as office space rental at the Pearland Town Center (PTC), and two part-time receptionists to staff weekends. The budget also continues familiarization trips for hosting planners and press to network for future business and showcasing Pearland workshops for hotels. Included for fiscal year 2016 is an increase of \$15,000 to the Arts Grant and \$30,000 for a Pear Art Trail Project, and the rebate to Hilton Garden Inn toward the construction of its conference center.

Fund balance 9/30/16 is estimated to be \$4,209,249.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
HOTEL/MOTEL OCCUPANCY TAX	\$ 1,404,306	\$ 1,383,078	\$ 1,507,942	\$ 1,525,233
INTEREST INCOME	4,079	5,000	10,092	10,000
MISCELLANEOUS	80,990	7,478	3,066	
TOTAL	1,489,375	1,395,556	1,521,100	1,535,233
EXPENDITURES				
SALARIES & WAGES	193,850	263,565	266,086	271,868
MATERIALS & SUPPLIES	62,160	78,000	77,945	108,000
MAINTENANCE BUILDINGS & GROUNDS	568		34,000	
MAINTENANCE EQUIPMENT	4,657		241	
MISCELLANEOUS SERVICES	439,881	494,132	535,204	546,964
TRANSFERS		1,316	1,316	772
INVENTORY	7,642		3,155	
CAPITAL OUTLAY	53,304			
TOTAL	762,062	837,013	917,947	927,604
REVENUES OVER (UNDER) EXPENDITURES	727,315	558,543	603,153	607,629
FUND BALANCE - BEGINNING	2,271,153	2,998,468	2,998,468	3,601,621
FUND BALANCE - ENDING	\$ 2,998,468	\$ 3,557,011	\$ 3,601,621	\$ 4,209,249

PARK DONATIONS FUND - 46
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET

OVERVIEW

The Park Donations Fund was created to account for donations and sponsorships made in support of Parks and Recreation Department events and programs. The fund is also used to account for the receipt and use of citizen donations through their water bills. Use of the sponsorship funds are allocated to specific events/programs/facilities as identified with the sponsorship agreement. General donations are used in accordance with the established Ordinance. Funds are budgeted to supplement programs based upon the donations received.

In fiscal year 2012, the PEDC Strategic Plan included an action item with reference to a 'Best Practice,' the exploration of creating a Parks Foundation, the purpose of which is to accept sustainable charitable and planned donations for park facilities in Pearland. Contributions to the Foundation will support acquisition, ownership, construction, development, improvement, operation or maintenance of land and facilities owned or controlled by the City for activities that include recreation, entertainment, sports, the arts, and similar activities that might benefit the citizens of the City of Pearland. In fiscal year 2013, the City Council adopted the creation of the Foundation as one of its goals. In fiscal year 2015, a contract was created. In March of 2015 said contract was presented to the City Council and in April the City Council created, via Resolution R2015-55, the Forever Parks Foundation. The City provided funding to the Foundation with an initial amount of \$13,833 received from water bill donations, with subsequent quarterly donations from funds received through the water bill donations.

During fiscal year 2016, funds will be used to continue to help fund recreational programs and special events, including July 4th Celebration, Winterfest, etc. Fund Balance at 9/30/2016 is estimated to be \$9,546.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 155	\$ 140	\$ 100	\$ 50
DONATIONS	1,230	1,000	1,000	1,000
SPONSORSHIPS	109,549	80,000	100,000	100,000
TOTAL	110,934	81,140	101,100	101,050
EXPENDITURES				
PARKS FOUNDATION PROGRAMS	127,661	96,653	14,346 171,653	636 105,000
TOTAL	127,661	96,653	185,999	105,636
REVENUES OVER (UNDER) EXPENDITURES	(16,727)	(15,513)	(84,899)	(4,586)
FUND BALANCE - BEGINNING	115,758	99,031	99,031	14,132
FUND BALANCE - ENDING	\$ 99,031	\$ 83,518	\$ 14,132	\$ 9,546

PARK & RECREATION DEVELOPMENT FUND - 47
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET

OVERVIEW

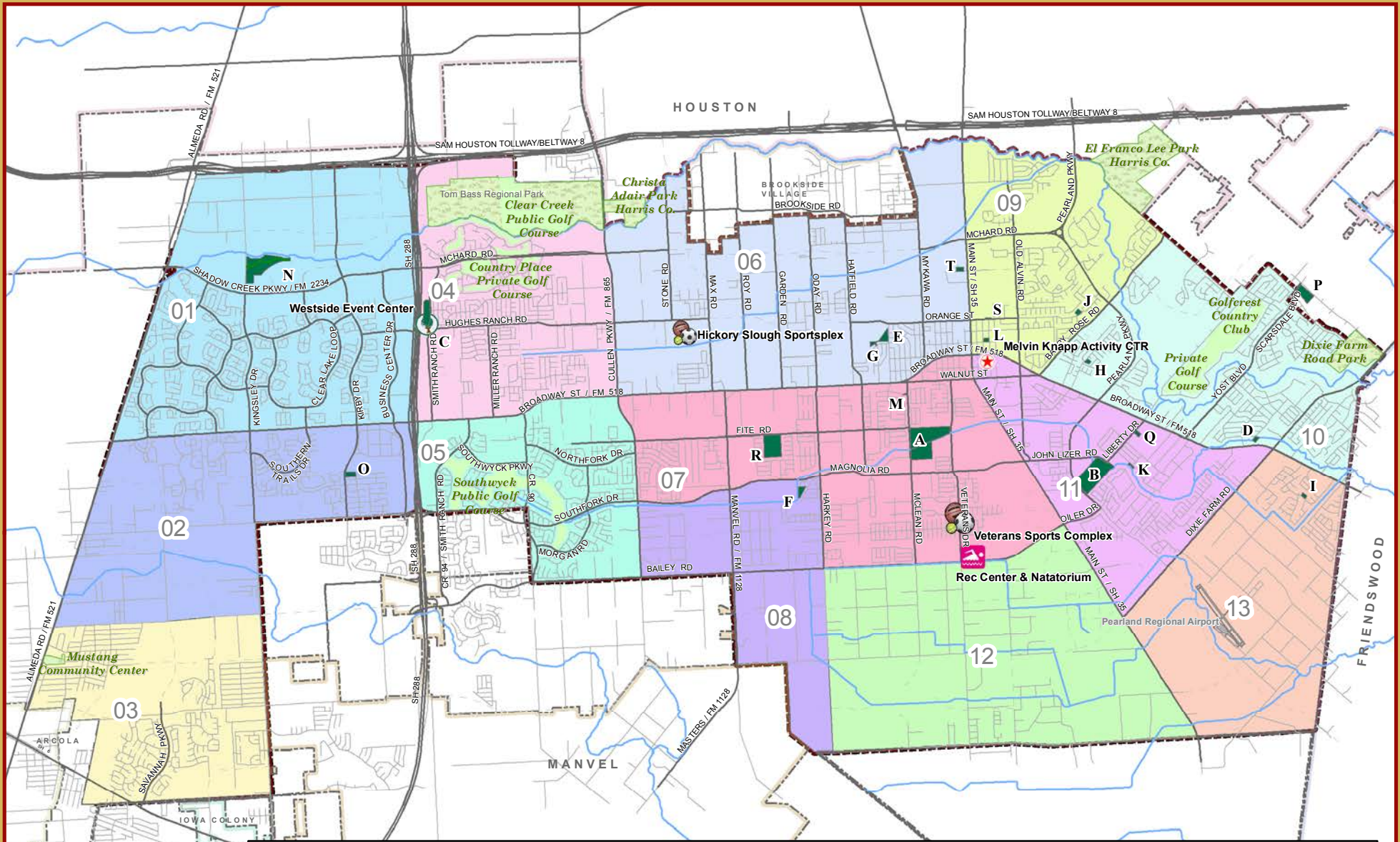
Pursuant to the Unified Development Code, new development either must dedicate parkland or pay the City a fee in lieu of parkland. The City has thirteen parkland areas or zones. Fees, when paid, are identified by area and use of the funds must be spent within that area.

Expenditures for fiscal year 2015 include \$100,000 towards Centennial Park, \$2.8 million in improvements, \$17,480 for 2 pet water fountains at Southdown, \$9,552 for signage at Shadow Creek Trail. The total cost for the sign is \$10,000 with \$448 funded in the General Fund, and \$48,700 carried over from fiscal year 2014 for signs at the remaining parks.

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

Included is a map of the thirteen parkland zones. Estimated Fund Balance at 9/30/16 is \$917,391.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
PARKLAND FEES/DONATIONS	\$ 292,379	\$ 50,000	\$ 292,308	\$ 100,000
INTEREST INCOME	1,942	1,100	2,150	3,000
TOTAL	294,321	51,100	294,458	103,000
EXPENDITURES				
REIMBURSEMENT TO DEVELOPER			38,250	
INTERFUND TRANSFERS	66,500			
CAPITAL OUTLAY	35,590	199,167	198,967	231,000
TOTAL	102,090	199,167	237,217	231,000
REVENUES OVER (UNDER) EXPENDITURES	192,231	(148,067)	57,241	(128,000)
FUND BALANCE - BEGINNING	795,919	988,150	988,150	1,045,391
FUND BALANCE - ENDING	\$ 988,150	\$ 840,083	\$ 1,045,391	\$ 917,391



CITY OF PEARLAND

Public Park Zones 1 - 13

- | | | | |
|----------------------|----|----|----|
| County Parks | 01 | 05 | 09 |
| Public Parks | 02 | 06 | 10 |
| Golf Course | 03 | 07 | 11 |
| Pearland City Limits | 04 | 08 | 12 |
| Pearland ETJ | | 13 | |

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



1 in = 1 miles
0 0.5 1
Miles

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

MAP PREPARED: NOVEMBER 2015
CITY OF PEARLAND GIS DEPARTMENT

TREE TRUST FUND - 49
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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.

Fiscal year 2015 included funds for trees at Shadow Creek Ranch Park and a woodchipper. There are no expenditures budgeted for fiscal year 2016. Fund Balance at 9/30/16 is estimated to be \$6,233.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 102	\$ 45	\$ 65	\$ 8
MISCELLANEOUS	751			
TOTAL	853	45	65	8
EXPENDITURES				
BUILDINGS & GROUNDS	5,391		432	
INVENTORY				
INTERFUND TRANSFERS		31,100	31,100	
CAPITAL OUTLAY		38,000	31,616	
TOTAL	5,391	69,100	63,148	
REVENUES OVER (UNDER) EXPENDITURES	(4,538)	(69,055)	(63,083)	8
FUND BALANCE - BEGINNING	73,846	69,308	69,308	6,225
FUND BALANCE - ENDING	\$ 69,308	\$ 253	\$ 6,225	\$ 6,233

SIDEWALK FUND - 55
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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 \$5.23 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 2015 interfund transfers out include \$67,224 towards Bailey Road Extension from Veterans to FM 1128 and \$150,000 towards an overall gap sidewalk program. Specific sidewalk locations identified with the original payments will be constructed out of the City's General Fund annual sidewalk program, when identified for construction. Fund balance at 9/30/2016 is estimated to be \$22,529. There is \$4,220 identified in the fund balance for future Mykawa construction.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 351	\$ 240	\$ 240	\$ 34
SIDEWALK REVENUE	33,390	5,000		5,000
TOTAL	33,741	5,240	240	5,034
EXPENDITURES				
INTERFUND TRANSFERS	14,652	67,224	217,224	
OTHER EXPENSES	1,890		8,520	
TOTAL	16,542	67,224	225,744	
REVENUES OVER (UNDER) EXPENDITURES	17,199	(61,984)	(225,504)	5,034
FUND BALANCE - BEGINNING	225,800	242,999	242,999	17,495
FUND BALANCE - ENDING	\$ 242,999	\$ 181,015	\$ 17,495	\$ 22,529

POLICE STATE SEIZURE FUND - 60
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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.

Expenditures in fiscal year 2015 include the cost for undercover vehicles.

The 2016 budget includes monies for undercover vehicles and informant monies, as needed. Projected fund balance at 9/30/16 is projected to be \$148,208. These funds will be held to fund a planned mobile command post.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
INTEREST INCOME	\$ 273	\$ 100	\$ 210	\$ 200
SEIZURE FUNDS	92,599	20,000	3,682	
TOTAL	92,872	20,100	3,892	200
EXPENDITURES				
MATERIALS & SUPPLIES	17,637		1,200	1,320
EQUIPMENT MAINTENANCE				
MISCELLANEOUS	22,861	50,800	16,950	35,000
INVENTORY		1,100		
CAPITAL OUTLAY	46,000	2,200		
TOTAL	86,498	54,100	18,150	36,320
REVENUES OVER (UNDER) EXPENDITURES	6,374	(34,000)	(14,258)	(36,120)
FUND BALANCE - BEGINNING	192,213	198,586	198,586	184,328
FUND BALANCE - ENDING	\$ 198,586	\$ 164,586	\$ 184,328	\$ 148,208

FEDERAL POLICE FUND - 62
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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 included \$31,842 for 14 replacement tactical vests for SWAT.

\$68,000 is budgeted for fiscal year 2016 for the purchase of a Pano-Metric Scanner for use at crime scenes and major auto accidents. Projected fund balance at 9/30/16 is \$4,108.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
POLICE DRUG REVENUE	\$ 25,634		\$ 28,846	
INTEREST INCOME	79	15	50	55
TOTAL	25,713	15	28,896	55
EXPENDITURES				
WEARING APPAREL	31,842			
CAPITAL OUTLAY				68,000
TOTAL	31,842			68,000
REVENUES OVER (UNDER) EXPENDITURES	(6,129)	15	28,896	(67,945)
FUND BALANCE - BEGINNING	49,286	43,157	43,157	72,053
FUND BALANCE - ENDING	\$ 43,157	\$ 43,172	\$ 72,053	\$ 4,108

**GRANT FUND - 101
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET**

OVERVIEW

The Grant Fund is used to account for revenues and expenditures associated with federal, state and local grants. Fiscal year 2015 grant revenues, including interest income, total \$937,621. Expenditures for fiscal year 2015 include \$40,863 for Emergency Management activities, supported with Emergency Management Performance Grant funds from the Texas Division of Emergency Management; \$200,000 from the Texas Parks & Wildlife Department for Recreational Trails; \$7,114 for firefighter training; \$10,428 for Gang-Tracking and Accident Scene Reconstruction Software; \$18,719 for the DWI/DUI task force; and \$18,157 towards matching costs for bulletproof vests. The City also received \$18,187 from HGAC for tilt-hoppers at the Stella Roberts Recycling Center and illegal dumping enforcement equipment in the Fire Marshal's Office. Two grants provided fiscal support for the Pearland Police Department's Crime Victim Liaisons - \$64,687 from the Criminal Justice Division of the Office of the Governor and \$41,849 from the Office of the Attorney General. In addition, State Farm Insurance Company awarded the Fire Department \$12,500 for the purpose of conducting teen driver safety education activities in Pearland, mainly designed to reduce drinking and/or texting while driving. A grant from the local volunteer firefighters in the amount of \$36,381 was used to install a security fence at the Pearland Fire Department and the Police Department obtained \$5,372 in the form of a training grant for TCLEOSE activities. Through Brazoria County, the City received \$463,350 for the construction of interpretive birding trails at the pending John Hargrove Environmental Center. Fiscal year 2015 expenditures total \$937,607, including funds carried over from previous years.

Fiscal year 2016 grant revenues total \$177,834. The City's Crime Victim Liaison grants will continue, providing \$70,509 from the Criminal Justice Division - Office of the Governor and \$41,387 from the Office of the Attorney General. The Houston-Galveston Area Council (HGAC) will provide an anticipated \$11,844 for the Police Department's DWI/DUI task force, and the Texas Division of Emergency Management (EMPG) will provide the City with \$42,228 in support of staffing costs in the Fire Marshal's Office. The Bureau of Justice Assistance is allocating \$10,044 to Pearland through the Justice Assistance Grant for police equipment. Expenditures for fiscal year 2016 equal revenues for the year. Fund balance at 9/30/16 is \$64,154.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
GRANT REVENUE	\$ 402,156	\$ 490,860	\$ 937,607	\$ 177,834
INTEREST INCOME			14	
INTERGOVERNMENTAL	11,860			
TOTAL	414,016	490,860	937,621	177,834
EXPENDITURES				
SALARY & WAGES	9,159			
MATERIALS & SUPPLIES	25,312	48,957	30,657	1,822
MAINTENANCE OF EQUIPMENT			4,640	
MISCELLANEOUS SERVICES	5,906	50,679	12,486	
TRANSFERS	242,139	391,107	829,468	165,968
CAPITAL OUTLAY	113,621	28,615	60,356	10,044
TOTAL	396,137	519,358	937,607	177,834
REVENUES OVER (UNDER) EXPENDITURES	17,879	(28,498)	14	
FUND BALANCE - BEGINNING	46,261	64,140	64,140	64,154
FUND BALANCE - ENDING	\$ 64,140	\$ 35,642	\$ 64,154	\$ 64,154

**COMMUNITY DEVELOPMENT GRANT FUND - 113
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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 2015 expenditures of \$574,984 include \$25,415 for Pearland Neighborhood Center's Emergency Rent/Utility Assistance Program, which has helped over 350 Pearland residents avoid evictions or utilities being disconnected since 2007. A total of \$62,758 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 4-way traffic signal installation that began in 2014, was completed in 2015 with \$83,028 in fiscal year 2015 expenditures remaining from the project's prior year allocation of \$225,559. A total of \$231,036 was allocated for activities associated with Code Enforcement in the City's CDBG Target Area, and Single Family Housing Rehabilitation Program expenditures for low-moderate income families in Pearland. With the completion of exterior improvements at Forgotten Angels in the amount of \$25,738, \$147,009 in unallocated funds are available to complete other eligible infrastructure improvements in the future. Revenues for fiscal year 2015 total \$569,621.

Fiscal year 2016 CDBG allocation totals \$319,085. A total of \$16,500 is budgeted for public services and \$63,817 for planning and administration. A total of \$73,456 will be used for code enforcement and single family housing rehabilitation program activities for limited-income, eligible Pearland households, and the remaining \$165,312 will go towards the replacement of 4,941 linear feet of transite waterlines in the City's Old Townsite area during the program year.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
GRANT REVENUE	\$ 434,324	\$ 632,564	\$ 569,621	\$ 319,085
TOTAL	434,324	632,564	569,621	319,085
EXPENDITURES				
MISCELLANEOUS SERVICES	20,982	46,026	51,441	40,326
TRANSFERS	389,371	107,787	185,295	113,447
OTHER EXPENSES	18,651	478,751	338,248	165,312
TOTAL	429,004	632,564	574,984	319,085
REVENUES OVER (UNDER) EXPENDITURES	5,320		(5,363)	
FUND BALANCE - BEGINNING	43	5,363	5,363	
FUND BALANCE - ENDING	\$ 5,363	\$ 5,363	\$	\$

UNIVERSITY OF HOUSTON FUND - 140
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET

OVERVIEW

In fiscal year 2009, the City and the University of Houston, Clearlake (UofH) entered into a development lease agreement where the City would construct a 31,554 square foot building on City land, and 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.

In 2015, the Texas State Legislature approved \$24.5 million for UofH Clear Lake to build a Health Science Building at the Pearland Campus. The City of Pearland will donate the land for the facility. It is anticipated that the building will be open for classes fall 2018. As such, UofH Clear Lake has been in contact with the City regarding the use of the entire current building, an additional 7,933 square feet. If that were the case, this would mean that UofH Clear Lake would pick up 100% of the operating costs via direct expense and the City would no longer manage and operate the facility, resulting in discontinuance of this fund.

Per the agreement, UofH 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. UofH's share is 74.85% and PEDC is 25.15%.

Expenditures include custodial services, lawn maintenance, utilities, repair and maintenance, and insurance.

Revenues and expenditures are a pass-through.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
MISCELLANEOUS	\$ 237,721	\$ 254,426	\$ 254,427	\$ 238,966
INTEREST INCOME	20	40		
TRANSFERS IN	85,602	85,489	85,489	80,294
TOTAL	323,343	339,955	339,916	319,260
EXPENDITURES				
PERSONNEL	51,960	48,580	50,582	53,389
MATERIALS & SUPPLIES	6,194	5,600	5,350	5,350
MAINTENANCE OF BUILDINGS & GROUNDS	35,863	23,800	69,741	26,300
MISCELLANEOUS SERVICES	229,325	261,935	214,243	234,221
TRANSFERS OUT				
TOTAL	323,343	339,915	339,916	319,260
REVENUES OVER (UNDER) EXPENDITURES		40		
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING	\$	\$ 40	\$	\$

**UNIVERSITY OF HOUSTON
CAPITAL RENEWAL FUND - 141
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET**

OVERVIEW

In fiscal year 2009 the City and the University of Houston (UofH) entered into a development lease agreement where the City would construct a 31,554 square foot building on City land, and UofH would lease 23,621 square feet with the Pearland Economic Development Corporation (PEDC) occupying 3,281 square feet and 4,652 square feet would be used as a conference center/meeting area. The facility was completed in July 2010.

The lease agreement 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. The fiscal year 2015 includes a transfer in from the City of Pearland of \$8,041 for the full contribution needed for fiscal year 2015.

Fiscal year 2016 includes revenues from UofH of \$10,488, PEDC of \$1,766, and the City of \$42,885, as contributions are based on 2% of the replacement value. As use of the initial deposit into the fund is complete in 2016, full annual contribution of \$193,700 will occur in fiscal year 2017. The fund balance ending 9/30/16 is projected to be \$303,958.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
MISCELLANEOUS	\$	\$	\$	\$ 10,488
INTEREST	349	335	300	350
TRANSFERS IN		8,041	8,041	44,651
TOTAL	349	8,376	8,341	55,489
EXPENDITURES				
TRANSFER TO FUND 140				
TOTAL				
REVENUES OVER (UNDER) EXPENDITURES	349	8,376	8,341	55,489
FUND BALANCE - BEGINNING	239,779	240,128	240,128	248,469
FUND BALANCE - ENDING	\$ 240,128	\$ 248,504	\$ 248,469	\$ 303,958

**MUNICIPAL CHANNEL (PEG) FUND - 145
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 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 2015 expenditures include upgraded storage system with more memory, camera shoulder mount kit, external recorder camera monitor, LED light kit, Canon camera, expanding the dais, and potentially improving cameras in the council chambers. Expenditures in fiscal year 2016 include \$29,650 for photo and video camera, teleprompter, lenses, steadicam, cam housing, and lights and fixtures for in-house studio as well as \$20,000 towards the actual build-out of the studio. \$140,000 is included for audio visual, public announcement system and other PEG channel capital needs associated with the renovation and expansion of the Council Chamber dais and chamber. Fund balance at 9/30/2016 is anticipated to be \$846,527.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
FRANCHISE FEES	\$ 269,915	\$ 270,000	\$ 300,000	\$ 314,000
INTEREST INCOME	473	500	660	700
TOTAL	270,387	270,500	300,660	314,700
EXPENDITURES				
MATERIALS & SUPPLIES	7,615	8,000	3,241	9,650
BUILDINGS & GROUNDS	665			
MAINTENANCE OF EQUIPMENT		10,000	5,000	
MISCELLANEOUS SERVICES	1,909	1,000	1,000	
INVENTORY	27,688	24,700	25,822	169,650
CAPITAL OUTLAY	5,599	40,000	6,846	14,800
INTERFUND TRANSFER				20,250
TOTAL	43,476	83,700	41,909	214,350
REVENUES OVER (UNDER) EXPENDITURES	226,911	186,800	258,751	100,350
FUND BALANCE - BEGINNING	260,515	487,426	487,426	746,177
FUND BALANCE - ENDING	\$ 487,426	\$ 674,226	\$ 746,177	\$ 846,527

**LOWER KIRBY URBAN CENTER FUND - 199
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET**

OVERVIEW

One of the City's priorities is the development of the Lower Kirby Urban Area that will encourage employment, commerce, recreation, arts, entertainment and overall economic development.

In 2014 the City entered into Master Financing Agreements (R2014-117) with the Lower Kirby Pearland Management District and the Pearland Municipal Management District No. 1 by which the City and Districts would work together to finance \$48 million in infrastructure in the districts. The City and Districts would agree, on a case by case basis, which infrastructure the City would advance funds in order to facilitate development. The Districts, based on valuation on the ground, would reimburse the City through the sale of bonds when economically feasible.

In 2014 the City entered into a financing agreement (R2014-119) in association with the Hooper Road Reconstruction Project and Financing Agreement (R2014-25) associated with Regional Detention Facilities. In 2015, financing agreements for Kirby Ditch Improvements (R2015-136) and preliminary engineering for South Spectrum Blvd. (R2015-147) were approved.

In 2015, financing agreements for Kirby Ditch improvements (R2015-136) and preliminary engineering for South Spectrum Blvd. (R2015-147) were approved.

Financing by District is as follows:

	LKMD	PMMD
Regional Detention	1,598,149	612,292
Hooper Road	1,500,000	
Kirby Ditch	1,784,796	
South Spectrum	119,462	94,676

The City is anticipating approximately a 73% reimbursement on the Regional Detention from the Lower Kirby District and 100% reimbursement on Hooper Road in fiscal year 2016. These monies will be transferred to the City's Capital Projects Fund to fund drainage related infrastructure.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
REVENUES				
INTERGOVERNMENTAL	\$	\$	\$	\$ 2,764,300
TOTAL				2,764,300
EXPENDITURES				
INTERFUND TRANSFER				2,764,300
TOTAL				2,764,300
REVENUES OVER (UNDER) EXPENDITURES				
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING				
	\$	\$	\$	\$

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods or services provided by one fund or department to another fund or department on a cost reimbursement basis. The City of Pearland has two Internal Service Funds.

Property/Liability Insurance Fund

Accounts for the activities of the City's property and casualty insurance.

Medical Self Insurance Fund

Accounts for the accumulation of monies for the payment of medical claims.

PROPERTY/LIABILITY INSURANCE FUND - 95
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2016 ADOPTED BUDGET

OVERVIEW

The Property/Liability Insurance Fund has been created to account for the activities of the City's property and casualty insurance. Coverage includes general liability, law enforcement, public official and employees' liability, auto liability, physical damage and multi-peril, mobile equipment, real and personal property, and windstorm coverage. The fund not only accounts for the annual premiums but also accounts for uninsured and deductible claims and insurance recovery funds on those claims.

The rates for premiums for fiscal year 2015 total \$1,074,208, and uninsured and deductible claims for fiscal year 2015 total \$90,000. Premiums for fiscal year 2016 include a 15% increase in police auto coverage, with remaining auto coverage seeing a 7% increase, effective October 1, 2015. There is no change to law enforcement liability. General liability rates decrease by 15% and an inflation factor of 1.25% is applied to buildings under real and personal property liability. The budget includes a 5% increase in windstorm insurance. Increase in premiums also include the cost of new facilities added, such as Fire Stations #2 and #3 and Shadow Creek Ranch Park. Based on the type of insurance and values of property, the General Fund, Water & Sewer Fund, and Convention & Visitors' Bureau reimburse the Property Insurance Fund. Fund balance at 9/30/2016 is estimated to be \$86,059, which approximates the amount needed for uninsured or deductible claims.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
OPERATING REVENUES				
INTERFUND TRANSFERS	\$ 1,120,668	\$ 1,284,375	\$ 1,018,712	\$ 1,245,477
INSURANCE RECOVERY	138,441	100,000	70,000	70,000
INTEREST INCOME	144		60	30
TOTAL	1,259,253	1,384,375	1,088,772	1,315,507
OPERATING EXPENSES				
INSURANCE PREMIUMS	1,173,288	1,284,360	1,074,208	1,221,977
CLAIMS	74,152	90,000	90,000	90,000
TOTAL	1,247,440	1,374,360	1,164,208	1,311,977
REVENUES OVER (UNDER) EXPENSES	11,813	10,015	(75,436)	3,530
BEGINNING NET ASSETS	146,152	157,965	157,965	82,529
ENDING NET ASSETS	\$ 157,965	\$ 167,980	\$ 82,529	\$ 86,059

**PROPERTY/LIABILITY INSURANCE FUND - 95
REVENUES AND EXPENSES
FY 2016 ADOPTED BUDGET**

REVENUES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
095-0000-359.09-00	TRANSFER FROM FUND 030	301,030	236,691	185,638	325,063
095-0000-359.99-00	TRANSFER FROM FUND 010	819,638	1,046,368	831,758	919,642
095-0000-357-04-10	TRANSFER FROM FUND 045		1,316	1,316	772
*TRANSFERS		1,120,668	1,284,375	1,018,712	1,245,477
095-0000-358.45-00	INSURANCE REIMBURSEMENTS	121,200	100,000	70,000	70,000
095-0000-358.99-00	MISCELLANEOUS	17,241			
*INSURANCE RECOVERY/MISC.		138,441	100,000	70,000	70,000
095-0000-356.00-00	INTEREST INCOME	144		60	30
*INTEREST		144		60	30
	TOTAL	1,259,253	1,384,375	1,088,772	1,315,507

EXPENSES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
095-0000-555.01-01	GENERAL LIABILITY INSURANCE	50,549	48,813	48,000	49,348
095-0000-555.01-02	ERRORS AND OMISSIONS INSURANCE	74,140	76,364	77,480	79,804
095-0000-555.01-03	PUBLIC EMPLOYEE DISHONESTY INS	3,210	3,210	2,953	2,953
095-0000-555.01-04	ANIMAL MORTALITY INSURANCE	2,971	2,924	2,450	2,450
095-0000-555.01-05	LAW ENFORCEMENT LIABILITY	73,580	78,152	74,577	79,211
095-0000-555.03-01	PROPERTY INSURANCE	71,152	93,292	77,365	86,177
095-0000-555.03-02	WINDSTORM DAMAGE INS	632,738	727,204	561,695	635,510
095-0000-555.03-03	AUTOMOBILE LIABILITY	102,867	121,462	105,964	136,036
095-0000-555.03-04	AUTO DAMAGE	87,957	103,847	92,593	118,540
095-0000-555.03-05	PROPERTY XS WIND	37,077			
095-0000-555.03-06	MOBILE EQUIPMENT	12,480	12,480	13,291	13,291
095-0000-555.03-07	COASTAL WIND	8,746			
095-0000-555.03-09	RAIN-OUT INSURANCE (PARKS)			1,500	1,500
095-0000-555.03-08	SEWAGE BACK-UP	15,821	16,612	16,340	17,157
*MISCELLANEOUS SERVICES		1,173,288	1,284,360	1,074,208	1,221,977
095-1270-556.03-00	CLAIMS	65,837	90,000	90,000	90,000
*CLAIMS		65,837	90,000	90,000	90,000
095-1270-564.01-00	\$1,000 - \$4,999	2,550			
*INVENTORY		2,550			
095-3389-553.01-00	BUILDINGS & GROUNDS	5,765			
*BUILDINGS & GROUNDS		5,765			
	TOTAL	1,247,440	1,374,360	1,164,208	1,311,977

MEDICAL SELF INSURANCE FUND - 99
SUMMARY OF REVENUES, EXPENSES, AND NET ASSETS
FY 2016 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 \$7.6 million effective October 1, 2015. 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 2015, it is anticipated that medical claims will total \$5,741,430. Total expenses, including stop loss and administrative fees, is \$6.64 million. 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; however, the claim cost per employee is running \$12,567 based on 527 employees on the plan, versus \$11,186 for 608 budgeted positions, resulting in a drawdown of assets by \$648,928 leaving an ending balance of \$136,106 at 9/30/2015, well below an \$880,000 reserve that is needed for claim fluctuations.

For fiscal year 2016, given the historical number and size of claims, the City's medical renewal resulted in an 11.42% increase based on the provider's expected claims. Since the actual claims have exceeded expected claims over the past few years and use of net assets, the City is budgeting higher claims at \$6.855 million, and needing to replenish a reserve, resulting in an overall 24.8% increase to the City's funding structure.

The City will continue to provide three options for employees - a Health Savings Account and two Kelsey Seybold options - and will continue to pay 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.

Contributions for fiscal year 2016 total \$8.0 million and total expenses, claims and administrative fee total \$7.8 million, resulting in an increase in reserves of \$196,208. Estimated net assets on 9/30/2016 are \$332,314, up from fiscal year 2015, but still below an \$880,000 reserve needed. Building of the reserve will be a multi-year plan.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
OPERATING REVENUES				
INTEREST INCOME	\$ 407	\$ 856	\$ 396	\$ 750
CONTRIBUTIONS	5,487,273	6,821,032	5,539,705	8,067,334
TRANSFERS	1,369,510		454,008	
TOTAL	6,857,190	6,821,888	5,994,110	8,068,084
OPERATING EXPENSES				
CLAIMS AND FEES	6,514,241	6,801,888	6,623,038	7,846,876
MISCELLANEOUS	34,009	20,000	20,000	25,000
TOTAL	6,548,250	6,821,888	6,643,038	7,871,876
REVENUES OVER (UNDER) EXPENSES	308,940		(648,928)	196,208
BEGINNING NET ASSETS	476,094	785,034	785,034	136,106
ENDING NET ASSETS	\$ 785,034	\$ 785,034	\$ 136,106	\$ 332,314

**MEDICAL SELF INSURANCE FUND - 99
REVENUES AND EXPENSES
FY 2016 ADOPTED BUDGET**

REVENUES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
099-0000-356.00-00	INTEREST INCOME	407	856	396	750
*INTEREST		407	856	396	750
099-0000-358.50-01	CITY AND EMPLOYEE CONTRIBUTIONS	5,142,359	6,715,268	5,484,840	7,992,414
099-0000-358.50-02	RETIREE AND COBRA CONTRIBUTIONS	111,807	105,764	54,865	49,920
099-0000-358.99-00	MISCELLANEOUS	233,107			25,000
*CONTRIBUTIONS		5,487,273	6,821,032	5,539,705	8,067,334
099-0000-359.09-00	TRANSFER FROM FUND 030			79,805	
099-0000-359.99-00	TRANSFER FROM FUND 010	1,369,510		371,106	
099-0000-359.01-00	TRANSFER FROM FUND 15			3,098	
*TRANSFERS		1,369,510		454,008	
	TOTAL	6,857,190	6,821,888	5,994,110	8,068,084

EXPENSES

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
099-1040-555.10-01	ADMINISTRATIVE FEE	808,029	870,832	809,158	927,129
099-1040-555.10-08	HEALTH PORTABILITY ACT	1,131	89,493	72,450	64,750
099-1040-555.10-02	MEDICAL INSURANCE CLAIMS	5,705,081	5,841,563	5,741,430	6,854,997
*CLAIMS		6,514,241	6,801,888	6,623,038	7,846,876
099-1040-556.28-00	WELLNESS PROGRAM	34,009	20,000	20,000	25,000
*MISCELLANEOUS SERVICES		34,009	20,000	20,000	25,000
	TOTAL	6,548,250	6,821,888	6,643,038	7,871,876



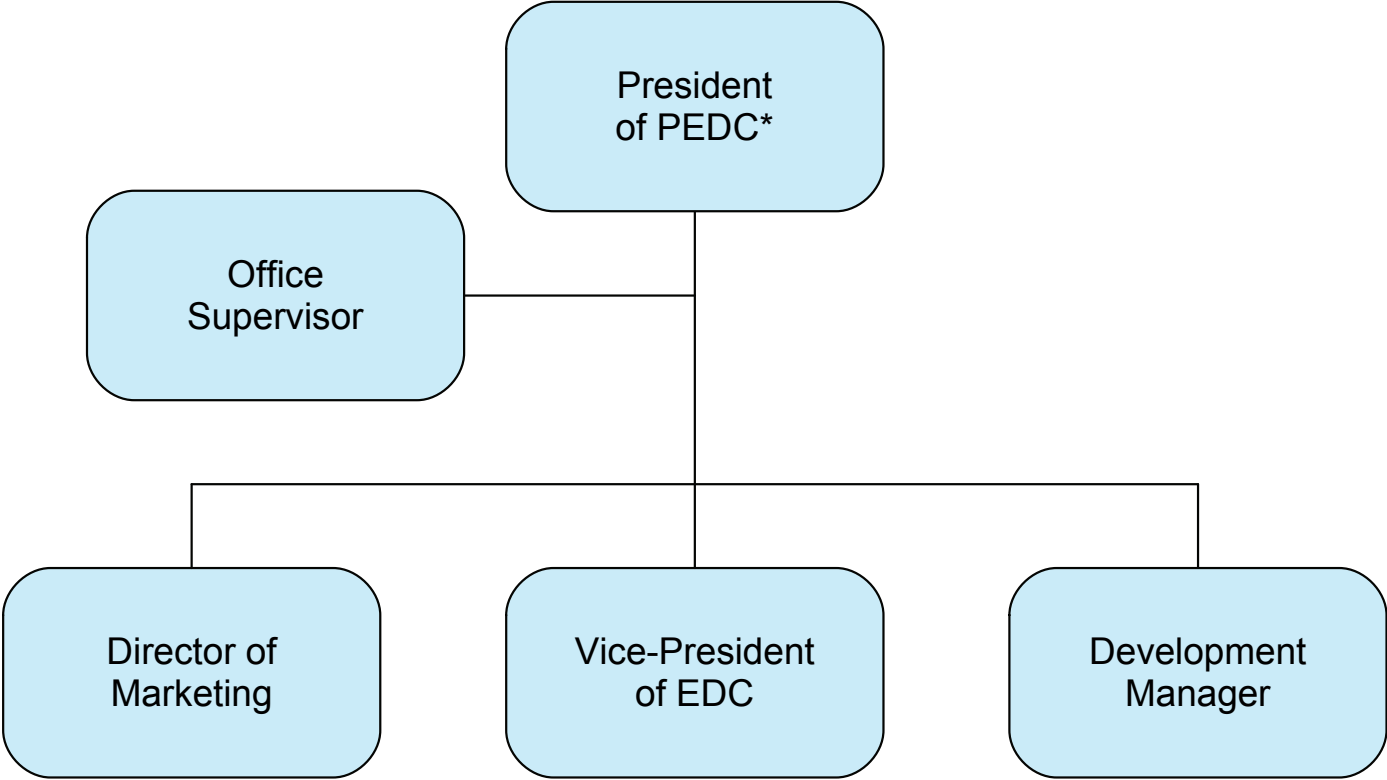
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COMPONENT UNITS

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

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

PEARLAND ECONOMIC DEVELOPMENT CORPORATION



*The President of PEDC reports to the PEDC Board. This position also serves as the Executive Manager of Development Services, overseeing the Community Development Department and, in that capacity, reports to the City Manager.

PEARLAND ECONOMIC DEVELOPMENT FUND - 15
SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE
FY 2016 ADOPTED BUDGET

OVERVIEW

The Pearland Economic Development Corporation (PEDC) was created in 1995 by the voters under the Texas Development Corporation Act of 1979. The Corporation is financed by 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 9/30/16 is estimated to be \$13,240,438.

	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
OPERATING REVENUES				
Sales Tax	\$ 8,563,736	\$ 8,921,768	\$ 9,337,463	\$ 10,159,649
Interest Income	76,217	45,000	103,183	85,000
Intergovernmental	79,060	12,000	768,643	1,611,300
Miscellaneous	434,108	436,998	440,749	460,000
TOTAL	9,153,121	9,415,766	10,650,038	12,315,949
OPERATING EXPENDITURES				
Operating	1,727,502	2,235,030	1,872,800	2,020,888
Bond Payments	2,029,810	8,602,270	8,494,287	1,420,458
Inventory		5,000	5,000	5,000
Capital Outlay	42,320	455,000	1,226,744	5,155,000
TOTAL	3,799,636	11,297,300	11,598,831	8,601,346
REVENUES OVER/(UNDER) EXPENDITURES	5,353,485	(1,881,534)	(948,793)	3,714,603
OTHER FINANCING SOURCES (USES):				
Transfers in				
Capital Transfers Out		(2,792,596)	(4,408,788)	
Incentives	(1,564,503)	(1,264,014)	(680,731)	(3,591,342)
Bond Proceeds				
TOTAL	(1,564,503)	(4,056,610)	(5,089,519)	(3,591,342)
NET CHANGE IN FUND BALANCE	3,788,982	(5,938,144)	(6,038,312)	123,261
FUND BALANCE - BEGINNING (Before Reserves)	15,366,504	19,155,489	19,155,489	13,117,177
DEBT SERVICE RESERVES	(665,254)			
DEBT PAY-OFF (Cumulative)	(4,793,794)			
FUND BALANCE - ENDING	\$ 13,696,439	\$ 13,217,345	\$ 13,117,177	\$ 13,240,438

Fiscal Year 2014-2015 – Operating Revenues are estimated to be \$10,650,038, \$1,234,272 above the amended budget. The increase is due to both higher than anticipated sales tax revenue, projected at \$9,337,463, \$415,695 higher than the amended budget, and to reimbursements of \$768,643 from the City's Street Assessment Fund for Business Center Drive.

Operating Expenditures and Other Financial Uses are projected to be \$16,688,350, \$1,334,440 more than the fiscal year 2014-2015 amended budget of \$15,353,910, mainly due to Lower Kirby Ditch improvements, to be reimbursed by the Lower Kirby and Pearland Management Districts in the future. Business Incentives are lower than anticipated by \$583,283, which is due to performance agreements not yet met and contingency funding budgeted for unidentified potential projects that will not be used in fiscal year 2014-2015. Series 2010 debt was called in August 2015, at \$6,460,000.

Fiscal Year 2015-2016 operating revenues are budgeted at \$12,315,949, \$1,665,911 greater than 2015 projections. Sales tax revenues of \$10,159,649 are \$822,186, or 8.8%, greater than 2015 projections due to continued growth and the opening of Costco. The corporation is also expecting to be reimbursed \$1,599,300 from the Lower Kirby Management District for contributions towards the construction of Hooper Road in 2015.

Fiscal Year 2015-2016 operating expenditures of \$8,601,346 include \$1.4 million for bond payments and \$207,351 in reimbursements to the City, which include operating costs for office space in the University of Houston-Clear Lake, Pearland Campus. Lease cost for the office space is also included in the budget. Capital Outlay of \$5,155,000 include \$1,450,000 for enhancements to entryways and corridors (Pearland Parkway, Dixie Farm Rd, SH288), including landscaping improvements and entryway signs, in keeping with the Pearland 20/20 Plan of a comprehensive beautification strategy, \$1,800,000 for installation of underground electrical lines in the Lower Kirby area, and \$1,900,000 for SH35 streetscape improvements. The remaining expenditures cover staff and economic development, retention and development programs. Other Financing Uses of \$3,591,342 are for business incentives for agreements already in place for Merit Medical, Kelsey-Seybold, Base-Pair, Keystone, FloWorks, Tool-flo and Costco, as well as \$1.2 million for future projects. Total revenues are over expenditures by \$123,261. Available fund balance at 9/30/16 is estimated to be \$13,240,438.

Staff and the offices of Economic Development currently reside in the University of Houston Clearlake (UHCL), Pearland Campus, occupying 3,281 square feet out of 23,621. In 2015 the Texas Legislature approved \$24.5 million for the building of a Health Science building at the Pearland Campus, expected to open Fall 2018. UHCL has communicated the potential need and use for educational space, pursuant to the lease agreement. As such, in a year or two, staff and the office of Economic Development will need to find new office space.

**PEARLAND ECONOMIC DEVELOPMENT FUND - 15
EXPENDITURE AND STAFFING SUMMARY BY DEPARTMENT
FY 2016 ADOPTED BUDGET**

EXPENDITURES BY DEPT/DIVISION	FY 2014 Actual	FY 2015 Amended Budget	FY 2015 Year End Projection	FY 2016 Adopted Budget
Salaries & Wages	573,740	636,935	591,160	635,242
Materials & Supplies	6,948	8,250	8,250	8,750
Maintenance, Buildings & Grounds	1,540	2,000	2,050	2,870
Equipment Maintenance	5,196	6,800	9,800	8,800
Services	1,140,078	1,581,045	1,261,540	1,365,226
Incentives	1,564,503	1,264,014	680,731	3,591,342
Transfers		2,792,596	4,408,788	
Bond Payments	2,029,810	8,602,270	8,494,287	1,420,458
Inventory		5,000	5,000	5,000
Capital	42,320	455,000	1,226,744	5,155,000
TOTAL	5,364,135	15,353,910	16,688,350	12,192,688

STAFFING BY CLASSIFICATION	FY 2014 Actual	FY 2015 Amended Budget*	FY 2015 Year End Projection	FY 2016 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 where noted

PEARLAND ECONOMIC DEVELOPMENT CORPORATION FUND – FUND 15

GOALS

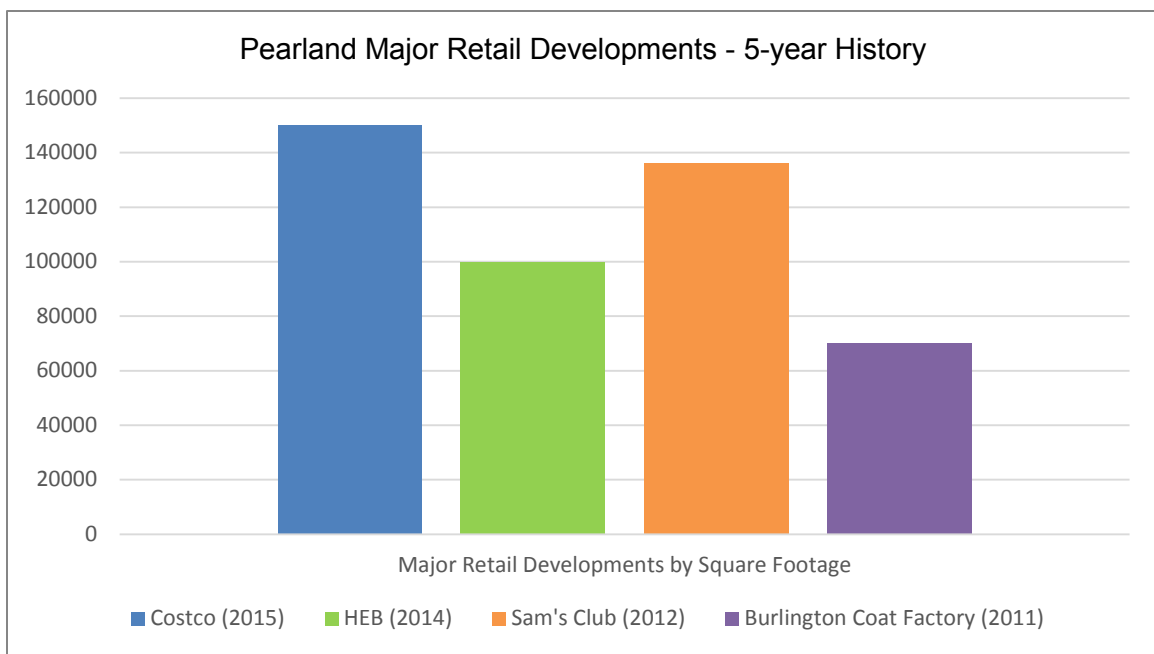
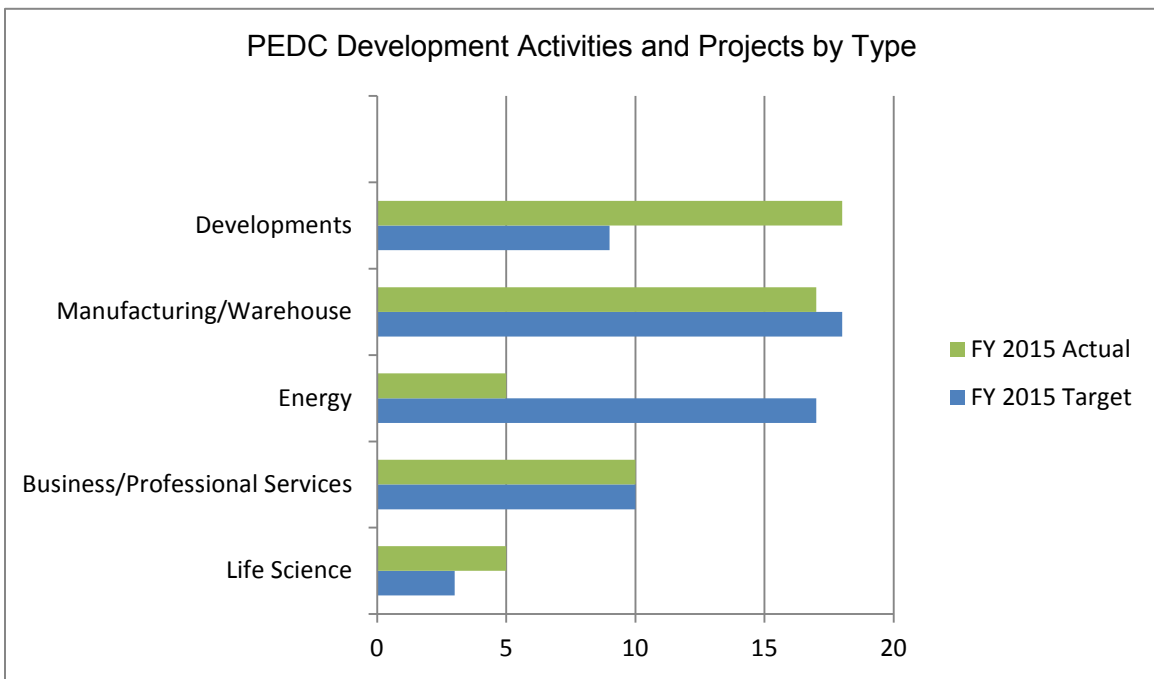
- ◆ Attract high-wage professional employment opportunities that diversify Pearland's economic base and facilitate the expansion and retention of existing Pearland businesses.
- ◆ Support key capital improvement and transportation planning efforts to ensure that key high-impact road projects are completed.
- ◆ 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 2015 ACCOMPLISHMENTS

- ◆ Opened 28 business attraction projects and held 96 visits with potential primary employers. Major announcements included FloWorks 205,000 square-foot warehouse and distribution facility on SH 35 that will bring over \$21M in investment, \$80M in inventory and over 80 jobs to the community. Tool-Flo announced an 80,000 square-foot manufacturing and service facility in Pearland's Lower Kirby District that will bring over \$37M in investment and over 188 jobs to the community. Zapp Precision Wire began construction of its 22,000 square-foot manufacturing facility on Industrial Drive that will bring over \$4M in investments and 17 jobs to the community.
- ◆ Opened 7 business retention and expansion projects, working closely with existing employers. Announcements included expansion of M&S Logistics to a new office at Sunrise Lake office building, and expansion of Brask/Neelia facilities, both scheduled to grow an additional 20 employees.
- ◆ Opened 20 new development projects, including Costco's 145,000 square-foot store at Business Center Drive.
- ◆ Initiated multiple landscape design contracts to begin implementing two beautification plans for the community: the 288 Master Plan and a City Gateway plan. PEDC worked with the City and KPB to design and advertise for bid the first entry feature on Cullen Boulevard.
- ◆ Continued to make progress towards improving the appearance of the 288 corridor. The PMMD#2 management district board of directors utilized their maintenance and operations tax to hire Bio Landscape to perform an initial corridor-wide trash clean up, remove brush and debris from a large drainage ditch, power wash the Broadway and McHard interchanges, and perform regular mowing, weed spraying, and litter pickup.
- ◆ Completion of the first phase of the Lower Kirby Regional Detention Plan, which included partial excavation of the regional detention pond, utilization of the TxDOT drainage ditch as a regional detention solution, and work towards subsequent phases in anticipation of future demand.
- ◆ Continued implementation of the Pearland 20/20 Community Strategic Plan, with emphasis on conducting a mid-course update to the Plan designed to evaluate progress, key successes, challenges, and to develop strategic recommendations for the final two and a half years of the plan's implementation.

FISCAL YEAR 2016 OBJECTIVES

- ◆ Recruit new primary employers to the community.
- ◆ Reach out to existing targeted primary employers to offer assistance, including expansion assistance.
- ◆ Assist developers looking to make investments in our community.
- ◆ Work with TxDOT on their planning process for the reconstruction of Broadway/FM 518 from Main to SH 288 and to improve the SH 288 bridge span over Broadway.
- ◆ Continue to work with the City and Management District on the development of regional detention, underground electrical, Preliminary Engineering Report for South Spectrum Boulevard and reconstruction of Hooper Road.
- ◆ Complete and begin implementation of the SH 35 Corridor Redevelopment Plan.
- ◆ Complete construction of landscape/streetscape/entry feature and improvements on Cullen Boulevard, Pearland Parkway and Dixie Farm Road.
- ◆ Continue implementation of the remaining two and a half year period of the Pearland 20/20 Strategic Plan.



PERFORMANCE MEASURES

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target
Number of announced projects	12	9	9	7
Number of new projects	55	55	57	50
Number of Visits	110	157	163	146

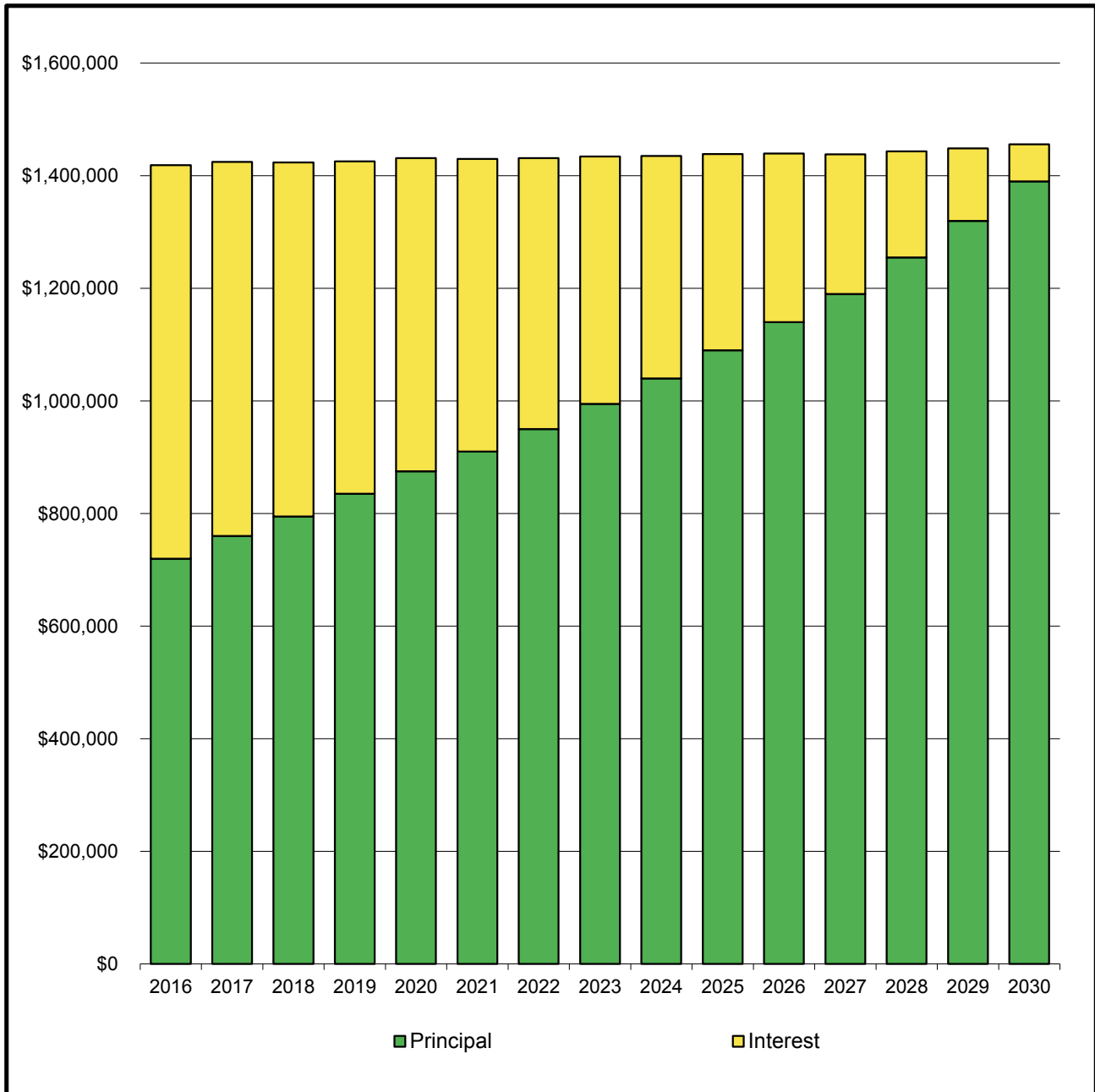
**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
DEBT TO MATURITY**

Year	Principal	Interest	Total
2015-2016	\$720,000	\$698,956	1,418,956
2016-2017	760,000	664,756	1,424,756
2017-2018	795,000	628,669	1,423,669
2018-2019	835,000	590,575	1,425,575
2019-2020	875,000	556,125	1,431,125
2020-2021	910,000	519,625	1,429,625
2021-2022	950,000	481,075	1,431,075
2022-2023	995,000	439,200	1,434,200
2023-2024	1,040,000	395,138	1,435,138
2024-2025	1,090,000	348,538	1,438,538
2025-2026	1,140,000	299,325	1,439,325
2026-2027	1,190,000	247,838	1,437,838
2027-2028	1,255,000	188,338	1,443,338
2028-2029	1,320,000	128,725	1,448,725
2029-2030	1,390,000	66,025	1,456,025
TOTAL	\$15,265,000	\$6,252,906	\$21,517,906

Series	Principal Amount Outstanding
Series 2005	6,635,000
Series 2006	8,630,000
TOTAL	\$15,265,000

As of 9/30/2016 principal outstanding will be \$14,545,000 and interest outstanding will be \$5,553,950 for total debt to maturity at 9/30/2016 totaling \$20,098,950.

**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
DEBT TO MATURITY**



**PEARLAND ECONOMIC DEVELOPMENT CORPORATION
FY 2016 ADOPTED BUDGET
DEBT SERVICE SCHEDULE**

Due Date	Description	Amount Issued	Principal	Interest	Payment Total	Amount Outstanding 9/30/2016
3/1/2016	Series 2005	11,005,000		143,769	143,769	6,155,000
9/1/2016			480,000	143,769	623,769	
	Fiscal Year Total		480,000	287,538	767,538	6,155,000
3/1/2016	Series 2006	10,235,000		205,709	205,709	8,390,000
9/1/2016			240,000	205,709	445,709	
	Fiscal Year Total		240,000	411,419	651,419	8,390,000
TOTAL			720,000	698,956	1,418,956	14,545,000

Description	Rate	Date Issued Maturity	Amount Issued	Amount Outstanding As of 9/30/15	Annual	Requirements
New Money	3.5%, 4%, 5%, 4.1%,	2005	11,005,000	6,635,000	3/1/2016	143,769
Bond Series	4.125%, 4.2%, 4.25%	2026			9/1/2016	143,769
2005					9/1/2016	480,000
New Money	5%, 4.5%, 4.25%, 4.375%,	2007	10,235,000	8,630,000	3/1/2016	205,709
Bond Series	4.5%, 4.75%	2030			9/1/2016	205,709
2006					9/1/2016	240,000
TOTAL			21,240,000	15,265,000		1,418,956

AUTHORITY

The City of Pearland's Operating Budget is proposed and approved in accordance with State Law, the City Charter and the City Code of Ordinances

PEARLAND CITY CHARTER ARTICLE 8 MUNICIPAL FINANCE

SECTION 8.01 - Fiscal Year:

The fiscal year of the City of Pearland shall begin at the first day of October and shall end on the last day of September of each calendar year. Such fiscal year shall constitute the budget and accounting year.

SECTION 8.02 - Preparation and Submission of Budget:

The City Manager, between sixty (60) and ninety (90) days prior to the beginning of each fiscal year, shall submit to the Council a proposed budget, which budget shall provide a complete financial plan for the fiscal year and shall contain the following:

- (a) A budget message, explanatory of the budget, which shall contain an outline of the proposed financial policies of the City for the fiscal year, shall set forth the reasons for salient changes from the previous fiscal year in expenditures and revenue items, and shall explain any major changes in financial policy.
- (b) A consolidated statement of anticipated receipts and proposed expenditures for all funds.
- (c) An analysis of property valuations.
- (d) An analysis of tax rates.
- (e) Tax levies and tax collections by years for at least the immediate past five (5) years.
- (f) General funds resources in detail.
- (g) Special funds resources in detail.
- (h) Summary of proposed expenditures by function, department and activity.
- (i) Detailed estimates of expenditures shown separately for each activity to support the summary (h) above.
- (j) A revenue and expense statement for all types of bonds, time warrants and other indebtedness.
- (k) A description of all bond issues, time warrants and other indebtedness outstanding, showing rate of interest, date of issue, maturity date, and amount authorized, amount issued and amount outstanding.
- (l) A schedule of requirements for the principal and interest of each issue of bonds, time warrants and other indebtedness.
- (m) The appropriation ordinance.
- (n) The tax-levying ordinance.

SECTION 8.03 - Anticipated Revenues Compared With Other Years in Budget:

In preparing the budget, the City Manager shall place in parallel columns opposite the several items of revenue, the actual amount of each item for the last completed fiscal year, the estimated amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SECTION 8.04 - Proposed Expenditures Compared With Other Years:

The City Manager, in the preparation of the budget shall place in parallel columns opposite the various items of expenditures the actual amount of such items of expenditures for the last completed fiscal year, the estimated amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SECTION 8.05 - Budget a Public Record:

The budget and all supporting schedules shall be filed with the person performing the duties of City Secretary, submitted to the Council and shall be a public record.

SECTION 8.06 - Notice of Public Hearing on Budget (Amended 5/19/2014):

In accordance with state law, the City Council shall cause to be published in the official newspaper of the City of Pearland a notice of the hearing setting forth the date time and place of the public hearing on the submitted budget.

SECTION 8.07 - Public Hearing on Budget:

At the time and place set forth in the notice required by Section 8.06, or at any time and place to which such public hearing shall from time to time be adjourned, the City Council shall hold a public hearing on the budget submitted and all interested persons shall be given an opportunity to be heard for or against any item or amount of any item therein contained.

SECTION 8.08 - Proceedings on Budget After Public Hearings (Amended 5/19/2014):

After the hearing, the City Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

SECTION 8.09 - Vote Required for Adoption:

The budget shall be adopted by a majority of the members of the whole City Council.

SECTION 8.10 - Date of Final Adoption (Amended 5/19/2014) :

The budget shall be adopted no later than the last regularly scheduled Council meeting of September to allow compliance with the state tax laws, and should the City Council fail to so adopt a budget, the then existing budget, together with its tax levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

SECTION 8.11 - Effective Date of Budget; Certification; Copies Made Available (Amended 5/19/2014):

Upon final adoption, the budget shall be in effect for the fiscal year. A copy of the budget, as finally adopted, shall be filed with the person performing the duties of City Secretary and the County Clerk of Brazoria County. The final budget shall be published on the City's website made available for the use of all offices, departments, and agencies and for the use of interested persons and civic organizations.

SECTION 8.12 - Budget Established Appropriations:

From the effective date of the budget, the several amounts stated therein as proposed expenditures shall be and become appropriated to the several objects and purposes therein named.

SECTION 8.13 - Budget Established Amount to be Raised by Property Tax:

From the effective date of the budget, the amount stated therein as the amount to be raised by property tax shall constitute a determination of the amount of the levy for the purposes of the City in the corresponding tax year; provided, however, that in no event shall such levy exceed the legal limit provided by the laws and constitution of the State of Texas.

SECTION 8.14 - Contingent Appropriation: (Amended 5/19/2014)

Provision shall be made in the annual budget and in the appropriation ordinance for a contingent appropriation ordinance for a contingent appropriation in an amount not to exceed one (1) per centum of the general fund expenditures to be used in case of unforeseen items of expenditures. Such contingent appropriation shall be under the control of the City Manager and distributed by him/her after approval by the City Council.

SECTION 8.15 - Estimated Expenditures Shall Not Exceed Estimated Resources:

The total estimated expenditures of the general fund and debt service fund shall not exceed the total estimated resources of each fund (prospective income plus cash on hand). The classification of revenue and expenditure accounts shall conform as nearly as local conditions will permit to the uniform classification as promulgated by the National Committee on Government Accounting or some other nationally accepted classification.

SECTION 8.16 - Emergency Appropriations (Amended 5/7/1990):

At any time in any fiscal year, the Council may, pursuant to this section, make emergency appropriations to meet a pressing need for public expenditure, for other than regular or recurring requirements, to protect the public health, safety or welfare. Such appropriations shall be by ordinance adopted by the majority vote of the Council members at one (1) special or regular meeting.

SECTION 8.17 - Purchase Procedure: (Amended 4/15/1974; 4/5/1982)

All purchases made and contracts executed by the City shall be pursuant to a requisition from the head of the office, department or agency whose appropriation will be charged, and no contract or order shall be binding upon the City unless and until the City Manager certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation and allotment balance to pay for the supplies, materials, equipment, or contractual unencumbered services for which the contract or order is issued. All purchases made and contract executed by the City shall be made in accordance with the requirements of this Charter and all applicable requirements of the Constitution and Statutes of the State of Texas. All contracts for purchases or expenditures must be expressly approved in advance by the Council, except that the Council may by ordinance confer upon the City Manager, general authority to contract for expenditures without further approval of the Council for all budgeted items the cost of which does not exceed the constitutional and statutory requirements for competitive bidding.

SECTION 8.18 - Disbursement of Funds (Amended 5/19/2014):

All checks, vouchers or warrants for the withdrawal of money from the City Depository shall be signed by the City Manager or the Mayor, and countersigned by the City Secretary, or the City Treasurer.

SECTION 8.19 - Power to Tax: (Amended 4/9/84)

The City Council shall have the power, and is hereby authorized to levy and collect an annual tax upon all real and personal property within the City not to exceed the maximum limits set by the Constitution and laws of the State of Texas as they now exist, or as they may be amended.

SECTION 8.20 - Property Subject to Tax; Rendition, Appraisal and Assessment: (Amended 4/7/84)

All real and tangible and intangible personal property within the jurisdiction of the City of Pearland not expressly exempted by law shall be subject to annual taxation. The method and procedures for the rendition, appraisal and assessment of all real and personal property within the City shall be in accordance with applicable provisions of the Property Tax Code of the State of Texas as now or hereafter amended.

SECTION 8.21 - Taxes, When Due and Payable: (Amended 4/9/84)

All taxes due the City of Pearland shall be payable to the office of the city assessor-collector on receipt of the tax bill and shall be considered delinquent if not paid before February first of the year following the year in which imposed. The postponement of any delinquency date and the amount of penalty, interest and costs to be imposed on delinquent taxes shall be in accordance with applicable ordinances of the City of Pearland and the Property Tax Code of the State of Texas.

SECTION 8.22 - Tax Liens (Amended 5/19/2014):

- (a) Except for such restrictions imposed by law, the tax levied by the City is hereby declared to be a lien, charge, or encumbrance upon the property upon which the tax is due, which lien, charge or encumbrance the City is entitled to enforce and foreclose in any court having jurisdiction over the same, and the lien, charge or encumbrance on the property in favor of the City, for the amount of taxes due on such property is such as to give the state courts jurisdiction to enforce and foreclose said lien on the property on which the tax is due, not only as against any resident of this state or person whose residence is unknown, but also as against nonresidents. All taxes upon real estate shall especially be a lien and a charge upon the property upon which the taxes are due, which lien may be foreclosed in any court having jurisdiction. The City's tax lien shall exist from January first in each year until the taxes are paid, and limitations as to seizures and suits for collection of taxes shall be as prescribed by state law.
- (b) Except for such exemptions and restrictions imposed by law, all persons, associations, corporations, firms and partnerships owning or holding personal property or real property in the City of Pearland on January first of each year shall be liable for City taxes levied thereon for each year. The tangible personal property of all persons, associations, corporations, firms or partnerships owing any taxes to the City of Pearland is hereby made liable for all said taxes, whether the same be due upon personal or real property or upon both.
- (c) All seizure and foreclosure proceedings shall be commenced no later than three (3) years after taxes first become delinquent.

SECTION 8.23 - Tax Remission and Discounts: (Amended 4/9/1984)

Except as provided by state law, neither the City Council nor any other official of the City shall ever extend the time for payment of taxes nor remit, discount or compromise any tax legally due the City, nor waive the penalty, interest and costs that may be due thereon to or for any person, association, firm or partnership owing taxes to the City for such year or years.

SECTION 8.24 - Issuance of Bonds (Amended 4/9/1984):

The City of Pearland shall have the power to issue bonds and levy a tax to support the issue of permanent improvements and all other lawful purposes.

- (a) General Obligation Bonds -
The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas and to issue refunding bonds to refund outstanding bonds of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas and shall be used only for the purpose for which they were issued.
- (b) Revenue Bonds -
The City shall have the power to borrow money for the purpose of construction, purchasing, improving, extending or repairing of public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the Constitution and laws of the State of Texas and to issue revenue bonds to evidence the obligation created thereby, and to issue refunding bonds to refund outstanding revenue bonds of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas and shall be used only for the purpose for which they were issued.
- (c) Sale of Bonds -
No bonds (other than refunding bonds issued to refund and in exchange of previously issued outstanding bonds) issued by the City shall be sold for less than par value accrued interest. All bonds of the City having been issued or sold in accordance with the terms of this section and having been delivered to the purchasers thereof shall thereafter be incontestable and all bonds issued to refund and in exchange of outstanding bonds previously issued shall, after said exchange, be incontestable.

ORDINANCE NO.1519

An Ordinance adopting a tax rate of \$0.7053 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 2015.

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 \$0.7053 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 \$0.2225 on each \$100 valuation of property, and**
- (2) For the Interest and Sinking Fund, the sum of \$0.4828.**


Section 2. All monies collected under this ordinance for the specific items therein named, be and the same are hereby appropriated and set apart for the specific purpose indicated in each item and that the Assessor and Collector of Taxes, the Director of Finance, and the City Manager shall so keep these accounts as to readily and distinctly show the amount collected, the amounts expended, and the amount on hand at any time belonging to such funds. It is hereby made the duty of the Tax Assessor and Collector of Taxes and every person collecting money for the City of Pearland to deliver to the Director of Finance and the City Manager,

at the time of depositing of any monies, a statement showing to what fund such deposit should be made, and from what source received. All receipts for the City not specifically apportioned by this ordinance are hereby made payable to the General Fund of the City.

PASSED and APPROVED ON FIRST READING this the 14th day of September, A.D., 2015.




TOM REID
MAYOR

ATTEST:


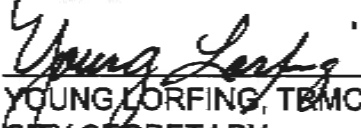
YOUNG LORFING, TRMG
CITY SECRETARY



PASSED and APPROVED ON SECOND and FINAL READING this the 21st day of September, A. D., 2015.




TOM REID
MAYOR

ATTEST:


YOUNG LORFING, TRMG
CITY SECRETARY



APPROVED AS TO FORM:



DARRIN M. COKER
CITY ATTORNEY

ORDINANCE NO.1518

An appropriation ordinance adopting a revised budget for the fiscal year ending September 30, 2015 and adopting a budget for the fiscal year beginning October 1, 2015, and ending September 30, 2016, and pay plans for fiscal year 2016.

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

Section 1. That the City Manager's estimated 2014-2015 Budget and proposed 2015-2016 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, 2015 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 2015-2016 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 2015-2016 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.1518

PASSED and APPROVED ON FIRST READING this the 14TH day of
September, A. D., 2015.



TOM REID
MAYOR

ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY

PASSED and APPROVED ON SECOND and FINAL READING this the 21st
day of September, A. D., 2015.



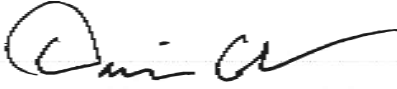
TOM REID
MAYOR

ATTEST:


YOUNG LORFING, TRMC
CITY SECRETARY

ORDINANCE NO.1518

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read "Darrin M. Coker", written over a horizontal line.

**DARRIN M. COKER
CITY ATTORNEY**

Exhibit A

**City of Pearland
Fiscal Year 2015-2016 Adopted Budget**

<u>Fund</u>	<u>Fund Description</u>	<u>REVENUES</u>		<u>EXPENDITURES</u>	
		<u>2016 Proposed</u>		<u>2016 Proposed</u>	
OPERATIONS-					
010	General	\$	69,791,421	\$	73,272,942
015	P.E.D.C.	\$	12,315,949	\$	12,192,688
020	Debt Service-General	\$	31,687,635	\$	31,528,207
<u>Special Revenue Funds</u>					
017	Municipal Court Security	\$	52,920	\$	114,350
018	Citywide Donation	\$	20,350	\$	50,477
019	Court Technology	\$	60,020	\$	69,865
023	Court Juvenile Management	\$	37,060	\$	44,435
033	Street Assessment				
035	Traffic Impact Improvement	\$	3,000	\$	46,800
043	Regional Detention				
045	Hotel/Motel	\$	1,535,233	\$	927,604
046	Parks Donations	\$	101,050	\$	105,636
047	Park & Recreation Development	\$	103,000	\$	231,000
049	Tree Trust	\$	8		
055	Sidewalk	\$	5,034		
060	Police State Seizure	\$	200	\$	36,320
062	Federal Police	\$	55	\$	68,000
101	Grant	\$	177,834	\$	177,834
113	Community Development	\$	319,085	\$	319,085
140	University of Houston	\$	319,260	\$	319,260
141	University of Houston Capital Renewal Fund	\$	55,489		
145	Municipal Channel	\$	314,700	\$	214,350
199	Lower Kirby	\$	2,764,300	\$	2,764,300
<u>Internal Service Fund</u>					
095	Property/Liability Insurance	\$	1,315,507	\$	1,311,977
099	Medical Self-Insurance	\$	8,068,084	\$	7,871,876
<u>Proprietary Funds</u>					
030	Water and Sewer	\$	38,566,275	\$	38,422,759
031	Solid Waste	\$	6,830,997	\$	6,831,464
SUB TOTAL - OPERATIONS		\$	174,444,466	\$	176,921,229
CAPITAL IMPROVEMENT PROGRAM (CIP)-					
<u>Water/Sewer Capital Projects Funds</u>					
042	Utility Impact Fee	\$	52,311,333	\$	40,020,852
044	Shadow Creek Impact Fee	\$	890,270	\$	670,416
064	Certificates of Obligation 1998				
067	1999 W & S Revenue Bonds	\$	2,032,692	\$	2,748,875
301	Water/Sewer Pay As You Go	\$	503,300	\$	1,268,700
302	MUD 4 Capital Program	\$	1,000	\$	771,037
<u>Capital Projects Funds</u>					
050	Capital Projects	\$	2,747,963	\$	2,790,968
068	Capital Projects-CO 2001	\$	17,955,062	\$	17,999,337
070	Capital Projects Mobility CO 2001				
200	Capital Projects-CO 2006				
201	Capital Projects-CO 2007				
202	Capital Projects-GO Series 2007A				
203	Capital Projects-GO Series 2009	\$	58,913,301	\$	59,867,055
SUB TOTAL - CIP		\$	135,354,921	\$	126,137,240
GRAND TOTAL:		\$	309,799,387	\$	303,058,469

EXHIBIT B

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
City Manager, City Attorney and Municipal Court Judge	Determined by City Council						
Assistant City Manager, Deputy City Manager, and Department Heads	Determined by City Manager						
Deputy City Attorney	72	\$86,650	\$41.6584	\$108,312	\$52.0730	\$129,974	\$62.4877
Assistant Police Chief	71	\$84,536	\$40.6424	\$105,670	\$50.8030	\$126,804	\$60.9636
	70	\$82,474	\$39.6511	\$103,093	\$49.5639	\$123,711	\$59.4766
	69	\$80,463	\$38.6840	\$100,578	\$48.3550	\$120,694	\$58.0260
Vice President - EDC	68	\$78,500	\$37.7405	\$98,125	\$47.1756	\$117,750	\$56.6107
	67	\$76,586	\$36.8200	\$95,732	\$46.0250	\$114,878	\$55.2300
Assistant City Attorney	66	\$74,718	\$35.9219	\$93,397	\$44.9024	\$112,076	\$53.8829
City Secretary	65	\$72,895	\$35.0458	\$91,119	\$43.8072	\$109,343	\$52.5687
Deputy Fire Chief	65						
Assistant Director, Finance	64	\$71,117	\$34.1910	\$88,897	\$42.7388	\$106,676	\$51.2865
Capital Projects, Assistant Director	64						
Fire Marshal / EMC	64						
City Planner	64						
Assistant City Engineer	63	\$69,383	\$33.3571	\$86,728	\$41.6964	\$104,074	\$50.0356
Assistant Director, Public Works	63						
	62	\$67,690	\$32.5435	\$84,613	\$40.6794	\$101,536	\$48.8153
Assistant Director, Parks & Recreation	61	\$66,039	\$31.7498	\$82,549	\$39.6872	\$99,059	\$47.6246
Budget Officer	60	\$64,429	\$30.9754	\$80,536	\$38.7192	\$96,643	\$46.4631
Building Official	60						
Director, Marketing (EDC)	60						
Manager, Information Technology	60						
Manager, Facilities	60						
Purchasing Officer	60						
	59	\$62,857	\$30.2199	\$78,572	\$37.7748	\$94,286	\$45.3298
Associate City Attorney	58	\$61,324	\$29.4828	\$76,655	\$36.8535	\$91,986	\$44.2242
Planner, Senior	58						
Assistant EMS Chief	58						
Manager, Project	57	\$59,829	\$28.7637	\$74,786	\$35.9546	\$89,743	\$43.1456
Municipal Court Prosecutor	57						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Accounting Supervisor	56	\$58,369	\$28.0622	\$72,962	\$35.0777	\$87,554	\$42.0932
Manager, Animal Control	56						
Manager, GIS	55	\$56,946	\$27.3777	\$71,182	\$34.2221	\$85,418	\$41.0666
Municipal Court Administrator	55						
Manager, Communications	55						
Manager, Sales and Event (CVB)	55						
Manager, Water Billing & Collection	55						
Network Administrator	54	\$55,557	\$26.7100	\$69,446	\$33.3875	\$83,335	\$40.0650
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						
Superintendent, Fleet	54						
Manager, Acquisition	53	\$54,202	\$26.0585	\$67,752	\$32.5731	\$81,303	\$39.0878
Planner, Associate	52	\$52,880	\$25.4229	\$66,100	\$31.7787	\$79,320	\$38.1344
Budget Analyst	52						
Management Assistant	52						
Crime Analyst	52						
Grants Coordinator	52						
HR Generalist	52						
Manager, Traffic	52						
Manager, Sales and Event (CVB)	51	\$51,590	\$24.8029	\$64,487	\$31.0036	\$77,385	\$37.2043
Deputy Fire Marshal	50	\$50,332	\$24.1979	\$62,915	\$30.2474	\$75,497	\$36.2969
Jail Division Supervisor	50						
Police Support Services Supervisor	50						
Staff Accountant	50						
Construction Inspector, Chief	49	\$49,104	\$23.6077	\$61,380	\$29.5096	\$73,656	\$35.4116
Engineer, Associate	49						
Emergency Management Planner	48	\$47,906	\$23.0319	\$59,883	\$28.7899	\$71,860	\$34.5479
Fire Inspector/Investigator	48						
Health & Environmental Services Supervisor	48						
Manager, Resource Development	48						
Manager, Recreation Center & Natatorium	48						
Planner	48						
Manager, Marketing (CVB)	48						
Deputy City Secretary	47	\$46,738	\$22.4702	\$58,422	\$28.0877	\$70,107	\$33.7053
Executive Assistant	47						
Manager, Recreation Center and Natatorium	47						
Water Billing & Collection Asst. Manager	46	\$45,598	\$21.9221	\$56,997	\$27.4026	\$68,397	\$32.8832
Plans Examiner	46						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Building Inspector	45	\$44,486	\$21.3874	\$55,607	\$26.7343	\$66,729	\$32.0811
Police Telecommunications Coordinator	45						
Humane Officer, Senior	45						
Aquatics Supervisor	44	\$43,401	\$20.8658	\$54,251	\$26.0822	\$65,101	\$31.2987
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						
Pre-Treatment Coordinator	44						
Crime Victim Liaison	44						
Multimedia Specialist	44						
Computer Support Technician, Senior	43	\$42,342	\$20.3569	\$52,928	\$25.4461	\$63,513	\$30.5353
Project Coordinator	43						
Vol Fire Recruit/Retention Coordinator	43						
Buyer	42	\$41,310	\$19.8604	\$51,637	\$24.8254	\$61,964	\$29.7905
Chief Mechanic	42						
Safety Officer	42						
Therapeutic Recreation Specialist	42						
GIS Specialist	41	\$40,302	\$19.3760	\$50,377	\$24.2199	\$60,453	\$29.0639
Public Works Infrastructure Liaison	41						
Telecommunications Operator, Lead	41						
Lead Jailer	41						
Urban Forester	41						
Accounts Payable Supervisor	40	\$39,319	\$18.9034	\$49,149	\$23.6292	\$58,979	\$28.3551
Community Outreach Coordinator	40						
Legal Secretary	40						
Office Supervisor	40						
Customer Service Supervisor	40						
Volunteer Coordinator	40						
Electrician	39	\$38,360	\$18.4423	\$47,950	\$23.0529	\$57,540	\$27.6635
Telecommunications Operator, Intermediate	39						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
GIS Technician	38	\$37,424	\$17.9925	\$46,781	\$22.4906	\$56,137	\$26.9888
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						
Code Enforcement / Health Officer	37	\$36,512	\$17.5537	\$45,640	\$21.9421	\$54,767	\$26.3305
Crime Victim Specialist	37						
Humane Officer	37						
Animal Shelter Supervisor	37						
Jailer	37						
Telecommunications Operator, Basic	37						
Administrative Assistant	36	\$35,621	\$17.1255	\$44,526	\$21.4069	\$53,432	\$25.6883
Building Maintenance Technician	36						
Traffic Signal Technician	36						
HR Assistant	35	\$34,752	\$16.7078	\$43,440	\$20.8848	\$52,128	\$25.0617
Park Maintenance Crew Leader	35						
Payroll Technician	34	\$33,905	\$16.3003	\$42,381	\$20.3754	\$50,857	\$24.4505
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	\$33,078	\$15.9027	\$41,347	\$19.8784	\$49,617	\$23.8541
Quartermaster	33						
Custodial Crew Leader	32	\$32,271	\$15.5149	\$40,339	\$19.3936	\$48,406	\$23.2723
Mechanic	32						
Records and Information Coordinator	32						
Traffic Signal Technician, Trainee	32						
	31	\$31,484	\$15.1365	\$39,355	\$18.9206	\$47,226	\$22.7047
Accounts Payable Clerk	30	\$30,716	\$14.7673	\$38,395	\$18.4591	\$46,074	\$22.1509
GIS/GPS Technician	30						
Heavy Equipment Operator	30						
Water & Sewer Equipment Operator	30						
Plans Expediter	30						
Police Records Clerk, Lead	30						
Utility Billing Specialist	30						

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Deputy Court Clerk, Senior	29	\$29,967	\$14.4071	\$37,458	\$18.0089	\$44,950	\$21.6107
ROW Inspector	29						
Humane Officer, Trainee	29						
Animal Shelter Attendant	29						
Office Assistant, Senior	28	\$29,236	\$14.0557	\$36,545	\$17.5696	\$43,854	\$21.0836
Court Bailiff	27	\$28,523	\$13.7129	\$35,654	\$17.1411	\$42,784	\$20.5693
Utility Field Service Technician	27						
Equipment Operator	26	\$27,827	\$13.3784	\$34,784	\$16.7230	\$41,741	\$20.0676
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	\$27,148	\$13.0521	\$33,936	\$16.3152	\$40,723	\$19.5782
Customer Service Representative	24	\$26,486	\$12.7338	\$33,108	\$15.9172	\$39,729	\$19.1007
Permit Clerk	24						
Police Records Clerk	24						
Sign Technician	24						
	23	\$25,840	\$12.4232	\$32,300	\$15.5290	\$38,760	\$18.6348
Building Maintenance Worker	22	\$25,210	\$12.1202	\$31,513	\$15.1502	\$37,815	\$18.1803
Office Assistant	22						
Park Maintenance Worker	22						
Receptionist	22						
	21	\$24,595	\$11.8246	\$30,744	\$14.7807	\$36,893	\$17.7369
	20	\$23,995	\$11.5362	\$29,994	\$14.4202	\$35,993	\$17.3043
Custodian	19	\$23,410	\$11.2548	\$29,263	\$14.0685	\$35,115	\$16.8822
	18	\$22,946	\$11.0317	\$28,683	\$13.7897	\$34,419	\$16.5476
	17	\$22,386	\$10.7627	\$27,983	\$13.4533	\$33,580	\$16.1440
	16	\$21,840	\$10.5002	\$27,300	\$13.1252	\$32,761	\$15.7502
Water Safety Instructor	15	\$21,308	\$10.2441	\$26,635	\$12.8051	\$31,961	\$15.3661
Camp Coordinator	15						
	14	\$20,788	\$9.9942	\$25,985	\$12.4978	\$31,182	\$14.9913
	13	\$20,281	\$9.7504	\$25,351	\$12.1881	\$30,421	\$14.6257
	12	\$19,786	\$9.5126	\$24,733	\$11.8908	\$29,679	\$14.2689
Head Lifeguard	11	\$19,304	\$9.2806	\$24,130	\$11.6008	\$28,956	\$13.9209
Recycling Center Attendant	10	\$18,833	\$9.0543	\$23,541	\$11.3178	\$28,249	\$13.5814

Position Title	Salary Range	Minimum Annual	Minimum Hourly	Midpoint Annual	Midpoint Hourly	Maximum Annual	Maximum Hourly
Lifeguard W/WSI	9	\$18,374	\$8.8334	\$22,967	\$11.0418	\$27,560	\$13.2501
	8	\$17,925	\$8.6180	\$22,407	\$10.7725	\$26,888	\$12.9270
Ballfield Attendant	7	\$17,488	\$8.4078	\$21,860	\$10.5097	\$26,232	\$12.6117
Fitness Attendant	7						
Lifeguard	7						
Camp Counselor	7						
Recreation Attendant	7						
	6	\$17,062	\$8.2027	\$21,327	\$10.7534	\$26,659	\$12.8167
	5	\$16,645	\$8.0026	\$20,807	\$10.0033	\$26,009	\$12.5041
	4	\$16,240	\$7.8075	\$20,299	\$9.7593	\$25,374	\$12.1992
	3	\$15,843	\$7.6170	\$19,804	\$9.5213	\$24,755	\$11.9016
	2	\$15,457	\$7.4313	\$19,321	\$9.7891	\$24,152	\$11.6113
Fire Department Support Services Volunteer	1	\$15,080	\$7.2500	\$18,850	\$9.0625	\$23,563	\$11.3281

**CITY OF PEARLAND
FIRE PAY PLAN
FY 2016**

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	\$45,900	\$16.6546	\$57,375	\$20.8182	\$68,850	\$24.9819
F-2	Driver/Operator Field Training Officer	Driver/Operator 2nd Lieutenant	\$50,665	\$18.3835	\$63,331	\$22.9794	\$75,998	\$27.5753
F-3	Lieutenant	Lieutenant	\$55,925	\$20.2921	\$69,906	\$25.3651	\$83,888	\$30.4381
F-4	Captain	Captain	\$63,240	\$22.9463	\$79,050	\$28.6829	\$94,860	\$34.4194
F-5	Battalion Chief	Battalion Chief	\$71,400	\$25.9071	\$89,250	\$32.3839	\$107,100	\$38.8607

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	\$22,234	\$10.6894	\$27,792	\$13.3618	\$33,351	\$16.0341
E-3	EMT-Intermediate	EMT-Intermediate	\$25,416	\$12.2194	\$31,148	\$14.9748	\$37,377	\$17.9697
E-5	Paramedic	Paramedic	\$31,145	\$14.9734	\$38,931	\$18.7168	\$46,717	\$22.4601
E-7	EMS Lieutenant	2nd Lieutenant	\$34,370	\$16.5240	\$42,962	\$20.6550	\$51,555	\$24.7860
E-9	EMS Captain	Captain	\$40,032	\$19.2461	\$50,040	\$24.0577	\$60,048	\$28.8692

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	\$63,240	\$30.4038	\$79,050	\$38.0048	\$94,860	\$45.6058
F-7	Training Battalion Chief	Battalion Chief	\$71,400	\$34.3269	\$89,250	\$42.9087	\$107,100	\$51.4904

Hourly rate or regular rate of pay based on 2080 Regular Hours.

Paid Volunteer Fire Fighter (PVFF)

Salary Range	Job Title	Rank	MINIMUM		MIDPOINT		MAXIMUM	
			432 annual hours Annual	Hourly	Annual	Hourly	Annual	Hourly
VF-1	Firefighter	Firefighter		\$7.2500			\$9,250.00	
VF-2	Driver/Operator	Driver/Operator		\$8.0026			\$9,250.00	
VF-3	Lieutenant	Lieutenant		\$8.8333			\$9,250.00	
VF-4	Captain	Captain		\$9.9888			\$9,250.00	
VF-5	Battalion Chief	Battalion Chief		\$11.2776			\$9,250.00	

Maximum annual salary will not exceed the hourly rate times 999 hours or the Maximum annual amount shown, whichever comes first.

**CITY OF PEARLAND
POLICE PAY PLAN
FY 2016**

	0 - 6 mos.
Police	\$16,480.00
Cadet	

	0	1	2	3	4	5	6	7	8	9	10	11
Police	\$25,153.99	\$25,908.50	\$26,685.80	\$27,486.30	\$28,310.90	\$29,160.30	\$30,035.10	\$30,936.10	\$31,864.20	\$32,820.10	\$33,804.70	\$34,818.90
Officer	\$4,360.01	\$4,490.81	\$4,625.53	\$4,764.30	\$4,907.23	\$5,054.45	\$5,206.08	\$5,362.26	\$5,523.13	\$5,688.82	\$5,859.49	\$6,035.27
	\$52,320.11	\$53,889.72	\$55,506.41	\$57,171.60	\$58,886.75	\$60,653.35	\$62,472.95	\$64,347.14	\$66,277.56	\$68,265.88	\$70,313.86	\$72,423.27

	1st year	2nd year	3rd year	4th year	5th year	6th year
Sergeant	\$35,863.40	\$36,939.40	\$38,047.50	\$39,189.00	\$40,364.60	\$41,575.60
	\$6,216.33	\$6,402.82	\$6,594.91	\$6,792.75	\$6,996.54	\$7,206.43
	\$74,595.97	\$76,833.85	\$79,138.87	\$81,513.03	\$83,958.42	\$86,477.18
	1st year	2nd year	3rd year	4th year		
Lieutenant	\$42,822.80	\$44,107.50	\$45,430.70	\$46,793.70		
	\$7,422.62	\$7,645.30	\$7,874.66	\$8,110.90		
	\$89,071.49	\$91,743.64	\$94,495.95	\$97,330.83		
	1st year	2nd year	3rd year			
Captain	\$48,197.50	\$49,643.40	\$51,132.70			
	\$8,354.23	\$8,604.86	\$8,863.00			
	\$100,250.75	\$103,258.27	\$106,356.02			

Education / Incentive Pay

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

TCLOSE BASIC CERTIFICATE	\$.00/hr.
TCLOSE INTERMEDIATE CERTIFICATE	\$.29/hr.
TCLOSE ADVANCED CERTIFICATE	\$.58/hr.
TCLOSE 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-weekly.

Those Police Officers and Sergeants assigned to the Criminal Investigation Division as Detective, such assignments at the discretion of the Chief, will receive \$100.00/bi-weekly assignment pay for the duration of the assignment.

All overtime for any classification shall be paid in accordance with applicable State and Federal law.

ORDINANCE NO. 1358-13

An Ordinance of the City Council of the City of Pearland, Texas, amending non-development usage and service fees; containing a savings clause, a severability clause and a repealer clause; providing for publication and an effective date.

WHEREAS, various departments of the City charge fees for usage, permits, and other services not related to development; and

WHEREAS, the organization of all such non-development fees into one ordinance enhances the efficiency of the fee amendment process and improves customer service; now, therefore,

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

Section 1. That the charges and fees contained in the attached Exhibit "A" are hereby adopted.

Section 2. **Savings.** All rights and remedies which have accrued in favor of the City under this Chapter and amendments thereto shall be and are preserved for the benefit of the City.

Section 3. **Severability.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.


Section 4. **Repealer.** All ordinances and parts of ordinances in conflict herewith are hereby repealed but only to the extent of such conflict.

Section 5. **Publication and Effective Date.** The City Secretary shall cause this Ordinance, or its caption, to be published in the official newspaper of the City of Pearland,

upon passage of such Ordinance. The Ordinance shall then become effective ten (10) days from and after its publication, or the publication of its caption, in the official City newspaper.

PASSED and APPROVED ON FIRST READING this the 14th day

Of September, A. D., 2015.



TOM REID
MAYOR

ATTEST:


YOUNG LORFING
CITY SECRETARY



PASSED and APPROVED ON SECOND AND FINAL READING this the 21st day of September, A. D., 2015.


TOM REID
MAYOR

ATTEST:


YOUNG LORFING, TRMC
CITY SECRETARY



VOTING RECORD SECOND AND FINAL READING

September 21, 2015

Voting "Aye" - Councilmembers Carbone, Reed, Moore, Ordeneaux, and Hill.

Voting "No" - 0.


Motion passes 5 to 0.

PUBLICATION DATE: September 24, 2015

EFFECTIVE DATE: October 3, 2015

PUBLISHED AS REQUIRED BY SECTION 3.10 OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS

APPROVED AS TO FORM


DARRIN M. COKER
CITY ATTORNEY

**Ordinance No. 1358-13
Exhibit (A)**

**Ordinance No. 1358-13
Exhibit "A"**

FEE SCHEDULE)

EMS

Ambulance Application Fee	\$250.00
Ambulance Permit Fee	\$100.00

FIRE

Re-inspection Fees	
Initial and 1 st Re-inspection	\$ 0.00
2 nd Re-inspection	\$ 75.00
3rd Re-inspection and thereafter, each	\$200.00
After hours Inspection	\$200.00
(After 5:00pm Monday-Thursday; after 4:00pm on Friday, and on weekends)	

POLICE

Accident Report	\$ 6.00
(As may be amended from time to time by State Statute)	
Notarized Accident Report	\$ 8.00
(As may be amended from time to time by State Statute)	
Clearance Letter	\$ 5.00
(As may be amended from time to time by State Statute)	
Copies	\$ 0.10 per page
Crafted Precious Metal Dealer License fee	\$100.00 annually

Alarm Permit:

Residential	Rates provided in
Commercial	Ordinance No 569-3

False Alarm Fee:

Police Department (per occurrence after 5 per yr)	Rates provided in
Fire Department (per occurrence after 5 per yr)	Ordinance No 569-3

UTILITY BILLING

Delinquent Fees:

First Time Reconnect	\$30.00
Subsequent Reconnect Charges	\$ 50.00

"Red Flag" Identity Report	\$ 3.00
Connect Fee	\$ 30.00
Deposits:	
Commercial	\$200.00 + 2 mo. garbage
Residential Owner	\$100.00

Residential	
Renter-low risk rating	\$150.00
Renter-medium/high risk rating	\$225.00
Residential Garbage Only	\$ 50.00
Commercial Garbage Only	2 mo. garbage
Additional deposit for services terminated twice within six months	
Residential	\$ 75.00
Commercial	\$ 150.00 + 1 mo. garbage
Meter Cost:	New/Replacement
5/8"	\$271.00
1"	\$328.00
2" Displacement	\$633.00
2" Compound	\$1,528.00
3"	\$8,555.00
4"	\$10,005.00
6"	\$13,402.00
8" (6 x 8)	\$14,605.00
10"	\$28,515.00
12"	\$29,693.00
(subject to change based on contract pricing)	
New meters would also require deposit and connection fee	
Register Replacement	\$240.00
Antenna Replacement	Based on cost
Meter Testing:	
5/8 – 3/4" Meter	\$ 60.00
1" Meter	\$ 85.00
1 1/2" Meter	\$100.00
2"- 8" Meters	\$150.00
8" and above Meters	\$200.00
Same Day New Service Connections	\$100.00
Containment Traps	\$100.00/year
Including but not limited to grease, grit, grass, oil, lint and other contaminants.	
Meter Inspection:	
Initial	\$ 35.00
Re-inspection	\$ 35.00
Temporary Fire Hydrant Meter	\$1,500.00
(\$75.00 non-refundable)	
Temporary Fire Hydrant Location Change	\$ 50.00

Additional Recycling Cart	\$ 60.00
Temporary Connect/Disconnect Fee	\$ 10.00
Temporary Water/Sewer Service for Residential Landlords/Property Managers	\$50 for ten days, up to 2,000 gallons and connection

Water Base Charges

Single Unit	\$ 13.78
Multi-Unit	\$ 12.52

Water Volume

Residential

0 - 2,000 gallons	in base
2,001 - 6,000	\$ 3.48
6,001 – 15,000	\$ 4.35
15,001 – 25,000	\$ 5.22
25,001+	\$ 6.96

Commercial/Multi-Unit

0 – 2,000	in base
2,001+	\$ 4.35

Landscape

0 – 2,000	in base
2,001+	\$ 5.22

Sewer Base Charges for All	\$ 17.44
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Sewer Volume

0 - 2,000	in base
All Users	\$ 3.97

Residential Wastewater Cap

Standardized monthly billing amount (gallons) to be based on the average consumption of the months of December, January, February, which are typically billed in Jan, Feb, Mar, not to exceed 12,000 gallons. Wastewater Cap would be adjusted each April.

New Residents

Default billing amount (gallons) of 6,000 gallons

Billing Adjustments

Water adjustments may be given for leaks, excluding irrigation leaks for all customers. Residential customer sewer rates are adjusted as set by the Winter Quarter Average. See Ordinance 870-6

Customer without metered water

Default billing amount (gallons) of 10,000.

Customer outside City Limits

All charges for water and sewer service are at a rate of 1 ½ times that existing in the City.

Sewer Use Credit Program

Application Fee	\$500.00
Monthly Administrative Charge	\$ 50.00
Annual Testing Fee	See Above

If repairs are needed, in addition to the testing fee, there will be charges for labor and parts, plus retesting fee of \$75.00

Accounts opened for the purpose of the sewer use credit for sub-metering will not be required to put down a deposit nor billed water or sewer rates.

FINANCE

NSF or Returned Check/Credit Card Fee	\$ 25.00
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ENGINEERING

Grading Permit	\$125.00
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PUBLIC WORKS

Water/Sewer Tap	Actual Cost, not less than \$250
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CITY SECRETARY

Copy Charge: (pursuant to State law, including but not limited to and as may be amended from time to time by State Statute)

Paper	\$ 0.10
Oversize Paper	\$ 0.50
Diskette	\$ 1.00
Magnetic tape	Actual Cost
Data Cartridge	Actual Cost
Tape Cartridge	Actual Cost
Rewritable CD (CD-RW)	\$ 1.00
Non-rewritable CD (CD-R)	\$ 1.00
Digital video disc (DVD)	\$ 3.00
JAZ Drive	Actual Cost
Other electronic media	Actual Cost
VHS cassette	\$ 2.50
Audio cassette	\$ 1.00
Oversize paper copy	\$ 0.50
Specialty paper	Actual Cost

Labor charge	\$ 15.00
Overhead	20% of labor

Alcohol Beverage Permit:

BE -On Premise	\$150.00
BQ -Wine & Beer Off-Premise	\$ 60.00
BF -Off Premise	\$ 60.00
BG-Wine&Beer On-Premise that hold a Food/Bev. Permit	\$175.00
BL - Late Hours On-Premise	\$250.00
PE -Charge	\$ 20.00
LB -Late Hours Mixed Beverage	\$150.00
RM - Mixed Beverage Restaurant	\$750.00

Peddlers Permit

Primary Permit Holder	\$ 75.00 max of 3 mo.
Assistant working under primary	\$ 5.00/mo. per assistant
Surety Bond (required)	\$1,000.00

ANIMAL CONTROL

1 st impound	\$ 30.00
2 nd impound	\$ 40.00
3 rd impound	\$ 50.00
Adoption unaltered	\$ 35.00
Transportation	\$ 5.00
Adoption altered with Rabies	\$ 90.00
Adoption altered w/out Rabies	\$ 75.00
Livestock impound per head	\$125.00
2 nd impound	\$150.00
3 rd impound	\$200.00
Quarantine impound	\$ 60.00
Daily board domestic	\$ 10.00 per day
Daily board livestock	\$ 30.00 per day
City License	
Altered one year	\$ 10.00
3 year	\$ 30.00
Un-altered one year	\$ 30.00
3 year	\$ 80.00
Replacement tag	\$ 5.00
Dangerous Dog registration	\$100.00
Disposal Domestic Animals	
Up to 25 lbs	\$ 30.00
26 lbs to 60 lbs	\$ 60.00
61 lbs and over	\$ 90.00
Large animal contract	\$200.00 and up

Euthanasia on demand	\$ 60.00
Surrender of owned pet	\$ 50.00
Cat carrier	\$ 5.00
Collars	\$ 3.00
Micro-chip implant included pet registration	\$ 25.00
Includes pet registration	
T-shirts	\$ 7.00
Hats	\$ 7.00

PARKS & RECREATION

Non-resident fees for Household & Hazardous Waste	\$80 per 100 pounds
Non-resident fees for Electronic Waste	\$20 per 100 pounds

Non-resident fees Programs and Leagues

Resident Fee Cost less 20% discount	Non-resident fee Program Cost
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*Flat rate schedule for league registration; no discounts apply.

Non-resident fee for Senior Center	\$ 50.00 per year
Resident fee for Senior Center	\$ 25.00 per year
Transportation fees for the Melvin Knapp Senior Center (Specialty Trip)	\$ 2.00 round-trip
Banner Installation Fee	\$300.00
Special Event Permit Fee	\$ 50.00

Deposits

Centennial Park Pavilions	\$ 50.00
Southdown Park Pavilion	\$ 50.00
Independence Park Large Pavilion	\$200.00
Independence Park Barbeque Shelter	\$100.00
Independence Park Swimming Pool	\$100.00
Gazebo at City Hall	\$ 50 .00
Westside Event Center Meeting Room	\$140.00
Westside Event Center Banquet Hall	\$140.00
Community Center	\$140.00
Banner Installation	\$ 50.00
Indoor rental cleaning Fee	\$180.00
Administrative fee for rental cancellations	\$ 25.00

Rental Fees

Outdoor

Facility	1/2 Day		Full Day	
	Resident	Non-Resident	Resident	Non-Resident
Centennial Park Pavilion	\$60.00	\$90.00	\$120.00	\$180.00
Southdown Park Pavilion	\$60.00	\$90.00	\$120.00	\$180.00
Independence Park Large Pavilion	\$180.00	\$270.00	\$360.00	\$540.00
Independence Park BBQ Shelter	\$90.00	\$135.00	\$180.00	\$270.00
Gazebo at City Hall			\$30.00	\$60.00

Indoor

Facility	Non-profit	Resident	Non-Resident
Westside Event Center Meeting Room	\$50.00/hr	\$60.00/hr	\$70.00/hr
Westside Event Center Banquet Hall	\$60.00/hr	\$85.00/hr	\$95.00/hr
Community Center	\$37.50/hr	\$65.00/hr	\$85.00/hr

Athletic Field Usage Fees

Recognized Sports Associations

Deposit	Player Fee	Utility Fee
\$500.00 per Season	\$10.00 Res/\$20.00 Non-Res	\$150.00 per Month

Hourly Usage

	Resident	Non-Resident
Field Fee	\$15.00	\$30.00
Utility Fee	\$15.00	\$15.00

Recreation Center and Natatorium

Initiation Fee, for all \$ 32.00

Annual Membership with Contract

Category	Resident	Non-Resident*
Adult	\$330.00	\$495.00
Additional Person	\$165.00	\$247.50
Active Adult	\$231.00	\$346.50
Additional Active Adult	\$110.00	\$165.00
Household	\$660.00	\$990.00

Natatorium Only

Individual	\$220.00	\$330.00
Household	\$440.00	\$660.00

* Non-Resident Fee = resident rate + 50%

Monthly Membership without Contract

Category	Resident	Non-Resident*
Adult	\$35.20	\$52.80
Additional Person	\$17.60	\$26.40
Active Adult	\$24.20	\$36.50
Additional Active Adult	\$12.10	\$18.70
Household	\$69.30	\$104.50

Natatorium Only

Individual	\$23.10	\$35.20
Household	\$46.20	\$69.30

* Non-Resident Fee = resident rate + 50%

**Monthly Fee = annual divided by 12 + 50%

Recreation Center and Natatorium Membership includes facilities, drop in child care, basic health and fitness classes.

Natatorium Only membership includes access to the natatorium only.

Trial Membership (one time per individual)	\$ 30.00 for 30 days
Locker Rentals (maximum rentals – 10 lockers in each locker room)	
Annual	\$100.00
Monthly	\$ 10.00
Group Exercise Punch Card (20 punches)	\$ 50.00

Daily Fees

18+ years of age	\$ 8.00
12 – 17 years of age	\$ 5.00
3 – 11 years of age	\$ 3.00
Family	\$ 12.00
Child Care	\$ 5.00

Definitions

Individual	12-59 years old
Active Adult	60+ years old
Household	Up to 5 people residing in the same home
Additional Person	addition to an existing membership/fee. Must reside in the same house as primary
Child	3-11 years old
Family	Limit of 5 people and maximum 2 adults

Recreation Center Rental Rates

	Non-Profit	Member	Resident Non-Member	Non-Resident Non-Member	Minimum Hours
Entire Facility	\$225.00/hour	\$450.00/hour	\$675.00/hour	\$900.00/hour	5 hours
One Full Court					
Hourly	\$40.00/hour	\$80.00/hour	\$120.00/hour	\$160.00/hour	3 hours
Daily	\$400.00/day	\$800.00/day	\$1,200.00/day	\$1,600.00/day	5 hours
Entire Gym					
Hourly	\$80.00/hour	\$160.00/hour	\$240.00/hour	\$320.00/hour	5 hours
Daily	\$800.00/day	\$1,600.00/day	\$2,400.00/day	\$3,200.00/day	5 hours
One Multipurpose/ Activity Room	\$33.00/hour	\$65.00/hour	\$98.00/hour	\$130.00/hour	3 hours
Entire Multipurpose/ Activity Room	\$65.00/hour	\$130.00/hour	\$195.00/hour	\$260.00/hour	3 hours

Kidz Korner, The Zone, Gymnasium, Multipurpose Room, Track, Activity Room, Racquetball Courts, 2nd floor café area.

*Day = 12 hours

**Non-athletic events in the gymnasium will result in the following fees:

Floor covering \$100.00/court per day

Security

Number Participants	COP Security Fee (paid directly to officer at beginning of event)	COP Custodial Fee	Event Staff
< 75	1 @ \$30.00/hour when admission charged	\$100.00/day	\$50.00
75 - 200	1 @ \$30.00/hour when admission charged	\$200.00/day	\$50.00
251 - 500	2 @ \$30.00/hour	\$350.00/day	\$100.00
501 - 1,000	2 @ \$30.00/hour	\$450.00/day	\$150.00
> 1,000	2 @ \$30.00/hour	\$600.00/day	\$200.00
COPP & R Aquatics Supervision (CPO/AFO) Fee (500+ events only)			\$100.00 or \$250.00/day
Day Timing System (one system) (If operator is included then additional staff charges will apply)			\$200.00/day
Events Requiring 50-meter configuration will require an additional set-up fee			\$150.00

Special Note: 2 parking lot attendants are required for all events with an anticipated 500+ total attendance. Attendants are paid directly at \$15 per hour.

* Custodial fee includes the additional cleaning supplies and inventory to support the rental as well as any staff needed to manage the cleaning of restrooms, trash, stands, etc.

**For large rental/meets (over 500+) an additional "Extra Heavy Cleanup/Restoration Fee" of \$250.00 will be assessed.

Health

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

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

Foster homes	\$50.00
Prepackaged Only	\$150.00
Mobile Units	\$225.00
Additional units	\$225.00
Produce Vendor	\$100.00
Schools / Daycares	\$125.00
Temporary fees for Special Events	\$35.00
Pre-opening inspection fee	\$100.00
Re-inspection Fee for failing initial inspection	\$75.00

ORDINANCE NO. 1023-6

An Ordinance of the City Council of the City of Pearland, Texas, amending development permit fees; containing a savings clause, a severability clause and a repealer clause; providing for publication and an effective date.

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

Section 1. That the charges and fees related to permitting contained in the attached Exhibits "D-F" are hereby adopted.

Section 2. Savings. All rights and remedies which have accrued in favor of the City under this Chapter and amendments thereto shall be and are preserved for the benefit of the City.


Section 3. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section 4. Repealer. All ordinances and parts of ordinances in conflict herewith are hereby repealed but only to the extent of such conflict.

Section 5. Publication and Effective Date. The City Secretary shall cause this Ordinance, or its caption, to be published in the official newspaper of the City of Pearland, upon passage of such Ordinance. The Ordinance shall then become effective October 1st, 2015, after its publication, or the publication of its caption, in the official City newspaper.


ORDINANCE NO. 1023-6

PASSED and APPROVED ON FIRST READING this the 14th day of
September, A. D., 2015.



TOM REID
MAYOR


ATTEST:



YOUNG LORFING
CITY SECRETARY




APPROVED AS TO FORM:




DARRIN M. COKER
CITY ATTORNEY

PASSED and APPROVED ON SECOND AND FINAL READING this the 21st day of
September, A. D., 2015.



TOM REID
MAYOR

ATTEST:



YOUNG LORFING, TRMC
CITY SECRETARY



VOTING RECORD SECOND AND FINAL READING

September 21, 2015

Voting "Aye" - Councilmembers Carbone, Reed, Moore,
Ordeneaux, and Hill.

Voting "No" - 0.

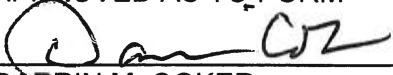
Motion passes 5 to 0.

PUBLICATION DATE: September 24, 2015

EFFECTIVE DATE: October 1, 2015

PUBLISHED AS REQUIRED BY SECTION 3.10
OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS

APPROVED AS TO FORM



DARRIN M. COKER
CITY ATTORNEY

FEEES FOR
ZONING CHANGE REQUESTS

(A) 0 to less than 25 acres:

1. \$1000 plus \$25 per each type of zoning requested on a tract of land; or
2. \$1200 if Planned Unit Development

(B) 25 to less than 50 acres:

1. \$1025 plus \$25 per each type of zoning requested on a tract of land; or
2. \$1250 if Planned Unit Development

(C) 50 to less than 75 acres:

1. \$1050 plus \$25 per each type of zoning requested on a tract of land; or
2. \$1300 if Planned Unit Development

(D) 75 to less than 100 acres:

1. \$1075 plus \$25 per each type of zoning requested on a tract of land; or
2. \$1350 if Planned Unit Development

(E) 100 acres and over:

1. \$1100 plus \$25 per each type of zoning requested on a tract of land; or
2. \$1400 if Planned Unit Development

PLATTING FEE SCHEDULE

(A) Preliminary Subdivision/Development Plats:

1. 1000.00 filing fee, plus
2. The platting fee, as follows:
 - a. For residential purposes or dwelling units where lots are not designated on the plat, \$8.00 per designated lot, tract, or building site
 - b. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.

(B) Final Subdivision/Development Plats:

1. \$1000.00 filing fee, plus
2. The platting fee, as follows:
 - a. For residential purposes or dwelling units where lots are not designated on the plat, \$8.00 per designated lot, tract, or building site.
 - b. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.

(C) Vacation of Subdivisions:

Fee amount: \$600.00 per acre (gross area of whole tract) or any fraction thereof.

(D) Extension of Approval:

Fee amount: \$150.00 filing fee.

(E) Minor Plat:

1. \$600.00 filing fee, plus
2. The platting fee as follows:
 - a. For residential purposes or dwelling units where lots are not designated on the plat, \$ 6.00 per designated lot, tract, or building site.
 - b. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.

(F) Minor Plat: (one lot with existing home or business): \$150.00 filing fee.

(G) Amending Plat:

Fee amount: \$600.00 filing fee, plus \$6.00 per lot increase. (No lot increase greater than six (6)). For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.

(H) Replat:

1. Residential: Fee amount: \$600.00, plus \$6.00 per lot increase.
2. Commercial: Fee amount: \$600.00. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.

(I) Master Plat:

1. \$600.00 filing fee, plus
2. The platting fee, as follows:
 - a. For residential purposes or dwelling units where lots are not designated on the plat, \$6.00 per designated lot, tract, or building site.
 - b. For tracts, blocks, or areas not divided into lots and to be used for commercial, industrial, multiple dwellings, or unrestricted uses, \$30.00 per acre or any fraction thereof.

(J) Recheck of Plats and Associated Construction Drawings:

1. Fee amount: \$200.00.
2. Payment deadline: Due upon or before resubmission of corrected plat or drawing.

(K) Second Submittal Fee: \$200.00

(L) Park Dedication:

1. Fee amount: \$750.00 per residential unit, or 1 acre/50 units, at discretion of City.
2. Payment deadline: Due before approval of final plat.

CLUSTER PLANS

1. 0 to less than 25 acres:	\$1200
2. 25 to less than 50 acres:	\$1250
3. 50 to less than 75 acres:	\$1300
4. 75 to less than 100 acres:	\$1350
5. 100 acres and over:	\$1400

P & Z SUBDIVISION
VARIANCE

1. \$400.00

ZONING BOARD OF
ADJUSTMENTS FEE
SCHEDULE

ZBA Applications for Variance, Special Exceptions, etc.

Residential	\$500.00
Commercial	\$500.00

ZONING VERIFICATION
LETTERS

Residential	25.00
Commercial	35.00

PROCESSING FEE
BASED ON PERMIT TYPE

Banner	\$10.00
Commercial	\$20.00
Demolition	\$20.00
Electrical	\$20.00
Fire Permits	\$20.00
Foster Homes	\$0.00
Irrigation	\$20.00
Mechanical	\$20.00
Moving	\$20.00
Plumbing	\$20.00
Residential Addition Alteration	\$20.00
Residential New Single Family	\$20.00
Residential New Two Family	\$20.00
Residential New Three or more Family	\$20.00
Swimming Pools	\$ 20.00
Signs	\$20.00
Tenant Occupancy	\$20.00
Annual Registration fee for contractors	\$0.00

BUILDING FEE SCHEDULE

(A) Civil Site Work Permit

1. Fee Amount: Percent of construction value -- \$16.50 for first \$1,000.00; \$5.50 for each \$1,000 or fraction thereof thereafter.
2. Payment Deadline: Due before issuance of site work permit.

(B) Plan Check Fee:

1. Fee Amount: An amount equal to one-half of building or civil site work permit fee.
2. Payment Deadline: Due upon plan submission.

(C) Building Permit:

1. Fee Amount: Percent of construction value -- \$69.34 per square foot for commercial or residential; \$36.34 per square foot for detached garage.
2. Payment Deadline: Due before issuance of building permit.

(D) Sign, Fence, and Miscellaneous Building Permits:

1. Fee Amount: Percent of construction value -- \$16.50 for first \$1,000.00; \$5.50 for each \$1,000.00 or fraction thereof thereafter.
2. Payment Deadline: Due before issuance of building permit.

(E) Water & Sewer Impact Fee:

1. Fee Amount: Based on most current applicable impact fee study at the time of platting.
2. Payment Deadline:
 - a. If at existing building:
 - (1) due before connection; or
 - (2) paid via 36-month payment plan with interest, subject to City Managers approval.
 - b. If at new building, due before issuance of building permit.

(F) Water & Sewer Pro-rata Fee (limited areas):

1. Fee Amount:

a. *Park Street between Walnut and Pear Streets:*

	<u>Lots 1-23 of Block 25</u>	<u>Lots 26-44 of Block 26</u>
Water -	\$354.29 per 25' Lot (\$14.17 per linear foot)	\$354.29 per 25' Lot (\$14.17 per linear foot)
Sewer -	\$537.83 per 25' Lot (\$21.51 per linear foot)	

b. *Pearland Parkway between Barry Rose Road and Mary=s Creek:*

Water- 96.9 acres at \$776.00 per acre

Sewer- 360.2 acres at \$584.33 per acre

c. *FM 518 at FM 1128 west of Reid Boulevard:*

	<u>North Side of FM 518</u>	<u>South Side of FM 518</u>
Sewer-	\$44.60 per linear foot	\$53.91 per linear foot

d. *Service Area 1 (South of Beltway 8, North of Clear Creek, West of State Highway 288, and East of FM 521):*

Water - 1638 acres at \$41.00 per acre

Sewer- 1638 acres at \$15.00 per acre

e. *Service Area 2 (South of Broadway Street, North of County 59, East of County Road 48, and West of State Highway 288):*

Water- 521 acres at \$74.00 per acre

Sewer- 2221 acres at \$33.00 per acre

2. Payment Deadline:
 - a. If platting, before approval of final plat.
 - b. If not platting, before issuance of building permit. (G)

Water and/or Sewer Tap Fee:

1. Fee Amount: Actual cost, not less than \$250.00.
2. Payment Deadline:
 - a. If at existing building, before connection.
 - b. If at new building, before issuance of building permit. (H)

Pearland Parkway Street Light Charge:

1. Fee Amount: \$1,200.00 per pole.
2. Payment Deadline:
 - a. If platting, before subdivision acceptance.
 - b. If not platting, before issuance of certificate of occupancy.

(I) Street Light Operation and Maintenance Escrow (Two Years):

1. Fee Amount: \$16.00- \$25.00 per light per month (minimum = \$384.00 per light).
2. Payment Deadline:
 - a. If platting, before subdivision acceptance.
 - b. If not platting, before issuance of certificate of occupancy.

(J) Construction Inspection of Streets, Drainage, Water, and Sanitary Sewer Facilities for New Subdivision Construction:

1. Fee Amount: One percent (1%) of direct construction cost, not including engineering, survey, testing, and contingencies.
2. Payment Deadline: payable prior to approval of final plat.

(K) Traffic Impact Analysis Review/Thoroughfare Amendment Review Fee

2. Fee Amount: \$750.00

3. Payment Deadline:

4. Development within City Limits:

- 1) If platting, before approval of final plat.

- 2) If not platting, before issuance of building permit.

5. Development in ETJ: Due before approval of final plat. (L)

Variance Application Fee

1. Fee Amount: \$250.00.

2. Payment Deadline: Due at time of application.

(M) Sidewalk Fee (In lieu of)

1. Fee Amount: The cost per square foot is \$6.50 and changes to reflect the city current contract price at any given time.

2. Due before approval of final plat or before Certificate of Occupancy.

ELECTRICAL FEE SCHEDULE

For new residential projects.

- (A) –The Electrical Permit fee shall be calculated using the following formula based on the gross square footage:

1000 Square Feet or less = \$80.00

1,001 Square Feet to 2,000 Square Feet = \$80.00 for the first 1000 Square Feet + \$6.50 per 100 square feet or fraction thereof in excess of 1,000 square feet.

2,001 square feet and greater = \$145.00 for the first 2,000 square feet + \$6.50 per 100 square feet or fraction thereof in excess of 2,000 square feet.

ELECTRICAL FEE SCHEDULE

For commercial projects and residential additions, alterations and expansion.

- (A) The Electrical Permit fee shall be calculated using the following formula based on the valuation of the improvement:

\$1.00 to \$2,000.00 = \$50.00

\$2,000.01 to \$50,000.00 = \$50.00 for the first \$2000.00 + \$2.25 for each additional \$1,000.00 or fraction thereof.

\$50,000.01 to \$500,000.00 = \$158.00 for the first \$50,000.00 + \$2.75 for each additional \$1,000.00 or fraction thereof.

\$500,000.01 and greater = \$1,395.50 for the first \$500,000.00 + \$3.25 for each additional \$1,000.00 or fraction thereof.

MECHANICAL PERMIT FEE SCHEDULE

For new residential projects.

- (A) –The Mechanical Permit fee shall be calculated using the following formula based on the gross square footage:

1000 Square Feet or less = \$80.00

1,001 Square Feet to 2,000 Square Feet = \$80.00 for the first 1000 Square Feet + \$6.50 per 100 square feet or fraction thereof in excess of 1,000 square feet.

2,001 square feet and greater = \$145.00 for the first 2,000 square feet + \$6.50 per 100 square feet or fraction thereof in excess of 2,000 square feet.

MECHANICAL PERMIT FEE SCHEDULE

For commercial projects and residential additions, alterations and expansion.

- (A) The Mechanical Permit fee shall be calculated using the following formula based on the valuation of the improvement:

\$1.00 to \$2,000.00 = \$50.00

\$2,000.01 to \$50,000.00 = \$50.00 for the first \$2000.00 + \$2.25 for each additional \$1,000.00 or fraction thereof.

\$50,000.01 to \$500,000.00 = \$158.00 for the first \$50,000.00 + \$2.75 for each additional \$1,000.00 or fraction thereof.

\$500,000.01 and greater = \$1,395.50 for the first \$500,000.00 + \$3.25 for each additional \$1,000.00 or fraction thereof.

PLUMBING FEE SCHEDULE

For new residential projects.

- (A) –The Plumbing Permit fee shall be calculated using the following formula based on the gross square footage:

1000 Square Feet or less = \$80.00

1,001 Square Feet to 2,000 Square Feet = \$80.00 for the first 1000 Square Feet + \$6.50 per 100 square feet or fraction thereof in excess of 1,000 square feet.

2,001 square feet and greater = \$145.00 for the first 2,000 square feet + \$6.50 per 100 square feet or fraction thereof in excess of 2,000 square feet.

PLUMBING FEE SCHEDULE

For commercial projects and residential additions, alterations and expansion.

- (A) The Plumbing Permit fee shall be calculated using the following formula based on the valuation of the improvement:

\$1.00 to \$2,000.00 = \$50.00

\$2,000.01 to \$50,000.00 = \$50.00 for the first \$2000.00 + \$2.25 for each additional \$1,000.00 or fraction thereof.

\$50,000.01 to \$500,000.00 = \$158.00 for the first \$50,000.00 + \$2.75 for each additional \$1,000.00 or fraction thereof.

\$500,000.01 and greater = \$1,395.50 for the first \$500,000.00 + \$3.25 for each additional \$1,000.00 or fraction thereof.

MISCELLANEOUS FEES

A. Garage Sale Permit.....	\$15.00
B. Occupancy Permit	\$50.00
C. Reinspection Fee	\$35.00
D. Returned Check Fee	\$25.00
E. Waiver of Encroachment	
General Utility Easement	\$250.00
City Right-of-Way or Easement.....	\$500.00
F. After Hours Emergency Inspection Fees.....	\$100.00

**STATE OF TEXAS
COUNTY OF BRAZORIA**

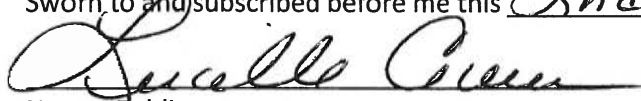
Personally appeared before the undersigned, a Notary Public within and for said

County and State. Buzz Crainer, Representative for Brenda Miller Ferguson, Publisher of the Pearland Journal, a newspaper of general circulation in the County of Brazoria, State of Texas.

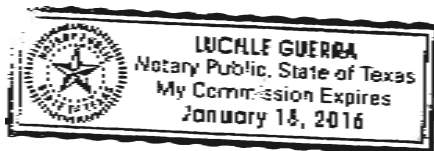
Who being duly sworn, states under oath that the report of Legal Notice, Ordinance No. 1023-6 a true copy of which is hereto annexed was published in said newspapers in its issue(s) of September 24, 2015.


Publisher's Representative

Sworn to and subscribed before me this 2nd day of October, 2015.


Notary Public

My commission expires on 1-18-16



ORDINANCE NO. 1023-6

An Ordinance of the City Council of the City of Pearland, Texas, amending development permit fees; containing a savings clause, a severability clause and a repealer clause; providing for publication and an effective date.

PASSED and APPROVED ON SECOND AND FINAL READING this the 21st day of September, A. D., 2015.

_____/s/_____
TOM REID
MAYOR

ATTEST:

_____/s/_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM
_____/s/_____
DARRIN M. COKER
CITY ATTORNEY

VOTING RECORD SECOND AND FINAL READING September 21, 2015

Voting "Aye" - Councilmembers Carbone, Reed, Moore, Ordeneaux, and Hill.

Voting "No" - 0.

Motion passes 5 to 0.

PUBLICATION DATE: September 24, 2015

EFFECTIVE DATE: October 1, 2015

PUBLISHED AS REQUIRED BY SECTION 3.10 OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS

**CITY OF PEARLAND
FY 2016 ADOPTED BUDGET
NEW PERSONNEL FUNDED**

FUND/DIVISION	TITLE	FULL-TIME	PART-TIME
<u>GENERAL FUND - 010</u>			
Human Resources	HR Generalist*	1	
Police Patrol**	Officers*	8	
Fire Operations	Firefighters***	9	6
Fire Administration	Receptionists		2
Health/Code Enforcement	Health/Code Enforcement Officer*	1	
Permits & Inspections	Plans Examiner****	1	
Community Development Administration	Small Business Coordinator*	1	
Municipal Court	Bailiff	0.52	
Parks Recreation Center/Natatorium	Recreation Specialist	-1	
	Sub-Total General Fund	20.52	8
Municipal Court Security Fund	Bailiff	0.48	-1
	GRAND TOTAL	21	7

*Funded for 6 months

**Police Patrol includes upgrades for 4 current Officers to Sergeant.

***Fire Operations for Fire Station #2 - 3 Lieutenants, 3 Driver/Operators, 3 Firefighters, 3 part-time Firefighters and 3 paid/Volunteer Firefighters

****Funded for 9 months

Note: Municipal Court Security Fund, 017, converted a part-time Bailiff position to full-time effective 10/1/15, with partial funding from the General Fund.

**CITY OF PEARLAND
FY 2016 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS**

**Items in bold type and highlighted are funded in the budget.
Items not in bold type are not funded in the FY 2015-2016 budget.**

		*****EXPENDITURES*****			
PRIORITY/ DEPARTMENT	DESCRIPTION	REVENUES	RECURRING	NON- RECURRING	TOTAL SUPPLEMENTAL
Human Resources					
1	Risk Manager		102,345	4,850	107,195
2	HR Analyst/Generalist 6 months (4/1/16)		40,667	2,650	43,317
3	City Wide Training		66,200		66,200
Total Human Resources			209,212	7,500	216,712
Information Systems					
1	Coban server hardware refresh (old to be auctioned)			36,899	36,899
2	Backup Solution replacement			26,193	26,193
3	13 semi-toughbooks for remaining patrol cars			45,500	45,500
4	Replace docking stations in police vehicles			43,125	43,125
5	Laserfiche upgrade & 45 user licenses		84,000		84,000
6	Network switch replacement (old to be auctioned) PSB/Parks		8,000	101,031	109,031
7	Phone system upgrade			45,000	45,000
8	New switching for SAN at PD			33,000	33,000
9	SAN at PD			200,000	200,000
10	Dell Kace System			82,619	82,619
11	Microsoft Enterprise Agreement		200,000		200,000
12	Malwarebytes Business		7,802		7,802
Total Information Systems			299,802	613,367	913,169
Finance					
1	ClearPoint Balanced Scorecard Software*		6,500		6,500
2	Insurance Software (claim tracking and reporting)		4,000	17,000	21,000
Total Finance			10,500	17,000	27,500
Fire					
1	Convert Volunteer FF to Paid eff. 10/1/15		168,522		168,522
2	Nuisance Abatement			25,000	25,000
3	MDT's for apparatus		2,340	48,112	50,452
4	Hazardous Mitigation Plan update			50,000	50,000
5	SCBA Replacement Program (10%)		60,000		60,000
6	Health/Code Enforcement Officer & vehicle (6 mo) 4/1/16		29,150	28,310	57,460
7	Deputy Emerg. Mgt. Coordinator (EMC), & vehicle		86,387	42,105	128,492
8	LUCAS Device*			15,000	15,000
9	CPAP & Vent (2), cardia monitor		12,704		12,704
10	Receptionist - 2 part-time 12 months (10/1/15)		30,405		30,405
14	Stryker stretcher (2), Stair Chair (2), & Backboards replcmt\		38,636		38,636
11	Thermal Imaging Camera replacement - 2		19,000		19,000
12	EMT Intermediate incentive pay		14,478		14,478
13	Field Training Officer incentive pay		19,328		19,328
15	Replacement SUV - U141			52,175	52,175
16	Portable hand held digital radios - 5			30,021	30,021
17	Hydraulic tool, airbag, strut replacement		35,900		35,900
18	gas detector/hotsick/saw/gear hangars/bldg repairs		8,972		8,972
19	mountain bike restriping		5,500		5,500
20	Full-time Fire Inspector/Investigator & vehicle**		78,239	50,669	128,908

*LUCAS Device budgeted in Donation Fund 018.

**Firefighters will assist with inspections in lieu of adding a position.

**CITY OF PEARLAND
FY 2016 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS**

**Items in bold type and highlighted are funded in the budget.
Items not in bold type are not funded in the FY 2015-2016 budget.**

		*****EXPENDITURES*****			
PRIORITY/ DEPARTMENT	DESCRIPTION	REVENUES	RECURRING	NON- RECURRING	TOTAL SUPPLEMENTAL
21	Nuisance abatement on Bailey Road - annexation			10,000	10,000
22	2 cardiac monitors - year 1 of proposed 3 year replacement program		2,342	72,394	74,736
	Increase health/code enforcement inspection fees	31,200			
	Total Fire	31,200	611,903	423,786	1,035,689
Parks					
1	Cardio & Strength equipment for Recreation Center		103,000		103,000
2	Replace playground surface at Southdown Park*			71,020	71,020
3	GreenCity GIS system		3,000	47,000	50,000
4	Volunteer recognition program (fund within current allocation)		6,922		6,922
5	Tree Contract - in addition to \$11,000 in base		62,685		62,685
	Facility Rentals Fee Increase	26,000			
	Membership Fee Increases	127,000			
	Total Parks & Recreation	153,000	175,607	118,020	293,627
	*\$20,000 budgeted in Parks Development Fund 047, total of \$71,020.				
Police					
1	4 Police Sergeant upgrades - 2, 12 mos. & 2, 6 mos. & 8 Police Officers & 2 vehicles - 6 months		402,343	488,022	890,365
2	Business Manager		73,876	2,400	76,276
3	Detective assignment pay, \$200/mo (10/1/15)		43,200		43,200
4	Police Officer bilingual pay additional \$0.50 to each level		47,269		47,269
5	Police Officer certification pay upgrade \$200/month		77,418		77,418
6	Police education pay increase \$600/year		47,728		47,728
7	Pano-scan Pointgun Scanner*			68,000	68,000
8	3 helmet mounted night vision devices**			45,000	45,000
9	3 night-ops laser targeting devices**			5,100	5,100
10	2 night-ops sniper scopes			19,000	19,000
11	Contraband inspection kit for K-9 units			24,995	24,995
12	Mobile Command Post		4,000	133,110	137,110
13	Paint armored vehicle & emergency equipment			20,654	20,654
14	E-Ticket Printers - 1st year of 3 year roll-out		36,300		36,300
15	Animal License and Shelter Fees	2,000			
	Total Police	2,000	732,134	806,281	1,538,415
	*Pano-scan Pointgun Scanner funded in Police Federal Seizure Fund 062.				
	**10 additional devices already obtained through UASI grant and inter-local agreement with League City.				
Engineering & Capital Projects					
1	Multi-Modal (Transportation) Master Plan - pushed to 2017			500,000	500,000
2	Atser Software Maintenance Upgrade*		3,000	55,000	58,000
3	Travel		1,500		1,500
	Total Engineering & Capital Projects		4,500	555,000	559,500
	*\$55,000 funded in CIP				
Communications					
	Communications Intern (Oct 1 start)		29,822	550	30,372
	Total Communications		29,822	550	30,372

**CITY OF PEARLAND
FY 2016 ADOPTED BUDGET
GENERAL FUND
SUPPLEMENTAL AND CAPITAL REQUESTS**

**Items in bold type and highlighted are funded in the budget.
Items not in bold type are not funded in the FY 2015-2016 budget.**

PRIORITY/ DEPARTMENT	DESCRIPTION	*****EXPENDITURES*****			
		REVENUES	RECURRING	NON- RECURRING	TOTAL SUPPLEMENTAL
Municipal Courts					
	Increase PT Bailiff to Full-time 12 months (10/1/15)		26,792		26,792
	Total Municipal Courts		26,792		26,792
	*\$5,239 funded out of Court Security Fund				
Community Development					
1	Reclass Office Assistant to Senior Office Assistant		3,330		3,330
2	Reclass Plans Examiner to Asst Building Official 9 mos. (1/1/16)		7,085		7,085
	1 Plans Examiner 9 months (1/1/16)		50,609	2,450	53,059
3	Temporary Receptionist - 1 yr 40 hrs/wk			31,200	31,200
4	Planning Services*			50,000	50,000
5	Reclass Office Supervisor to Inspection Services Supervisor		7,434		7,434
6	Small Business Coordinator 6 months (4/1/16)		36,500	2,450	38,950
7	Reclass 4 Permit Clerks to Permit Technicians		35,597		35,597
8	Hyperlink UDC/Development Handbook			110,000	110,000
9	Document Scanning/Archiving			65,000	65,000
	Electrical Fee Increase - Residential & Commercial	60,785			
	Plumbing & Gas Fee Increase - Residential & Commercial	30,253			
	Mechanical Fee Increase - Residential only	14,520			
	Total Community Development	105,558	140,555	261,100	401,655
	*\$50,000 for Plan Review service is budgeted in the FY 2016 Planning Dept base; Dept requested an additional \$50,000.				
Public Works - General Fund					
1	Facilities Assessment Study*			50,000	50,000
2	Landscape Enhancements to contracted locations		102,000		102,000
3	Animal Services Facility Rehab**			35,000	35,000
4	Rec Center Water Softener System			20,500	20,500
5	Rec Center Gymnasium Equipment Maintenance		7,722		7,722
6	Corridor Traffic Signal Timing			50,000	50,000
7	Landscape Architect			45,000	45,000
8	Dectron HVAC Training			12,000	12,000
9	Iphones for facilities		5,880	1,000	6,880
10	Replacement Tack Tank Asphalt Distributor Trailer			21,878	21,878
11	New Skid Steer			95,136	95,136
12	Replacement Dump Truck (unit TH111)			150,060	150,060
13	Curb Line Maintenance Program		30,000		30,000
14	Pressure Washing of Flatwork Program		30,000		30,000
15	Broadway Landscape Enhancements (Mykawa - Smith Ranch Rd)			25,000	25,000
16	Broadway Landscape Enhancements (SH 288 - FM 521)			150,000	150,000
17	Annexation - Signs, hardware, lane markings, and sign poles			34,144	34,144

*Original amount requested for Facilities Assessment Study was \$250,000.

**\$35,000 for Animal Services Facility rehab is budgeted in Donation Fund 018.

**CITY OF PEARLAND
 FY 2016 ADOPTED BUDGET
 GENERAL FUND
 SUPPLEMENTAL AND CAPITAL REQUESTS**

**Items in bold type and highlighted are funded in the budget.
 Items not in bold type are not funded in the FY 2015-2016 budget.**

		*****EXPENDITURES*****			
PRIORITY/ DEPARTMENT	DESCRIPTION	REVENUES	RECURRING	NON- RECURRING	TOTAL SUPPLEMENTAL
Public Works - Water/Sewer Fund					
1	Meter Testing		50,356		50,356
1	6" meter in vault replacement - PHS			13,777	13,777
1	6" combination meter - Tranquility Lakes Apt			10,300	10,300
1	Replacement Registers		93,500		93,500
2	Time Clocks - in ERP budget			13,170	13,170
3	Chemical Feeder			25,000	25,000
4	Water Facility Restroom at 518 water facility			15,000	15,000
5	RD 7000 plus Line locator			8,000	8,000
6	Chemical Containment Walls (Water Production)			350,000	350,000
7	Infrastructure Management Program - deferred to 2017*		30,000	250,000	280,000
	Total Public Works		349,458	1,374,965	1,724,423
*Funding split General Fund and Water/Sewer Fund					
Utility Customer Services - Water/Sewer Fund					
1	Revenues (excluding rate increase)	9,750			
	Total Utility Billing	9,750			
Other Requirements = WaterSewer Fund					
	Rate Model			70,000	70,000
	Total Other Requirements			70,000	70,000
CVB - Hotel/Motel Occupancy Tax Fund					
1	Pear Trail			30,000	30,000
	Arts Grants for Pear Trail creations			15,000	15,000
	Total CVB			45,000	45,000
TOTAL GENERAL FUND		301,508	2,590,285	4,292,569	6,882,854

**CITY OF PEARLAND
 FY 2016 ADOPTED BUDGET
 WATER AND SEWER FUND
 SUPPLEMENTAL AND CAPITAL REQUESTS**

*****EXPENDITURES*****

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>REVENUES</u>	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL SUPPLEMENTAL</u>
Public Works					
1	Large Meter Testing		41,656		41,656
1	2" Meter Testing		8,700		8,700
1	6" meter in vault replacement - PHS		13,777		13,777
1	6" combination meter - Tranquility Lakes Apt		10,300		10,300
1	Replacement Registers		93,500		93,500
2	Time Clocks - in ERP budget			13,170	13,170
3	Chemical Feeder			25,000	25,000
4	Water Facility Restroom			15,000	15,000
5	RD 7000 plus Line locator			8,000	8,000
6	Chemical Containment Wall			350,000	350,000
7	Infrastructure Management Program - deferred to 2017*		30,000	250,000	280,000
			197,933	661,170	859,103
	*Funding split General Fund and Water/Sewer Fund				
Utility Billing					
1	Revenues	9,750			
			9,750		
Other Requirements					
	Rate Model				70,000
					70,000
TOTAL WATER AND SEWER FUND		9,750	197,933	661,170	929,103



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GLOSSARY

A

ABATEMENT – A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to tax levies, special assessments and service charges.

ACCOUNT – A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.

ACCOUNTS PAYABLE – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNT RECEIVABLE – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government.

ACCOUNTING SYSTEM – The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL ACCOUNTING – A basis of accounting in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred instead of when cash is actually received or spent.

ACCRUED INTEREST – Interest that has been earned and recorded, but has not been received.

AD VALOREM TAX – A tax based on value of land and improvements (property tax).

AGENDA – A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the open meetings act.

APPROPRIATION – An authorization granted by City Council to make expenditures and to incur obligations for a specific purpose. Usually limited in amount and as to the time when it may be expended.

ARBITRAGE – With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn positive arbitrage in connection with tax-exempt bonds.

ASSESSED VALUATION – A valuation set upon real estate or other property by government as a basis for levying taxes.

ASSETS – Property owned by a government, which has economic value, especially which could be converted to cash.

AUDIT – A standardized, systematic and independent examination of data, statements, records, operations and performances of an enterprise for the purpose of examining for compliance with standardized procedures for managing cash on hand, receipts, payments, investments, and other allocations of monetary resources, capital assets or the use of personnel time and expertise.

B

BALANCE SHEET – A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

BALANCED BUDGET – Total recurring expenditures for any fiscal year shall not exceed total recurring revenues for that same fiscal year.

BOND – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

BOND REFERENDUM – A bond referendum is an opportunity for voters to decide if the city will be authorized to borrow funds to address specific capital project needs for which ad valorem taxes are pledged for repayment.

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term is also sometimes used to denote the officially approved expenditure ceiling under which a government and its departments operate.

BUDGET CALENDAR – The schedule of key dates or milestones, which a government follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget making authority to present a comprehensive financial program to the appropriating governing body.

BUDGET INSTRUCTIONS – The guidance document produced by the City's financial management unit, for use by departmentally-authorized personnel, establishing the annual practices and procedures for developing and submitting a proposed budget for approval by the City's governing body.

BUDGET MESSAGE – A general discussion of the adopted budget presented in writing as a part of or supplement to the budget document.

BUDGETARY CONTROL – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within limitations of available appropriation and available revenues.

BUILT ENVIRONMENT – Human-made (vs natural) improvements such as infrastructure, buildings, parks, etc.

C

CAPITAL ASSETS – Long-term assets, such as buildings, equipment, and infrastructure, intended to be held or used in operations.

CAPITAL PROJECTS – Acquisition or construction of major capital facilities.

CAPITAL IMPROVEMENT PROGRAM – A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAY – Expenditures for the acquisition of capital assets.

CAPITAL PROJECT FUNDS – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

CARRYOVER – Expenditures budgeted in one year for materials, equipment programs, etc., but not spent until the following fiscal year. Funding for non-recurring expenditures can carry over to the following fiscal year if approved by the City Manager and City Council. City Council formally amends the budget to approve carryover funding. Revenues can also carryover if they were anticipated in one fiscal year but not received until the following year.

CASH BASIS – A method of accounting in which revenues and expenses are recognized and recorded when received, not necessarily when earned.

CERTIFICATE OF DEPOSIT – A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

CERTIFICATE OF OBLIGATION – A debt instrument that is issued by the City and has the same legal status as a general obligation bond. Proceeds from the issuance of the certificates may be used for the construction of public works or payment of contractual obligations for professional services. These certificates do not require voter approval.

CHARTER – Written instrument setting forth principles and laws of government within boundaries of the City.

CHART OF ACCOUNTS – The classification system used by the City to organize the accounting for various funds.

CHECK – A bill of exchange drawn on a bank and payable on demand.

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

CONSUMER PRICE INDEX (CPI) – The monthly data on the changes in the prices paid by urban consumers for a representative basket of goods and services.

CONTINGENCY – Funds set aside in a reserve account for major expenditures or for emergencies.

COST – The amount of money or other consideration exchanged for property or services. Costs may be incurred even before money is paid; that is, as soon as a liability is incurred. Ultimately, however, money or other consideration must be given in exchange.

CURRENT ASSETS – Cash and other assets expected to be converted to cash, sold, or consumed either in a year or in the operating cycle.

CURRENT LIABILITIES – Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded within one year.

DEBT SERVICE FUND – A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal interest, and related costs. Also called a Sinking Fund.

DEFICIT – The excess of expenditures over revenues during an accounting period; or in the case of Enterprise and Intra-governmental Service Funds, the excess of expense over income during an accounting period.

DEPARTMENT – A distinct, usually specialized division of a large organization. A principal administrative division of a government normally under the oversight of an Executive Director, Assistant City Manager or City Manager.

DELINQUENT TAXES – Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached.

DEPRECIATION – A non-cash expense that reduces the value of an asset as a result of wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

DEVELOPER REIMBURSEMENT – Reimbursement to a developer from the City for infrastructure developed on behalf of the City.

E

EFFECTIVE TAX RATE – The tax rate required to generate the same amount of revenue as in the preceding year on the same properties.

ENTERPRISE FUND – A fund used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The significant characteristic of Enterprise Funds is that the accounting system must make it possible to show whether the activity is operated at a profit or loss, similar to comparable private enterprises. Thus, the reports of enterprise funds self-contained and creditors, legislators or the general public can evaluate the performance of the municipal enterprise on the same basis as they can the performance of investor-owner enterprises in the same industry.

EXPENDITURES – Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

EXTRATERRITORIAL JURISDICTION (ETJ) – The land bordering a City's limits that the City has limited control over but does not furnish City services to nor collect ad valorem taxes from. This is an area outside of City limits that is subject to annexation.

F

FIDUCIARY FUND – A fund used to account for assets held in trust by the City for the benefit of individuals or other entities and is responsible for handling the assets placed under its control.

FISCAL YEAR – A twelve-month period of time to which the annual budget applies, and at the end of which, the City determines its financial position and results of operations.

FIXED ASSETS – Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, and improvements other than land.

FRANCHISE – A special privilege granted by a government, permitting the continued use of public property, such as City streets, and usually involving the elements of monopoly and regulation.

FULL-TIME EQUIVALENT (FTE) – One full-time equivalent works 2,080 hours a year; a person working 1,040 hours per year is equivalent to 0.5 FTE.

FUND – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objective.

FUND BALANCE – The excess of an entity's assets over its liabilities.

FUND BALANCE POLICY – A minimum fund balance that is required to be kept in reserve as defined in financial policy statements. Fund balances over the policy requirements may be appropriated in the budget.

G

GENERAL FIXED ASSETS – Capital assets that are not assets of any particular fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental (as opposed to proprietary or fiduciary) funds.

GENERAL FUND – The General Fund is the general operating fund of the City. It is used to account for the resources devoted to finance the services traditionally associated with local government, except those activities that are required to be accounted for in another fund. Transactions are recorded on the modified accrual basis.

GENERAL OBLIGATION BONDS – When a government pledges its full faith and credit to the payment of the bonds it issues, those bonds are general obligation bonds.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting.

GOVERNMENTAL FUNDS – Funds generally used to account for tax-supported activities. The acquisition, use and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects and Debt Service).

GRANTS – A contribution by one government unit to another. The contribution is usually made to aid in the support of a specific function, purpose, activity or facility.

GULF COAST WATER AUTHORITY – Created by the State Legislature in 1965, its main mission is to acquire water supplies, store, transport, treat and purify, sell and deliver water, both surface and underground, for industry, agriculture and municipalities in Brazoria, Fort Bend, and Galveston Counties.

I

IMPACT FEES – Fees charged to developers to cover in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

INCOME – A term used in proprietary fund-type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

INFRASTRUCTURE - Fixed assets that are immovable and have value only to the governmental unit. Common examples of infrastructure include roads, sidewalks, bridges and streetlights.

INTERGOVERNMENTAL REVENUE – Revenue received from another governmental unit for a specific purpose.

INTERNAL SERVICE FUND – Internal Service Funds are used to account for the financing of goods or services provided by one fund or department to another fund or department on a cost reimbursement basis.

ISO RATING – The Insurance Service Office (ISO) performs surveys to assist insurance organizations with setting up the insurance ratings for the communities. The ISO will perform a survey to assign a public protection grade to each fire department, which is used in the development of insurance rates for all properties within the protected area. Grading starts at 1, which is the best possible score and ends at 10, which is considered unacceptable.

L

LEASE/PURCHASE – A financing tool utilized to fund large capital outlays where the city may not have cash immediately available for purchase. This arrangement allows the city to use the item while payments are being made.

LEDGER – A group of accounts in which are recorded the financial transactions of a governmental unit or other organization.

LEVY - To impose taxes or special assessments. The total of taxes or special assessments imposed by a governmental unit.

LIABILITIES – Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

LONG-TERM DEBT – Debt with a maturity of more than one year after date of issuance.

M

MODIFIED ACCRUAL BASIS – The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

MUNICIPAL UTILITY DISTRICT (MUD) – A special district whose purpose is to provide water and sewer services to the residences and businesses within its boundaries. The district has ad valorem taxing power and can issue bonds to pay for construction and improvements to the district's system. Districts are typically established in unincorporated areas, but can also lie within the boundaries of one or more cities.

N

NOTE PAYABLE – An unconditional written promise signed by the maker, to pay a certain sum in money on demand or at a fixed or determinable future time, either to the bearer or to the order of a person designated.

O

OPERATING BUDGET – Plans of current expenditures and the proposed means of financing them.

ORDINANCE – A formal legislative enactment by the governing body of a municipality.

ORGANIZATIONAL UNIT – A responsibility center within a government.

P

PERFORMANCE MEASURES – Specific quantitative measures of work performed within an activity or program. They may also measure results obtained through an activity or program.

PERSONNEL SERVICES – The costs associated with compensating employees for their labor (salaries, wages, insurance, payroll taxes, and retirement contributions).

PROJECTION – A forecast of future trends in the operation of financial activities done through the remainder of the fiscal year to gain a better picture of the City's finances. The projections are adopted as the revised budget during the budget adoption process.

PROPERTY INSURANCE FUND – Accounts for the activities of the city's property and casualty insurance.

PROPERTY TAX – An annual or semi-annual tax paid to one or more governmental jurisdictions based on the real and personal property's assessed valuation and the tax rate, done in compliance with the State Property Tax Code.

PROPRIETARY FUND – A governmental accounting fund having profit and loss aspects; therefore, it uses the accrual rather than modified accrual accounting method. The two types of proprietary funds are the Enterprise Fund and the Internal Service Fund.

PURCHASE ORDER – A document issued to authorize a vendor or vendors to deliver specified merchandise or render a specified service for a stated estimated price.

R

RATINGS – Designations used by credit rating agencies to give relative indications of credit quality. Municipal bonds rated Baa or BBB and above are considered to be investment-grade.

REFUNDING BONDS – Bonds issued to retire bonds already outstanding.

RESERVE – An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

RETAINED EARNINGS – The accumulated earnings of an enterprise or internal service fund which have been retained in the fund and which are not reserved for any specific purpose.

REVENUES – The term designates an increase to a fund's assets. An item of income.

REVENUE BONDS – Bond whose principal and interest are payable exclusively from earnings of an enterprise fund.

ROLLBACK RATE – If a unit adopts a tax rate that is higher than the rollback rate, voters in the unit can circulate a petition calling for an election to limit the size of the tax increase.

S

SALARIES & WAGES – Fixed compensation paid to employees for work or services provided.

SALES TAX – A state tax of 6.25% is imposed on all retail sales, leases and rentals of most goods, as well as taxable services. Texas cities and counties have the option of imposing additional local sales taxes for a combined total of state and local taxes of 8.25%.

SHORT-TERM DEBT – Debt with a maturity of one year or less after the date of issuance.

SPECIAL ASSESSMENT – Used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

SPECIAL REVENUE FUNDS - Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

STRUCTURAL IMBALANCE – In the budgetary process of matching ongoing expenditures with ongoing revenues, a condition that occurs when expenditures exceed revenues.

I

TAX LEVY – The total amount to be raised by general property taxes for intentions specified in the Tax Levy Ordinance.

TAX LEVY ORDINANCE – An ordinance through which taxes are levied.

TAX RATE – The rate at which a municipality may levy a tax. Tax levied for each \$100 of assessed valuation. The amount of tax stated in terms of a unit of the tax base.

TAX ROLL – The official list showing the amount of taxes levied against each taxpayer or property.

TAXES – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

V

VENDOR – The seller of merchandise or services.

VOUCHER – A document, which evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.

W

WORK ORDER – A written order authorizing and directing the performance of a certain task and issued to the person who is to direct the work.

WORKING CAPITAL – A financial metric which represents operating liquidity available to an organization or governmental entity. Net Working Capital is calculated as current assets minus current liabilities.

Y

YIELD – The rate earned on an investment based on the price paid for the investment, the interest earned during the period held and the selling price or redemption value of the investment.

ACRONYMS

<u>ACM</u> – Assistant City Manager	<u>FF&E</u> – Furniture, Fixtures & Equipment
<u>ACS</u> – American Community Survey	<u>FIRMS</u> – Flood Insurance Rate Maps
<u>ADA</u> – Americans with Disabilities Act of 1990	<u>FLSA</u> – Fair Labor Standards Act
<u>AISD</u> – Alvin Independent School District	<u>FM</u> – Farm-to-Market Road
<u>BCLS</u> – Brazoria County Library System	<u>FOIA</u> – Freedom of Information Act of 1966
<u>CAFR</u> – Comprehensive Annual Financial Report	<u>FOG</u> – Fats Oil Grease
<u>CDBG</u> – Community Development Block Grant	<u>FS</u> – Fire Station
<u>CH</u> – City Hall	<u>FT</u> – Full-Time
<u>CIP</u> – Capital Improvement Program	<u>FTE</u> – Full-Time Equivalent
<u>CM</u> – City Manager	<u>FY</u> – Fiscal Year
<u>CO's</u> – Certificates of Obligation and Certificates of Occupancy	<u>GAAP</u> – Generally Accepted Accounting Principals
<u>CPA</u> – Certified Public Accountant	<u>GASB</u> – Governmental Accounting Standards Board
<u>CPAP</u> – Continuous Positive Airway Pressure	<u>GF</u> – General Fund
<u>CPI</u> – Consumer Price Index	<u>GFOA</u> – Government Finance Officers Association of the United States and Canada
<u>CPR</u> – Cardiopulmonary Resuscitation	<u>GIS</u> – Geographical Information Systems
<u>CR</u> – County Road	<u>GO's</u> – General Obligation Bonds
<u>CVB</u> – Convention and Visitors' Bureau	<u>GCWA</u> – Gulf Coast Water Authority
<u>DCM</u> – Deputy City Manager	<u>GPS</u> – Global Positioning System
<u>DDACTS</u> – Date Driven Approaches to Crime and Traffic Safety	<u>HERO</u> – Housing Enforcement & Rehab Opportunity
<u>DS</u> – Debt Service	<u>HGAC</u> – Houston-Galveston Area Council
<u>DWI/DUI</u> – Driving While Intoxicated/Driving Under the Influence	<u>HHW</u> – Household Hazardous Waste
<u>EDC</u> – Economic Development Corporation	<u>HIDTA</u> – High Intensity Drug Trafficking Area
<u>EMPG</u> – Emergency Management Program Grant	<u>HR</u> – Human Resources
<u>EMS</u> – Emergency Medical Services	<u>HTE</u> – Harward Technology Enterprise (The City's current ERP, by Sungard)
<u>EMT</u> – Emergency Medical Technician	<u>HUD</u> – Housing and Urban Development
<u>ERP</u> – Enterprise Resource Planning	<u>HVAC</u> – Heating, Venting & Air Conditioning
<u>ETJ</u> – Extra Territorial Jurisdiction	<u>ICC</u> – International Code Council
<u>FF</u> – Firefighter	<u>I&I</u> – Inflow and Infiltration
	<u>IS</u> – Information Systems

ISO – Insurance Service Office

IT – Information Technology

ITS – Intelligent Traffic System

JAT – Job Assessment Tool

JHEC – John Hargrove Environmental Complex

KPB – Keep Pearland Beautiful

LF – Linear Feet

LKMD – Lower Kirby Management District

LS – Lift Station

LTD – Limited

LUCAS – Lund University Cardiac Arrest System

M – Millions

MDT – Mobile Data Terminal

MGD – Million Gallons per Day

MHI – Median Household Income/Mitsubishi Heavy Industries

MSA – Metropolitan Statistical Area

MUD – Municipal Utility District

NIC – Net Interest Costs

O&M – Operations & Maintenance

P&Z – Planning & Zoning

PC - Personal Computer

PCI – Pavement Condition Index

PD – Police Department

PEDC – Pearland Economic Development Corporation

PEG – Public, Educational and Government Channel (television)

PER – Preliminary Engineering Report

PFIA – Public Funds Investment Act

PGSA – Pearland Girls Softball Association

Phs – Phase (as in construction phase I, II)

PHS – Pearland High School

PISD – Pearland Independent School District

PMMD – Pearland Municipal Management District

PSB – Public Safety Building

PT – Part-time

PTC – Pearland Town Center

QA/QI – Quality Assurance/Quality Improvement

RC/N – Recreation Center/Natatorium

RD – Radio Detection

ROW – Right-of-Way

ROWS – Right-of-Ways

RSA – Recognized Sports Association

S&P – Standard & Poor’s

SAN –Storage Area Network

SCADA – Supervisory Control and Data Acquisition

SCBA – Self Contained Breathing Apparatus

SCR – Shadow Creek Ranch

SEC – Securities and Exchange Commission

SF – Square Feet/Foot

SH288 – State Highway 288

SNAP – Safe Neighborhoods Around Pearland

SPA – Strategic Partnership Agreement

SQ. FT. - Square Foot/Feet

SRO – School Resource Officer

SUI – State Unemployment Insurance

SUV – Sports Utility Vehicle

TAAF – Texas Amateur Athletic Foundation

TCEQ – Texas Commission on Environmental Quality

TCLEOSE – Texas Commission on Law Enforcement Officers Standards and Education

TCO – Telecommunications Operator

TCOLE - Texas Commission on Law Enforcement
Officers Standards and Education

TIC – True Interest Costs

TIP – Transportation Improvement Plan

TML – Texas Municipal League

TMRS – Texas Municipal Retirement System

TIRZ – Tax Increment Reinvestment Zone

TxDOT – Texas Department of Transportation

TWDB – Texas Water Development Board

UCR – Uniform Crime Reporting

UDC – Unified Development Code

UHCL – University of Houston-Clear Lake

UofH – University of Houston

W&S – Water & Sewer

W/S – Water & Sewer

WEC – Westside Events Center

WWM – Waste Water Management

WWTP – Waste Water Treatment Plant

ZBA – Zoning Board of Adjustment

CITY OF PEARLAND, TEXAS



Fiscal Year Adopted Budget

2015 - 2016

pearlandtx.gov



City of Pearland
3519 Liberty Drive
Pearland, Texas 77581
Phone: 281.652.1600
Email: cityofpearland@pearlandtx.gov
pearlandtx.gov